



**Resolution 837 (1985)<sup>1</sup>**

## **Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1983**

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of OECD in 1983 ([Doc. 5245](#)), and the report of its Committee on Economic Affairs and Development in reply thereto ([Doc. 5329](#)), and the opinions of its Committees on Science and Technology, on Regional Planning and Local Authorities, on Agriculture, on Social and Health Questions and on Culture and Education ([Docs. 5342, 5334, 5331, 5335 and 5330](#));

*A. On economic co-operation and development*

2. Whilst paying tribute to the long service of Emile van Lennep as Secretary General of OECD, welcoming the appointment of Jean-Claude Paye as his successor in the autumn of 1984;

3. Noting with great concern that in 1984 unemployment in the OECD area has reached the unacceptable level of more than 31 million people (in the Council of Europe member states 19 million) and that under current conditions of moderate output growth no overall decline in unemployment can be expected in the foreseeable future;

4. Deploring in particular the very high rates of youth unemployment in most OECD countries, and welcoming in this respect recent research by OECD into the causes of this problem so as to provide policy makers with better guidance, and reiterating its intention to organise a European public parliamentary hearing on this subject in the course of 1985;

5. Considering that in the short term a significant improvement in the employment situation in most OECD countries can only be achieved by implementing more active employment policies, in particular concerning structural change, labour market flexibility, local employment initiatives and the reorganisation of working time, and a thorough consideration of the concept of work, bearing in mind the need to undertake concerted policies at European level;

6. Taking note with great concern of the increasing protectionist tendencies, accepting the need to resist them and stressing also the need for increased co-operation among OECD countries if any recovery is to be substantial;

7. Aware that one of the main hindrances to a world-wide recovery is the current high level of interest rates, and that the size of the United States budget deficit is a contributory element in this;

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1. Assembly debate on 31 January 1985 (27th and 28th Sittings), with the participation of parliamentary delegations from Canada, Finland, Japan, New Zealand and the United States of America (see [Doc. 5329](#), report of the Committee on Economic Affairs and Development, and the contributions of the Committee on Science and Technology ([Doc. 5342](#)), the Committee on Regional Planning and Local Authorities ([Doc. 5334](#)), the Political Affairs Committee ([Doc. 5339](#)), the Committee on Agriculture ([Doc. 5331](#)), the Committee on Social and Health Questions ([Doc. 5335](#)) and the Committee on Culture and Education ([Doc. 5330](#))). Text adopted by the Assembly on 31 January 1985 (28th Sitting).



8. Noting with interest that broad statistical yardsticks indicate that &mdash ; in spite of a significantly slower recovery in Europe than elsewhere in the OECD area &mdash ; there has still been a rise in real terms in average income per capita in OECD countries over the last five or ten years although there is an unacceptable degree of poverty in a number of sectors of society ;
9. Noting that demographic indicators show an increase in the numbers above retirement age, dependent on a working population, thereby placing an added burden on all health and social services ;
10. Noting further that in many OECD countries the level of public expenditure, of which health and social services are a very significant part, has reached very high levels ;
11. Welcoming the fact that the level of international trade has increased in volume and is forecast to increase still further, particularly between developing countries ;
12. Aware that the Lisbon Conference "North-South : Europe's role" and the Lisbon Declaration have already received wide support,
13. Invites OECD to pay specific attention to the special problems i. of less industrialised members of OECD and ii. of certain regions of Council of Europe member states, and to initiate inquiries, following the OECD "Symposium on the welfare state in crisis" (October 1980), and in the light of the public parliamentary hearing of the Assembly on the future of health structures (October 1984), on the impact of the funding of social security and health services on national economies ;
14. Calls on the governments of OECD countries and the European Community :
  - 14.1. to spare no effort in their attempts to combat high unemployment, in line with Assembly [Recommendation 981 \(1984\)](#), in particular :
    - a. by ensuring greater convergence between the aims of economic policy and those of employment policy ;
    - b. by public and private investment in job-creating branches of industry ;
    - c. by selective budgetary and fiscal policies conducive to economic growth which creates jobs ;
    - d. by embarking, while taking care to preserve general economic balance, upon a policy of public infrastructure investment to create employment of benefit to the community and stimulate associative private investment ; and
    - e. by improving training for the young, increasing flexibility in the labour markets and encouraging the reorganisation of working time ;
  - 14.2. to show continued vigilance against policies leading to inflation since it is so damaging to job prospects ;
  - 14.3. to abstain from resorting to protectionist policies and to maintain an open multilateral trading system, in accordance with the principles agreed upon within OECD and GATT, as well as to implement the measures for trade liberalisation agreed upon at the OECD ministerial meeting held in May 1984 ;
  - 14.4. to make progress towards the liberalisation of trade in the service sector in terms of market access, openness and non-discrimination, and to use OECD as a forum for this purpose ;
  - 14.5. to pursue their efforts to improve the dialogue between management and labour, especially with regard to the information and consultation of workers in complex multinational and national enterprises, in accordance with the OECD guidelines for multinational enterprises ;
  - 14.6. to adhere more strictly to the OECD Arrangement on Guidelines for Officially Supported Export Credits, and to seek a satisfactory solution to the problem of the use of development aid in association with export credits ("mixed credits") ;
  - 14.7. to strengthen the co-ordination of development aid policies within the Development Assistance Committee of OECD, including its proposal to improve effectiveness of such policies at national level in the Third World using UNDP and World Bank consultative mechanisms, and to give support at this time for the plan of the World Bank "Towards sustained development in sub-Saharan Africa &mdash ; a joint programme of action", and to supply it with adequate funds ;
  - 14.8. to give greater priority to the improvement of North-South relations on the lines of the policy recommendations formulated in the Lisbon Declaration ;

