Resolution 988 (1992)[1]

Activities of OECD in 1991

Parliamentary Assembly

1. The Parliamentary Assembly -permitting for the first time delegations from virtually all OECD and Council of Europe member countries to hold an enlarged debate under equal rights -has met in Strasbourg to debate the activities of OECD. The reform of the debate reflects the growing interest of parliaments in OECD matters -and of OECD in the views of parliaments -and their determination to contribute to the Organisation's work.

2. The Assembly has received the report on the activities of OECD in 1991 (Doc. 6624), and a reply thereto has been presented by the Enlarged Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe (Doc. 6651). Furthermore, opinions have been presented by the following committees : the Committee on Science and Technology (Doc. 6660) ;the Social, Health and Family Affairs Committee (Doc. 6684) ; the Committee on the Environment, Regional Planning and Local Authorities (Doc. 6666) ; the Committee on Migration, Refugees and Demography (Doc. 6658) ; the Committee on Agriculture (Doc. 6676) ; and the Committee on Culture and Education.

3. Furthermore, the Assembly, while aware of existing political constraints, believes that OECD member countries, and the world as a whole, stand at a crossroads of new opportunities in the event of success -but also of risks in the event of failure -as the currently negotiated GATT Uruguay Round offers the choice between free trade and protectionism, and as the vanished East-West confrontationopens up the road either to democracy and socially just and environmentally sound market-oriented economies in central and eastern Europe and the developing world, or, alternatively, to autocratic regimes and economic decline.

4. The Assembly expresses its determination to ensure that the above-mentioned opportunities be seized and not lost, so that an era of greater peaceand intensified international exchanges leading to enhanced economic development for all may commence.

Economic policies and co-operation in related fields

5. The overall economic development in the OECD area is still hesitant, with overall growth for 1992 expected at 1,8%, as compared to 1% in 1991. While an upturn is likely within the relatively near future, it is uncertain when exactly it will come about or how strong it will be.

6. Unemployment in the OECD area shows a disquieting, continuous upward trend, and is expected to reach 7,5% (30 million people) in 1992, up from 6,2% in 1990 and 7,1% in 1991. An increasingly large segment of the population risks permanent alienation, and resolute and imaginative action is needed to reverse this development.

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1. Assembly debate on 2 October 1992 (14th Sitting) (seeDoc. 6651, report of the Committee on Economic Affairs and Development, Rapporteur : Mr Efraimoglou ; Doc. 6684Doc. 6684, opinion of the Social, Health and Family Affairs Committee, Rapporteur : Mr Gusenbauer ;Doc. 6660, opinion of the Committee on Science and Technology, Rapporteur : Mr Roseta ; Doc. 6666Doc. 6666, opinion of the Committee on the Environment, Regional Planning and Local Authorities, Rapporteur : Mr Eisma ;Doc. 6658, opinion of the Committee on Migration, Refugees and Demography, Rapporteur : Mr Grussenmeyer ; andDoc. 6676, opinion of the Committee on Agriculture, Rapporteur : Mr Scheer). Text adopted by the Assembly on 2 October 1992 (14th Sitting).

7. Although inflation is still a concern in certain OECD member countries, it continues to decrease in the OECD area as a whole, from 4,1% in 1991 to an expected 3,5% in 1992. For the struggle against it to be successful, monetary policies should be directed at achieving price stability. They should be supported by equally prudent fiscal management, particularly in countries with relatively high deficits and inflation.

8. The strong demand for the world's capital resources stems not only from the many unfinished domestic tasks in OECD member countries, but in particular from the glaring needs of poorer developing countries, nations in central and eastern Europe and the republics of the former Soviet Union attempting to reform their economies. It is imperative that these groups of countries both find open markets in OECD countries and receive sufficient assistance from them — both material and conceptual — so as to ensure their progress toward greater democracy and more market-oriented economic systems inspired by social justice and efficient protection of the environment.

9. At the same time it is heartening to note the development toward democratic reform and economic liberalisation in numerous countries around the world, not least in south-east Asia and Latin America.

10. Finally, the increase in the world's population -100 million more people each year and an additional 3 thousand million by the year 2020 -presents such a threat to future economic and social development, to the environment and indeed to mankind's survival that it can no longer be ignored by the world community. Family planning is urgently necessary, especially in countries facing rapid population growth.

