Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1122 (1997)[1]

Progress of economic reform in central and eastern Europe

Parliamentary Assembly

1. The Assembly's Conference on the Progress of Economic Reform in Central and Eastern Europe, held in co-operation with the United Nations Economic Commission for Europe in Warsaw from 22 to 24 May 1996, brought together parliamentarians, government members and officials from all over Europe, representatives of international organisations and leading experts. The conference was the third of its kind, following those of Budapest in 1990 and Helsinki in 1993.

2. The Assembly welcomes the courageous economic reforms carried out or started by the large majority of countries in central and eastern Europe, leading to remarkable economic growth for several of them. This shows the sincerity and effectiveness of the efforts undertaken, serves to strengthen democracy and political stability, and contributes to overall European prosperity and co-operation.

3. The Assembly believes that the reforms should be continued in accordance with the particular circumstances of each country. It is anxious that the increased prosperity resulting from them should be equitably shared among citizens, and that the established market-oriented economies in western Europe and the international community as a whole continue to provide determined and adequate support.

4. The Assembly notes, however, that economic reforms, together with growth, are more hesitant in some other countries in transition, notably in eastern Europe. It hopes that efforts will be resumed with new resolve, that the countries concerned will draw upon the experiences of others, and that the international community will show particular solidarity. Lack of international support at this critical time in the history of these countries could disrupt democracy and hurt Europe as a whole.

5. The Assembly is aware of the heavy sacrifices made by broad layers of populations in the transition countries, and fears that political support for reform, and even for democracy, may weaken as a result in certain of them. It believes that national policies and international support measures should recognise this and give sufficient attention to the protection of vulnerable groups, also taking inspiration from the recently revised European Social Charter of the Council of Europe.

6. The Assembly calls on the international organisations concerned to continue their support for transition, and to strive for better co-ordination of their activities, not least with national bodies, different political organisations and institutions of the civic society in the recipient countries. It welcomes the contribution of the Council of Europe towards strengthening democracy, human rights and civic institutions, as well as that of the United Nations Economic Commission for Europe in building bridges of understanding across the continent in the economic field.

7. The Assembly recognises the contribution of the European Union to countries in the region, as well as the legitimate wishes of several of these countries to join the Union. It underlines the important role of other institutions, such as the OSCE, the World Trade Organisation, the International Monetary Fund, the World Bank and OECD in the assistance effort.

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1. Assembly debate on 23 April 1997 (12th Sitting) (see Doc. 7712, report of the Committee on Economic Affairs and Development, rapporteurs: MM. Behrendt and Malinowski). Text adopted by the Assembly on 23 April 1997 (12th Sitting).

8. The Assembly considers it vital that the established market-oriented countries in western Europe shape their trade and other economic relations with the countries in transition in such a way as to promote economic reform and growth in the region, thereby helping to realise the enormous potential for long-term, pan-European growth and prosperity.

9. More specifically, the Assembly, building on the conclusions of the Warsaw Conference, suggests that continued reform also encompass the following elements:

9.1. enhanced stability and democratic legitimacy of political institutions, including at regional and local level, and attempts to adapt the efficiency and accountability of public administrations to the needs of a functioning market economy;

9.2. clear and enforceable laws governing economic life, including bankruptcy legislation where this has not yet been done, so as to encourage foreign direct investment, essential for sustained economic development;

9.3. the continuation of privatisation programmes which ensure equitable access to ownership among the population and fair competition among firms;

9.4. promotion of small and medium-sized enterprises, thereby contributing to a reduction in unemployment resulting from the transition, possibly including favourable fiscal conditions;

9.5. adequate protection to vulnerable groups, such as the old, the unemployed and the handicapped;

9.6. special care for the social and economic conditions of families with young children;

9.7. promotion of the education and retraining of the workforce, not least young people and women, which also takes account of market requirements in order to prepare the individuals for the challenges of international economics;

9.8. daycare facilities for young children and organisation of working hours enabling both parents to reconcile family life with their professional responsibilities;

9.9. protection of the environment, not least through technologies preventing new environmental damage from being added to that of the past;

9.10. mastering the use of energy, including nuclear energy, thanks to conservation measures and the development of alternative, traditional and renewable energy sources, with a view to rendering the consumption of energy, in particular non-renewable energy, more efficient;

9.11. the shaping of a viable banking system through the timely privatisation of state-owned banks and the development of new private financial institutions; joint ventures with foreign partners, particularly in sectors requiring substantial capital resources, in order to favour the transfer of new technology and know-how and meet financial commitments;

9.12. improved tax administration and collection procedures;

9.13. increased trade and economic co-operation within the central and eastern European region in order to realise its full economic potential, along the lines of efforts pursued, for example within the Central European Free Trade Association and the central European initiative.

10. The Assembly invites the governments of other Council of Europe member states, and the European Union, to fulfil their commitments to enhancing access to their markets for the exports of transition economies in central and eastern Europe, particularly for agricultural products, and to avoid any protectionist measures which may hurt pan-European trade and joint economic development.