15. Calls on the governments of those OECD countries which have large public sector deficits which endanger future balanced economic development, to implement policies designed to reduce these deficits, thereby reducing the risk of high interest rates ;

*B. On science and energy*

16. Considering that far-reaching and widespread technological changes cannot be successfully managed by recourse to traditional instruments of economic policy alone, but require imaginative and flexible policies for economic and social innovation ;

17. Considering that the current abundance of world energy supplies is likely to be temporary, and that international efforts should be strengthened to improve energy efficiency and to develop new and alternative sources ;

18. Welcoming the concern of OECD with the impacts on international trade and competitiveness of restrictions on the outflow of advanced technologies, and trusting that its analytical capability in the field of East-West technological relations will be maintained,

19. Calls on the governments of OECD countries :

19.1. to help combat unemployment by promoting active adaptation of training and education policies to the development of new technologies ;

19.2. to introduce more effective mechanisms for the formulation of technological innovation policies at national level, and to work towards the concerted application of these policies, so as to make best use of research and development resources throughout the OECD area ;

19.3. not to relax their policies designed to improve energy efficiency and to develop alternative sources of energy so as to ensure that economic and social development can continue without the threat of new energy constraints ;

*C. On environment and local authorities*

20. Congratulating OECD on its efforts to reconcile protection of the environment with improvement of the employment situation in the member countries ;

21. Convinced of the importance of the economic repercussions of local policies, and considering, in this connection, that the OECD co-operative action programme of local initiatives for employment creation deserves to be disseminated widely among local and regional authorities in the member countries ;

22. Alarmed at the environmental risks involved in the transport of toxic substances by road and their uncontrolled export to third countries, invites OECD to examine the problems created by these economic activities ;

23. Having regard to the processes of decentralisation or regionalisation under way in some Council of Europe member countries, thinks that it would be desirable for OECD to examine the implications of these processes for the economic development of the countries concerned ;

*D. On agriculture*

24. Concerned that the present grave problems in international food trade, including charges of excessive subsidies, dumping, retaliatory measures and protectionism, will not only hurt the world agricultural economy but may negatively affect world trade generally,

25. Calls on the governments of OECD member countries to encourage a multilateral, stable world trade system in agricultural products, and to work towards the speedy resolution of outstanding disputes through the OECD and through the GATT machinery for arbitration ;

*E. On education and training*

26. Welcoming the success of the second meeting at ministerial level of the OECD Education Committee in Paris on 20 and 21 November 1984 ;

27. Believing that such ministerial level meetings enable international organisations to match international co-operation more precisely to what is expected by member states ;

28. Noting the fact that OECD, like the European Communities, has mechanisms for direct ministerial input into their respective work programmes, and recalling the proposals it has made &mdash ; most recently in [Recommendation 995](#) &mdash ; for greater involvement of specialised ministers in the intergovernmental work of the Council of Europe ;

29. Conscious of the positive contribution OECD will undoubtedly make, as a result of its recent ministerial conference and on the basis of its ongoing work, to the next session of the Standing Conference of European Ministers of Education in Brussels from 7 to 9 May 1985, and reasserting its support for the role played by the Standing Conference as an overview body on European cooperation in the field of education ;

30. Recognising the particular importance of OECD's work in placing education in its social and economic context,

31. Invites OECD :

- a. to continue its work in the field of education with regard to the economic and social factors ;
- b. to pay special attention to equality of opportunity for girls and young women, and in particular to their participation in technical and vocational training ;
- c. to study the new requirements for education and training that are likely to arise in the near future from the increase in leisure time ;
- d. to step up its collaboration with the Council of Europe.