Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 968 (1991)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1990

Parliamentary Assembly

1. The Assembly has received the report on the activities of OECD in 1990 (Doc. 6446), and a reply thereto has been presented by its Committee on Economic Affairs and Development (Doc. 6473). Furthermore, opinions have been presented by its Committee on Science and Technology (Doc. 6485), its Social, Health and Family Affairs Committee (Doc. 6500), its Committee on the Environment, Regional Planning and Local Authorities (Doc. 6487), its Committee on Migration, Refugees and Demography (Doc. 6491), its Committee on Agriculture (Doc. 6474) and its Committee on Culture and Education.

2. The debate was held with the participation of parliamentary delegations from Australia, Canada, Japan and New Zealand, and of the European Parliament.

3. Furthermore, the Assembly - disappointed in the failure of the world community to reach agreement in the Uruguay Round of multilateral trade talks by the end of 1990 - reaffirms its belief that a successful conclusion to the Round remains vital for continued economic growth in the world, and that it will be highly relevant also for developing countries and for Central and Eastern Europe.

4. The Assembly reiterates its frequently expressed support in favour of political and economic reform in Central and Eastern Europe and for help in meeting its social implications, and encourages the countries concerned to persist in their efforts, in spite of the considerable difficulties and sacrifices involved.

A. Economic policies and co-operation in related fields

5. The overall economic development in the OECD area is now less than vigorous, with an expected average growth rate of only 1% in 1991, down from 2,6% in 1990. However, prospects remain for a resumed growth of 3% in 1992, although this figure masks considerable differences in performance among member countries.

6. Economic activity in the OECD area slowed considerably in the first half of this year, reflecting, at least in part, the Gulf war and the events preceding it. However, the quick and conclusive coalition victory, which resulted in a rebound of consumer and business confidence, declines in interest rates in a number of countries and the return of oil prices to their pre-crisis levels should underpin a recovery of growth in the second half of 1991.

7. Inflation is expected to be moderate in countries where economic conditions have deteriorated, but remains a concern in a number of other countries. In these circumstances, monetary policy should remain vigilant with regard to inflation, supported by fiscal policy.

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1. Assembly debate on 20 September 1991 (12th Sitting) (seeDoc. 6473, report of the Committee on Economic Affairs and Development, Rapporteur : Mr Dees ; Doc. 6500, opinion of the Social, Health and Family Affairs Committee, Rapporteur : Mr Mikan ; Doc. 6485, opinion of the Committee on Science and Technology, Rapporteur : Mr Lenzer ; Doc. 6487, opinion of the Committee on the Environment, Regional Planning and Local Authorities, Rapporteur : Mr Eisma ; Doc. 6491, opinion of the Committee on Migration, Refugees and Demography, Rapporteur : Mr Grussenmeyer ; and Doc. 6474, opinion of the Committee on Agriculture, Rapporteur : Lord Kinnoull). Text adopted by the Assembly on 20 September 1991 (12th Sitting).

8. A prudent fiscal policy aimed at reducing public sector deficits is even more important given the strain on the world's capital resources stemming from substantial public borrowing on the part of several OECD countries, and from enhanced financial requirements in Central and Eastern Europe and many developing countries.

9. Unemployment in the OECD area, up from 6,2% in 1990 to an expected 7,1% of the active work-force in 1991, remains disappointingly high, especially when considering the opportunities of reducing it offered in the last decade of almost uninterrupted economic growth.

10. Yet OECD countries' concerns appear insignificant in comparison with those faced by many less developed countries and by several nations in Central and Eastern Europe trying to reform their economies. It is more important than ever to help these two groups of countries progress towards greater democracy and towards socially just and environmentally sound market-oriented economies, and to assist them in halting environmental deterioration.

11. All countries have to tackle simultaneously global environmental threats, such as the destruction of the ozone layer, global warming, soil erosion and the destruction of tropical forests and the world's genetic variety of fauna and flora. While only joint action by the entire world community may provide solutions to these problems, OECD member countries with their greater resources have a special responsibility to initiate it.

12. The above situation - as well as the plight of developing countries and the many serious environmental problems facing OECD countries and the world as a whole - indicates that market forces must be supplemented by joint, OECD-wide policies capable of ensuring a sustainable, job-creating, socially just and environmentally sound development.

13. The Assembly in consequence calls on OECD member countries :

13.1. to pursue the current Uruguay Round negotiations in a spirit of understanding and compromise, with a view to reaching a substantial and comprehensive conclusion as early as possible, preferably before the end of 1991, thus contributing to the construction of a universally fair, open and orderly world trade system including improvements in revenues for commodity-exporting developing countries ;

13.2. to achieve common ground in the GATT Round for definite progress in areas such as agriculture and services, and to search for ways to promote a better understanding of the linkages between international trade and environmental policy ;

13.3. to persist, in spite of the present slow-down in economic growth, in carrying out structural reform in all relevant domains, thus enhancing the adaptability of their societies to a constantly changing environment, and preparing the ground for long-term, sustainable growth ;

13.4. to reinforce their struggle against inflation, and to ensure that it remains low even as economies gain renewed strength ;

