



Resolution 1014 (1993)¹

Activities of OECD in 1992

Parliamentary Assembly

1. The enlarged Parliamentary Assembly has examined the activities of OECD with the participation on an equal footing of delegations from OECD and Council of Europe member countries.
2. The world economy is faced simultaneously with a multitude of new challenges which, if overcome, can give rise to a prolonged era of prosperity and co-operation, but which if shunned could lead to stagnation and confrontation among countries and regions. The challenges include an unusually severe and stubborn recession with unacceptably high levels of unemployment; an unexpectedly arduous process of economic and political renewal in central and eastern Europe; tardiness in concluding a Uruguay Round of multilateral negotiations vital to the further growth of world trade; uncertainty about the prospect of continued economic integration in Europe; rapid structural change both nationally and internationally; the rapid growth of numerous Asian economies; and the uneven progress observed in developing countries, with some showing welcome economic progress and development towards democracy and the respect of human rights, and others lagging seriously behind in these respects.

A. Economic policies and co-operation in related fields

3. Economic growth in the OECD area is still weak. It is expected to be no higher than 1,2% in 1993, although it is foreseen to rise to 2,7% in 1994. Both the timing and the strength of the eventual recovery are difficult to predict. Nevertheless, the value of world merchandise trade grew by 5,5% in 1992, reversing a downward trend in trade growth which began in 1989.
4. Unemployment in the OECD area is expected to rise to an unprecedented 36 million people by the end of 1993, or around 8,5% of the workforce. A decline in joblessness - uncertain how strong - may be possible in 1994, depending on whether the economic recovery materialises. Such a level of unemployment - leading to a marginalisation of entire categories of citizens and especially the young - is totally unacceptable and calls for co-ordinated, determined and imaginative action as well as solidarity by OECD member countries.
5. As a consequence of the above developments, voices in favour of protectionist measures are being heard. It is important to resist the latter, in the interest of the long-term health of the world economy and of individual countries. At the same time, however, the world economy will not be able for much longer to sustain the pressure exerted on it by large structural current account imbalances between countries and regions. It behoves all governments to deal with these policies, including fiscal and structural issues, which are contributing to such imbalances. In this regard, more realistic and stable exchange rates between the regions of the world should be sought.
6. Inflation, however, continues to decrease, and is expected to reach only 3% for the OECD area in 1993, down from 3,3% in 1992 and expected at 2,8% in 1994.

1. Assembly debate on 30 September 1993 (50th Sitting) (see [Doc. 6900](#), report of the Committee on Economic Affairs and Development, Rapporteur: Mr Hellström; [Doc. 6932](#), opinion of the Social, Health and Family Affairs Committee, Rapporteur: Mr Gusenbauer; [Doc. 6933](#), opinion of the Committee on Culture and Education, Rapporteur: Mrs Hawlicek; [Doc. 6911](#), opinion of the Committee on the Environment, Regional Planning and Local Authorities, Rapporteur: Mr Pinto; [Doc. 6941](#), opinion of the Committee on Migration, Refugees and Demography, Rapporteur: Mrs Robert; and [Doc. 6906](#), opinion of the Committee on Agriculture, Rapporteur: Mr de Carolis). Text adopted by the Assembly on 30 September 1993 (50th Sitting).



