Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 997 (1993)[1]

European industrial competitiveness in a global context

Parliamentary Assembly

1. 1.Improving industrial competitiveness - that is, the ability to produce goods and services that meet the requirements of international markets - is one of the primary challenges facing Europe as it prepares to enter a new century, characterised by intensive "competitive interdependence" among world regions. The degree to which Europe faces that task will go far to determine the prosperity of its people and nations, and the world role, economic as well as political, that it will be able to assume.

2. To preserve a strong industrial base ensuring prosperity across the different regions of Europe, it becomes essential to outline a coherent, comprehensive and long-term strategy for a "European policy for industry", which is general and neutral with regard to economic sectors and the nationality of companies.

3. The Assembly therefore calls on the governments of Council of Europe member states and on the European Community to bear the following priority areas in mind when shaping, jointly or individually, their policies for industry:

3.1. providing the best possible general environment for industry, in order to permit the most viable companies to prosper and compete on fair and equal terms both within individual countries, groups of countries, or worldwide;

3.2. encouraging the permanent adaptation by all companies, big and small, to constantly changing economic and technological circumstances, rather than favouring a few selected major ones. Priority should be given to precommercial research and development, and to combining resources and abilities to focus on generic technologies as exemplified by the Eureka projects. Small and mediumsized companies are particularly important, since they are often highly dynamic, innovative and responsive as well as being a major source of new employment. This includes a legislative framework designed to promote good "corporate governance" providing both for efficiency and for high ethical standards in management vis-à-vis employees, society and the environment;

3.3. improving the efficiency of firms and thus increasing productivity and competitiveness, however, rationalisation can also result in more unemployment and higher social costs. All measures to increase efficiency should take this into consideration;

3.4. continuously enhancing the quality of the workforce, since education and human resource development constitute the most important components of long-term economic competitiveness. A good general education in schools (basic skills) and universities is of vital importance. Training programmes should focus on giving comprehensive assistance to workers' adjustment. These programmes should comprise retraining, job-search assistance and temporary income support. Cooperation between management and labour can play an important role in increasing the company's capacity to sustain profitability and higher real wages. Particular attention should be paid to the issue of patents and to patent infringement, in a way such as to reconcile the rights of invention of technologically developed countries with the legitimate preoccupations of developing nations;

1. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 26 March 1993.See Doc. 6791, report of the Committee on Economic Affairs and Development, Rapporteur: MrRehn; and Doc. 6793, opinion of the Committee on Science and Technology, Rapporteur: Mr Lenzer.

3.5. fighting the threatening anarchy in world trade through a strong GATT capable of setting, and having members respect, universal rules of competition in trade and investment. Such rules should also contribute to the protection of the environment, and defend more resolutely the trade interests and investments of developing nations and the countries of central and eastern Europe;

3.6. integrating central and eastern Europe as rapidly as possible into the European and world economic mainstream, considering the region's massive economic problems and rapidly increasing unemployment - not least because west European prosperity and stability otherwise risk foundering. Every effort must be made to open western markets to these countries and to assist them in their economic restructuring - even at the risk of temporary national disadvantages or a certain transitory protection of industry in central and eastern Europe;

3.7. encouraging companies, by legislative and other measures, to engage more readily in the protection of the environment, and press for higher worldwide standards in this domain, thus ensuring that certain companies, countries or groups of countries are not placed at a competitive disadvantage internationally;

3.8. refraining from increasing the overall burdens on European industry through legislation and regulations which put it at a competitive disadvantage vis-à-vis other parts of the world.