13.5. to reduce, where necessary and possible, budget deficits, thus alleviating the burden on monetary policy and contributing to the achievement of a better balance between domestic savings and investment ;

13.6. to take more determined action against unemployment, in particular through improved school education and expanded professional training programmes involving governments, companies and trade unions ;

13.7. to ensure that economic growth not only respects the environment, but actively contributes to its preservation through the full integration of economic and environmental policies, and to an ecological renewal of industrial societies ;

13.8. for this purpose, to publish regularly national reports on ‘‘the state of the environment", along the lines of those prepared by OECD on behalf of all member countries, and to co-operate fully with OECD in carrying out environmental performance reviews ;

13.9. to take stronger preventive action against all sorts of nuclear radiation, be it from nuclear plants, industry, buildings, medical equipment or other sources ;

13.10. to seek to establish joint policies as regards world-wide environmental threats, such as global warming or the destruction of the world's ozonelayer, and to explore further possible joint approaches, including, for instance, the introduction of ‘‘CO2 taxes" ;

13.11. to do their utmost to ensure that the United Nations Conference on Environment and Development, to be held in 1992, may signify a breakthrough for achieving sustainable development.

14. The Assembly also calls on OECD member countries, in their relations with developing countries :

14.1. to work in favour of the implementation of the OECD Development Assistance Committee (DAC) policy guidelines ‘‘Development Co-operation in the 1990s", and in particular those which stress the need for environmentally sound strategies which benefit and involve the broad masses of populations and promote social justice, democracy and human rights ;

14.2. to develop the concept of policy coherence to ensure that all policy areas, including development assistance, are consistent and in concert with each other, so as to strengthen the institutional and economic capacities of all developing countries ;

14.3. to cancel, entirely or partially, official development assistance loans, and to work in favour of alleviating the remaining debt burden - in exchange for firm commitments on the part of recipient countries to environmental protection, and political and economic reform ; iv. not to diminish their official development assistance to these countries under the strain of other commitments, but if possible to enhance it, seeking to achieve at least the United Nation goal of 0,7% of GNP and this by the mid-1990s, and to pay particular attention to the needs of the least developed among them as they carry out structural adjustment, by helping them to overcome negative effects, in particular in the social, health, education and economic fields.

15. Furthermore, the Assembly calls on OECD member countries, in their relations with countries in Central and Eastern Europe :

15.1. to render their own markets more accessible on a most-favoured nation basis to exports from the countries concerned, since failure to do so risks endangering economic growth and even the prospects for democracy in the region ;

15.2. to intensify their technical and financial assistance for socially just and environmentally sound market-oriented economies to those countries which are clearly committed to democracy, human rights and the rule of law - some of which are already, or are likely soon to become, members of the Council of Europe - and to encourage other countries in the region to follow their example ;

15.3. in particular, to co-ordinate their action when it comes to alleviating the foreign debt of the countries concerned under the aegis of the International Monetary Fund and the Paris Club ;

15.4. to improve their infrastructure and restore their environment through such bodies as OECD, the European Bank for Reconstruction and Development, the European Community, EFTA and the Council of Europe ;

15.5. to strengthen their assistance and co-operation in the field of vocational training in all sectors.

16. With regard to OECD, the Assembly :

16.1. welcomes the conclusion of OECD's Technology/Economy Programme (TEP) and encourages the organisation to ensure that its emphasis on the importance of technology, education and company culture for economic development is heeded by policy-makers in member countries ;

16.2. renews its call for OECD to study the economic and social implications of reduced military expenditure, and in particular the problems, possibilities and consequences related to the conversion of armaments industries towards civilian production ;

16.3. reiterates its request that OECD undertake an annual review of the implementation of the key orientations given in the organisation's policy statement ‘‘Development Co-operation in the 1990s" ;

16.4. strongly supports the work of OECD'sInternational Futures Programme - which is des,igned to help member countries identify long-term trends, new opportunities and problem areas in time ;

16.5. recommends that it also study - preferably in collaboration with the Council of Europe - the relationship between democracy and human rights on the one hand, and sustainable economic development on the other ;

16.6. welcomes OECD's intensified dialogue with the so-called Dynamic Asian Economies of Hong Kong, the Republic of Korea, Malaysia, Singapore, Taiwan and Thailand, and is in favour of its extension. It also supports Mexico's interest in becoming associated with OECD, with a view to membership in as short a time as possible. Dialogue with other non-member countries, where appropriate, is also welcomed ;

16.7. notes with satisfaction the expanding activities of OECD's Centre for Co-operation with European Economies in Transition, and in particular the Programme of Partners in Transition undertaken with Czechoslovakia, Hungary and Poland - aimed at giving practical assistance facilitating reform in numerous areas - and suggests that they be extended to other countries in the region.

B. Agriculture

17. The Assembly is of the opinion that OECD provides its members with a most valuable framework for their discussions on agricultural policies, markets and trade, and for their work on agricultural policy reform designed to transmit increased market signals to farmers and at the same time place greater emphasis on rural development and environmental protection, without resorting to market-distorting measures.