7. The enlarged Assembly, in consequence, calls on OECD member countries:
 - 7.1. to muster, in a spirit of mutual concessions and commitments, the determination necessary to overcome the last hurdles to a successful conclusion of the Uruguay Round - thereby imbuing a hesitant world economy with new dynamism and realising economic gains worldwide through enhanced trade;
 - 7.2. to deal effectively with the problems of slow economic growth and rising unemployment, by implementing a concerted strategy for sustained non-inflationary growth and employment, by adopting appropriate fiscal policies, by making all efforts for human resource development, by fostering flexible and effective labour-market policies, in co-operation with the "social partners", that is employers and employees, by enabling the private sector to play its full role in job creation, and by creating policy frameworks that facilitate the introduction and diffusion of new technology;
 - 7.3. to show greater resolve and imagination in fighting unemployment in ways which do not increase budget deficits, concentrating on innovative measures designed to stimulate employment, on raising the general skill and educational level of the workforce, and on restoring the belief on the part of the long-term unemployed, among them many young people, in society's ability to provide them with the basis for a meaningful employment;
 - 7.4. to pursue their efforts to reduce, over the medium term, budget deficits which at their present level add unduly to the national debt, sap market confidence in the longevity of economic recovery, and prevent a lowering of interest rates necessary to stimulate investment;
 - 7.5. to move with, rather than against, the world's economy by pursuing structural reform in all sectors of the economy, rendering them more competitive and responsive to market forces;
 - 7.6. in particular, to prepare themselves for the knowledge-intensive society of tomorrow, in which the individual's capacity for learning new concepts and skills will be crucial to his or her success, and in which the nationality and formal relations among firms matter less than the permanent, informal exchange of information among all market participants;
 - 7.7. to set up science and technology assessment schemes in their national parliaments.
8. The enlarged Assembly also calls on OECD member countries, in their relations with the economies in transition (the countries of central and eastern Europe, the newly independent states, and the economies in transition in Asia):
 - 8.1. to pursue their material and conceptual assistance to these countries at this critical stage in their attempt to change the production system and property rights, in order to help them in the establishment of socially-just and environmentally-sound, market-oriented economies, based on democracy, human rights, the rule of law and efficient, well-respected institutions;
 - 8.2. to improve the co-ordination of the assistance, whether given bilaterally or through international organisations;
 - 8.3. to encourage co-operation with and assistance to scientific institutions of these countries, to enhance their national innovation capacity and to take steps in order to facilitate technology transfer programmes;
 - 8.4. to reduce substantially and progressively any protectionism in their trade and investment relations with these countries, thus preparing for the eventual creation of a pan-European market spanning the continent's confines, and fostering the integration of the economies in transition into the world economy and into the framework of the rules and disciplines of the multilateral economic system.
9. Furthermore, the enlarged Assembly calls on OECD member countries, in their relations with developing countries:
 - 9.1. to pursue implementation of the OECD Development Assistance Committee (DAC) policy guidelines, "Development Co-operation in the 1990s", and in particular to follow its recommended emphasis on the development of human resources and efficient institutions capable of ensuring democracy and curbing corruption;
 - 9.2. to enhance, towards this end, the portion of bilateral assistance going to priority expenditure for human development such as basic education, primary health care and the improvement of hygienic conditions;

9.3. urgently to devote, in co-operation with the countries concerned, more resources to education, health, women's emancipation and family policies, including family planning - in order to reduce the current dramatic increase in the world's population, seeing that unchecked population growth undoes many developing countries' economic gains, throws millions into abject poverty, and puts undue strain on the environment.

10. Relative to OECD, the enlarged Assembly:

10.1. urgently asks the organisation to give the highest possible priority to laying a conceptual foundation for a strategy of world-wide trade liberalisation;

10.2. recommends that OECD pursue, already before the conclusion of the GATT Uruguay Round, the issues that ought to be included in the "post-Uruguay Round" agenda for world trade, so as to prepare the world economy for the challenges awaiting it during the next century;

10.3. encourages the organisation to pursue its work on ways to improve currency stability among countries, an area of particular relevance to its European member countries;

10.4. asks it to conclude urgently its employment/unemployment study, paying particular attention to the problem of long-term unemployment, and to seek to ensure that its results become incorporated as rapidly and as fully as possible in national policies;

10.5. welcomes the activities undertaken in co-operation with the central and east European countries in order to help them resolve crucial environmental problems and establish environmental policies which are compatible with their economic and industrial development, within the framework of their transition towards market economies;

10.6. invites OECD to pursue rapidly the process of opening the organisation to new members, and to commence negotiations for membership with those countries which are able to assume all the responsibilities linked with it;

10.7. welcomes the positive attitude expressed at OECD's 1993 ministerial meeting as regards Mexico's future membership of the organisation, and hopes that Mexico's joining will be accompanied by a further strengthening of its pluralist parliamentary democracy and efforts at social justice. It welcomes the positive evolution of Korea's involvement in OECD activities, and hopes that Korea's early membership will further promote democracy and the integration of its economy into the framework of the rules and disciplines of the multilateral economic system;

10.8. welcomes the substantial and useful results of the informal dialogue with dynamic Asian economies, which has been extended this year to include some Latin American countries, and encourages the organisation to deepen this dialogue;

10.9. welcomes OECD's expanding contacts with other non-member countries, especially those, such as China, that are becoming increasingly important players in the world economy. It hopes that these new links will promote the spread of OECD's aims and principles, and enable the organisation to tackle more efficiently the global challenges it faces.

11. The enlarged Assembly asks the OECD:

11.1. to study further the implications of member countries' high debts, and propose strategies for overcoming this international problem;

11.2. to examine the question as to whether the world suffers from a shortage of capital, and if so what can be done to remedy the situation. It is especially important to examine whether the market can be expected to relieve any such shortage on its own - or whether various imperfections may prevent it from doing so - such as hesitation on the part of investors and consumers, or the "debt trap" which is caused by large budget deficits and which may hinder growth by keeping interest rates high;

12. The enlarged Assembly also asks OECD to study how the globalisation of capital movements may influence the stability of the financial system and the prospects of international economic and monetary co-operation, and how the influence of speculative movements on exchange rate volatility can be checked to defend monetary stability.