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

11.1. to ensure that the Uruguay Round -especially after the announced reform of the European Community's Common Agricultural Policy and in conformity with the strong commitments made both at the 1992 OECD ministerial meeting and at the G7 summit in Munich in July 1992 -is concluded urgently and in a spirit of genuine compromise, permitting an outcome which favours more open trade and which will imbue a still wary world economy with renewed confidence ;

11.2. to attach particular priority to the struggle against unemployment -and to contribute to the study on employment mandated at the 1992 OECD ministerial meeting -not least by laying greater emphasis on the development potential of the individual, including his or her basic skills and ability to ‘‘learn how to learn", as well as through continuing education and professional training ;

11.3. to pursue, parallel to the above, their struggle against inflation -in particular through circumspect budget policies, and through structural reform affecting all sectors of the economy, thus making them more competitive and responsive to market forces ;

11.4. to regard their domestic policies in fields such as competition, subsidies and investment as integral parts of their trade and economic relations with other countries, and to ensure, in consequence, that measures taken in all these areas are mutually consistent and conducive to global development ;

11.5. to ensure that the commitments made at the United Nations Conference on Environment and Development, held in Rio de Janeiro in June 1992, are kept -offering as they do a first, unique opportunity to counter environmental threats at a global level ;

11.6. more specifically, to counteract global warming and the destruction of the world's ozone layer, inter alia through more diligent use of fossil fuel.

12. The Assembly also calls on OECD member countries, in their relations with countries in central and eastern Europe, and the republics of the former Soviet Union :

12.1. to pursue their material and conceptual assistance to these countries in order to help them in the establishment of socially just and environmentally sound, market-oriented economies, based on democracy, human rights and the rule of law ;

12.2. parallel to the above, to reduce substantially and progressively any protectionism in their trade relations with these countries, as otherwise the assistance given will have little chance of being of lasting benefit.

13. Furthermore, the Assembly calls on OECD member countries, in their relations with developing countries :

13.1. to pursue implementation of OECD Development Assistance Committee (DAC) policy guidelines ‘‘Development co-operation in the 1990s" ;

13.2. to supplement these guidelines with a number of criteria as regards the policies observed by recipient countries, influencing the volume, channels and forms of continued assistance. Thus, to the first and foremost criterion -namely, the absolute requirement to help where absolute poverty reigns - should be added those of : efforts to realise democracy and human rights ; economic and social reform ; reduction of excessive military expenditure ; and environmental protection ;

13.3. to augment, in countries where this has not already been achieved, official development aid to 0,7% of GNP -the United Nations target -reiterated by the United Nations Conference on Environment and Development in Rio de Janeiro, with special attention given to the least developed countries ;

13.4. urgently to devote more resources to family planning in order to stem the current dramatic increase in the world's population -it being understood that the best longer-term instrument is sustainable human and economic development ;

13.5. parallel to the above, to reduce substantially and progressively any protectionism in their trade relations with these countries, thereby helping to alleviate their debt burden, as otherwise the assistance given will have little chance of being of lasting benefit.

14. Relative to OECD, the Assembly :

14.1. asks the organisation to undertake an annual review of the implementation of the key orientations given in its policy statement ‘‘Development co-operation in the 1990s" referred to in sub-paragraph 13.i, and also to take into account, in so doing, the five criteria guiding official development assistance indicated in sub-paragraph 13.ii above ;

14.2. renews its call for OECD to study, within its structural adjustment work, 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 ;

14.3. recommends that it study, possibly in concert with the Council of Europe, the problems of social alienation, marginalisation, family disintegration and crime in large cities, and that it suggest policies to remedy them ;

14.4. calls on the organisation to examine the issue of poverty, and to explore ways of improving public and private efforts to address the problems of those excluded from the benefits of economic growth ;

14.5. welcomes OECD's efforts to initiate comprehensive research into unemployment and move towards a system of structural surveillance in labour markets ;

14.6. asks it also to examine the relationship between democracy, human rights and social equality on the one hand, and the ability to carry out growth-promoting structural adjustment based on popular consensus on the other ;

14.7. asks OECD to study how the globalisation of capital movements influences the stability of the financial system and the possibilities of international economic and monetary co-operation ;

14.8. welcomes OECD's expanding contacts with non-member countries, which will take into account the varied situations of non-members in devising appropriate structures for co-operation. These new links should serve to enhance the organisation's international relations, and to promote the spread of the OECD's aims and principles ;

14.9. notes Mexico's interest in membership in the organisation and welcomes the development of OECD's relations with this country ;

14.10. welcomes the development of OECD's dialogue with the dynamic Asian economies, as well as the increased formal contacts between the Republic of Korea and the organisation ;

14.11. welcomes OECD's rapidly expanding activities to assist economic reform in the countries of central and eastern Europe and the republics of the former Soviet Union, and regards the projects launched by the organisation's Centre for Co-operation with European Economies in Transition -such as the Partners in Transition Programme (PIT) undertaken together with Czechoslovakia, Hungary and Poland, and the SIGMA project (Support for Improvement in Management and Government) -as essential contributions toward the aims mentioned in paragraph 12 above ;

14.12. invites OECD not to divert attention from the problems of developing countries and to increase scientific and technical co-operation with themas a means of reducing disparities in development between the north and the south ;

14.13. strongly supports the OECD International Futures Programme which it sees as essential to fulfilling OECD's role of identifying in time long-term trends, new opportunities and problem areas. Indeed, the Assembly itself wishes to make a significant contribution to this effort ;

14.14. asks the Secretary General of OECD to report back to it in 1993 on the action OECD will have taken as regards the present resolution.