18. It is concerned that the ongoing GATT negotiations should be brought to a successful end through the conclusion of an agreement containing fair and market-oriented international trade rules and resulting in increased trade regarding agricultural commodities with positive effects for rural economic development. It also recognises the importance for Central and East European countries of agricultural trade liberalisation through a successful GATT Round.

19. Consequently, the Assembly calls on the governments of the member countries of OECD, as well as, whenever relevant, on the organisation itself :

19.1. to continue the work aimed at increasing the role of market signals in orienting agricultural production and trade (including fisheries and forestry) and in particular the analysis of the impact on trade of reductions in agricultural support and protection ;

19.2. to improve the capacity to make medium-term market outlooks and to search for new policy measures and strategies ;

19.3. to give increased emphasis to the principle of sustainable resources management and in particular to environmental and rural development issues when reviewing agricultural, fisheries and forestry policies, including structural adjustment policies ;

19.4. to analyse the economic and political conditions for non-food agricultural production strategies ;

19.5. to continue the work aimed at measuring agricultural support and protection and their consequences for trade and markets, with a view to stimulating the development of fair and market-oriented trade rules and increased trade in food and agricultural commodities ;

19.6. to continue the evaluation of East-West economic relations in agriculture, fisheries and forestry ;

19.7. to stimulate co-operation and provide assistance in agricultural research, education and agricultural advisory services for the development of the agricultural sector in Central and East European countries.

C. Education

20. The Assembly recognises the need for a dynamic concept of education to meet evolving challenges, for a greater internationalisation of education and mobility, for education for tolerance in a pluralistic, multicultural society, and, with particular reference to Central and Eastern Europe, for the continued democratisation of education.

21. The Conference of OECD Ministers of Education held in Paris in November 1990, on the theme ‘‘High-Quality Education and Training for All'', addressed such questions.

22. The final communiqué identified the main challenges for the 1990s : of particular interest are recognition of the ‘‘human factor'' as fundamental to economic activity, awareness of the relevance of developments outside the OECD area in Eastern and Central Europe as elsewhere, and emphasis aiming at flexibility - the ability to learn and relearn.

23. Policy orientations for OECD activities over the next five years include priority for the educationally under-served, including the disabled, the socially deprived and women ‘‘returners''. Another is provision of quality education, firmly stated as a democratic objective : provision should be made for all.

24. The Assembly can assuredly welcome such statements when they are made by an organisation such as OECD that considers education in an interactive socio-economic context, associating the social partners in its deliberations and basing its conclusions on rigorous scientific research.

25. A more concerted effort is however necessary to encourage the appropriate decision-makers at national and other levels and the practitioners in the teaching profession now to transform such policy orientations into practical reforms. Greater attention should be given to this challenge by the Assembly and the Standing Conference of Local and Regional Authorities of Europe.

26. At its next session in Vienna in October 1991, the Standing Conference of European Ministers of Education will concentrate on the European dimension of education and on developments in Central and Eastern Europe. It is to be hoped that on this occasion the contribution of OECD will be able to complement that of the Council of Europe and other intergovernmental bodies.

27. More generally, the Assembly welcomes continued information on OECD activity in the field of education with a view to the possibility of taking up subjects of common interest for debate in the Assembly.

D. Migration, refugees and demography

28. The appearance of East-West migratory flows, coming on top of the more traditional South-North movements, has accentuated migratory pressures in the majority of the OECD countries.

29. The improvement of living and working conditions in the countries of origin of migrants should make it possible to reduce immigration to the OECD countries.

30. Uncontrolled population growth in the countries of the South may constitute a serious obstacle to development policies.

31. The Assembly therefore invites OECD :

31.1. to study in greater detail the economic and social causes and consequences of migratory flows for both the host countries and the countries of origin of migrants ;

31.2. to adapt the role and work programme of the Working Party on Migration to the new situation created by the build-up of migratory pressures ;

31.3. to take account of the Council of Europe's current work on migration, in order to avoid any duplication ;

31.4. to help the governments of the developing countries to integrate their population planning programmes into development programmes.

E. Environment

32. Concerning the environment, it welcomes the study made in 1990 by the International Energy Agency on solutions to energy and environmental problems in the transport sector, and hopes that its findings will be transmitted to the European Conference of Ministers of Transport (ECMT) to be considered in their activities.

33. Likewise, it urges OECD to co-operate with the ECMT in connection with its activities on the use of substitute fuels and alterations in vehicle design.

34. As to evaluation of the effects of emissions traceable to civil aviation in the world's atmosphere, co-operation with the European Civil Aviation Conference (ECAC) would be desirable.

35. Convinced that decision-making on environmental matters calls for participation by all concerned, particularly local and regional authorities, to which it assigns a major role, the Parliamentary Assembly considers that co-operation between OECD and the Standing Conference of Local and Regional Authorities of Europe (CLRAE) might be especially profitable in this field, as also in the field of urban affairs.

36. Having noted with satisfaction the new programme on the results achieved by OECD member countries in respect of national environmental objectives and international undertakings, the Parliamentary Assembly considers it definitely worthwhile to associate the preparation of the periodical State of the Environment report with this activity.