13. It calls on the organisation to study further the long-term consequences of structural change for different sectors of economic activity.

14. It also asks OECD to study the economic and social consequences of possible changes in overall taxation to reduce the burden on labour and investment through increased charges on energy and resource consumption.

15. It asks OECD to continue its rapidly expanding activities to assist economic reform in the countries of central and eastern Europe, the newly independent states, and the economies in transition in Asia, and regards the projects launched by the organisation's Centre for Co-operation with Economies in Transition - such as the Partners in Transition Programme (PIT) undertaken together with the Czech Republic, Hungary, Poland and Slovakia, as well as the SIGMA project (Support for Improvement in Management and Government) - as essential contributions to this cause. It hopes that the aims of these activities can be better focused and defined, so as to be of even greater use to the countries assisted.

16. The enlarged Assembly wishes that the OECD International Futures Programme should become an essential means for the organisation to identify in time long-term trends, new opportunities and problem areas.

17. It invites OECD to develop more open discussion with other international organisations on the economic, political and cultural objectives of government policy-making and international cooperation.

B. Agriculture

18. The enlarged Assembly requests governments of OECD member countries and, where appropriate, OECD itself:

18.1. to take into account, in concluding the trade negotiations in the GATT Uruguay Round, the importance of maintaining a viable agricultural sector (including fishing and forestry) which does not distort international trade;

18.2. to continue refining the important work on agricultural policies, markets and trade - monitoring and outlook, particularly in the light of new international trade arrangements such as GATT, the North American Free Trade Agreement, and the European Economic Area, etc. This work should include the monitoring of structural adjustment and its multiple liaisons with rural development and environmental questions as well as the analysis of the situation of agricultural producers and fishermen. The development prospects in the non-food and animal-feed agricultural sector should also be studied;

18.3. to continue and step up their endeavours to assist European economies in transition with the reform of agricultural and rural development policy, inviting them to take part in some OECD activities and opening up agricultural markets to them;

18.4. to maintain a policy of actively assisting agricultural and rural development in the developing countries and help them find new markets for their agricultural products.

C. Environment

19. As far as environmental and natural resources protection are concerned, the enlarged Assembly welcomes the development and restructuring of the organisation's environmental sector, which will allow it to respond in the best possible way to the aims and priorities the latter has committed itself to.

20. The enlarged Assembly encourages OECD:

20.1. to pursue, through the International Energy Agency (IEA) and the OECD Nuclear Energy Agency (NEA), the activities related to the conception and setting up of environmentally favourable energy policies which, taking into account the renewable energy potential and energy efficiency programmes, would contribute to ensuring sustainable development of the planet;

20.2. to develop the work on internalisation of environmental costs and possible fiscal measures in this field;

20.3. to give priority to studying, in co-operation with other international organisations, the crucial problem represented by nuclear power plants in central and east European countries, in accordance with measures proposed in [Recommendation 1209 \(1993\)](#) of the Parliamentary Assembly of the Council of Europe on nuclear power plants in central and eastern Europe;

20.4. to give priority to implementing the environmental action programme in central and eastern Europe, adopted at the Environmental pan-European Ministerial Conference in Lucerne, in April 1993;

20.5. to continue implementation of the guidelines fixed by the 1992 ministerial meeting, "Strategy for the '90s", and notably an evaluation of member states' performance in the environmental field, which must contribute to the dynamic development of national environmental policies respecting the economic development and the principles of sustainable development as defined in the Brundtland report;

20.6. to develop activities concerning the environmental problems of towns, notably those concerning energy, and associate the Council of Europe's Standing Conference of Local and Regional Authorities of Europe with this work;

20.7. to pursue, in co-operation with other international organisations concerned, the implementation of the conclusions of the Rio Conference on Environment and Development.

D. Migration and Demography

21. The enlarged Assembly therefore invites OECD:

21.1. to co-operate very closely with the Council of Europe and other relevant international organisations with the common aim of defining identification criteria and data gathering methods that would provide comparable statistics;

21.2. to speed up the admission of east European and other countries concerned to the Continuous Reporting System (SOPEMI) which provides highly detailed information on international migration trends in the member states of OECD;

21.3. to give more detailed consideration to the integration of migrants in host societies;

21.4. to study the problems arising from clandestine migration;

21.5. to develop its research activities, namely concerning causes, consequences and measures to be taken in the long term in the fields of politics, demography, economy and ecology, and to make the results available to all Council of Europe and OECD member states;

21.6. to re-enforce international co-operation in general in the field of migration and demography.