Agriculture :

15. The Assembly emphasises that increased trade in agricultural commodities should have positive effects for sustainable rural and agricultural development and contribute to guaranteeing all persons access to food.

16. The Assembly believes that all policy reforms affecting the agricultural sector and rural society must be subjected to a careful and interdisciplinary analysis in order to evaluate the effects on producers, consumers, markets, trade, the environment and the economy.

17. Consequently, the Assembly calls on the governments of the member countries of OECD, and whenever relevant, on the organisation itself :

17.1. to conclude the Uruguay Round of trade negotiations by agreeing on the substantial and progressive reduction of agricultural support and protection, thereby promoting liberalisation of trade in agricultural products under fair conditions of competition while safeguarding the principle of sustainable development of rural regions and promoting access to food supplies in all countries ;

17.2. to continue, intensify and broaden their work on decision support and policy simulation models for the monitoring of agricultural policy reforms (including fisheries and forestry) and accompanying structural changes and their effects on markets, trade, producers and consumers as well as rural economies and the environment ;

17.3. to increasingly include, in this work and other parts of OECD's activities programme, the policy principle of sustainability ;

17.4. to give more attention to research forthe use of agricultural land for the production of electricity (wind generated electricity, etc.) andrenewable raw materials for industry and the energy sector (biomass), with the aim of reducing the nuisance stemming from the use of fossil fuels and offering new perspectives for agricultural activity and rural development ;

17.5. to encourage policy reforms which will contribute to the recognition of quality products and ensure that consumers are better informed of the quality of the products ;

17.6. to let market signals increasingly influence agricultural production and help such development by making support measures affecting agricultural, fisheries and forestry more transparent ;

17.7. to assist the countries of central and eastern Europe but also other non-member countries in their reforms of the agro-food sector and to favour exchange programmes involving private farmers, teachers and students ;

17.8. to promote and help co-ordinate agricultural research among member states and extend such activities to non-member states where relevant.

Migration and demography :

18. International migration plays an increasingly important role in the economies of both the receiving and the sending countries, especially in conditions of sluggish economic performance and persistent unemployment in the west, considerable difficulties in the transition from command economy to market economy in the east, and rapid population growth in the south.

19. For the accurate assessment of the impact of international migration, reliable statistics and close contacts between the authorities of sending and receiving countries are indispensable.

20. The Assembly therefore invites OECD :

20.1. to carry out studies of the economic consequences of migration in order to provide better tools for governments to deal with this persistent phenomenon ;

20.2. to continue associating central and east European countries as well as countries of the Third World with its work on migration and demography and particularly with its efforts to improve the reliability and comparability of statistical data ;

20.3. to further develop its co-operation with the Council of Europe in matters concerning international migration and demography ;

20.4. to hasten the inclusion of east European countries in the Continuous Reporting System (SOPEMI) ;

20.5. to study the possibility of recommending to the governments of its member states some form of linkage between the granting of development assistance and family planning programmes in the recipient countries.

Environment

21. The Assembly appreciates the important achievements accomplished by OECD in the environmental field, and notably its effort to integrate ecological measures into economic policies of the member states with the aim of ensuring a sustainable development.

22. The Assembly welcomes also the series of studies undertaken by OECD in the field of energy, especially as regards sources of renewable energy, energy efficiency and pollution caused by car exhaust.

23. Having noted with satisfaction the formulation of priority objectives in the form of the ‘‘OECD Environmental Strategy for the 1990s", the enlarged Parliamentary Assembly emphasises the urgency of co-operation among different international bodies and the necessity of a wider use of economic instruments and pricing policy.

24. Convinced of the priority of co-operation with the countries of central and eastern Europe, the enlarged Assembly urges the necessity of a harmonised approach for the Ministerial Conference on the Environment to be held in Lugano in spring 1993.

25. The Assembly considers that co-operation between OECD and the Standing Conference of Local and Regional Authorities of Europe (CLRAE) would be profitable, especially when it comes to the implementation of the European Urban Charter's objectives (Resolution 234, adopted by the CLRAE in March 1992).

26. The Assembly calls for especially close co-operation between the Council of Europe and OECD in the areas which fall entirely within the competence of the former, that is, in the field of environmental education, or in matters such as waste management and recycling where OECD has greater expertise.