

**Parliamentary Assembly**  
**Assemblée parlementaire**



AACR29

**AS (2005) CR 29**  
Provisional edition

**2005 ORDINARY SESSION**

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(Fourth part)

**REPORT**

Twenty-ninth sitting

Wednesday 5 October 2005 at 3 p.m.

In this report:

1. Speeches in English are reported in full.
2. Speeches in other languages are summarised.
3. Speeches in German and Italian are reproduced in full in a separate document.
4. Corrections should be handed in at Room 1059A not later than 24 hours after the report has been circulated.

The contents page for this sitting is given at the end of the verbatim report.

*Mr van der Linden, Vice-President of the Assembly, took the Chair at 3.00 p.m.*

THE PRESIDENT. – The sitting is open.

### **1. Minutes of proceedings**

THE PRESIDENT. – The minutes of proceedings of the last two sittings have not yet been distributed. They will be adopted at a later sitting.

### **2. Voting cards and the register of attendance**

THE PRESIDENT. – I remind all members, including any non-voting Substitutes and observers, to sign the attendance lists outside the doors of the Chamber at the beginning of every sitting.

I also remind all Representatives and duly designated Substitutes to ensure that they have placed their voting cards in the slot to ensure that the electronic system works properly.

I emphasise the importance of switching off mobile phones during sittings of the Assembly and committee meetings.

### **3. Result of the election of the Council of Europe Commissioner for Human Rights – second round**

THE PRESIDENT. – I have to announce the result of the second-round ballot in respect of the election of the Council of Europe Commissioner for Human Rights.

Numbers of members voting: 230

Blank or spoiled ballot papers: 0

Votes cast: 230

The votes cast were as follows:

Mr Thomas Hammarberg: 104

Mr Marek Antoni Nowicki: 93

Mr Marc Verwilghen: 33

The fact that two rounds were needed in the election demonstrates the excellent quality of all three candidates. It is, however, a fact of life that we can elect only one candidate.

Accordingly, Mr Thomas Hammarberg, having obtained 104 votes, a relative majority of votes cast, I declare him elected Council of Europe Commissioner for Human Rights for a non-renewable term of six years, starting on 1 January 2006. I hope that he will be able to take office as soon as possible.

I wish Mr Hammarberg every success. His is a very important job for the Council of Europe, for all member states and for all citizens. I hope that there will be the same intensive, fruitful co-operation with the Assembly as we see now with Mr Gil-Robles. The Assembly looks forward to a continuation of that close working relationship.

I congratulate you, Mr Hammarberg, and wish you all the best.

### **4. Orders of the day**

THE PRESIDENT. – I wish to propose to the Assembly a change in the orders of the day for tomorrow, Thursday 6 October.

A large number of speakers wish to participate in the morning debate on the European neighbourhood policy of the European Union. I therefore propose that we extend this debate into the afternoon as the first order of that sitting. It will be followed by the votes. The debate under urgent procedure on Europe and bird flu will therefore begin at about 4 p.m.

Are those arrangements agreed?

They are agreed, and the orders of the day are amended accordingly.

### **5. Organisation of debates**

THE PRESIDENT. – This afternoon's business is very full, with debates on two reports. There are 33 speakers, and 13 amendments to consider.

We will have to interrupt the list of speakers in the first debate, on the OECD, at about 5.30 p.m. and the list of speakers in the second debate, on forced marriages, at about 6.40 p.m. in order to leave sufficient time for the replies and the votes. The second debate will commence at about 5.45 p.m.

Are those arrangements agreed?

They are agreed.

### **6. OECD and the world economy – enlarged debate**

THE PRESIDENT. – The first item of business at this afternoon's sitting is the enlarged debate on the OECD and the world economy. The debate will take place under the rules set out on pages 150-165 of the Rules of Procedure.

We begin with the presentation by Mr Vrettos, on behalf of the Committee on Economic Affairs and Development, of its report on the OECD and the world economy (Document 10645). We shall then hear contributions from the following committees: Social, Health and Family Affairs; Migration, Refugees and Population; Culture, Science and Education; and Environment, Agriculture and Local and Regional Affairs. They will be followed by a statement by Mr Donald J. Johnston, Secretary General of the OECD, to whom I give a warm welcome.

The rapporteur has eight minutes, committee spokesmen have seven minutes, and participants in the general debate have five minutes.

In the general debate, we welcome the participation of delegations from parliaments of non-European member states of the OECD, including Canada, Japan and Mexico. The list of speakers closed at 12 noon today; 22 names are on the list, and no amendments have been tabled. I remind you that we will need to interrupt the list of speakers at about 5.30 pm, in order to allow time for the votes and replies.

I now call Mr Vrettos to present the report of the Committee on Economic Affairs and Development. He has eight minutes.

Mr VRETTOS (*Greece*). – I have only a few minutes at my disposal, so I shall be brief in presenting a report for which I have had the honour of serving as your rapporteur. I thank my colleagues in the committee, and those in the non-European delegations who are present, for their support and their contributions to my work.

If I had been one of those weather forecasters that we see on television, I would have pointed to a map showing overall sunshine but, here and there, gathering clouds and, indeed, areas in which storms could develop. The sunshine part is the overall solid growth of the world economy thanks, in particular, to continued strong growth in places such as the United States, China, India, Brazil, Russia and many other emerging economies. Another bright spot is that inflation in the OECD area is rather well contained thanks to rising productivity, increasing competition and a sufficient supply of goods and services that are traded ever more freely across borders.

But then there are also clouds. One is the massive and steadily rising current account deficit of the United States. Another is the misalignment between some of the world's major currencies, leading to enormous trade and other distortions. A third cloud hangs over Geneva, where progress on the Doha development agenda is painfully slow and with little time remaining until the crucial World Trade Organisation summit in Hong Kong at the end of the year.

While considering the economic climate in Europe, I would say that the very hesitant growth in many parts of the eurozone is a major source of worry. Many European Union countries – whether in the eurozone or not – need to tighten their fiscal balances in line with the Stability and Growth Pact. They must also get moving seriously on the Lisbon agenda.

Yet another cloud is the result of the high and volatile oil prices that are due to rapidly rising demand worldwide that has been accentuated by the recent hurricane activity in the gulf of Mexico. We

have to do many things such as increasing refining capacity in our countries and going about using oil more wisely.

The report also deals with the OECD's major, and constantly expanding, "Outreach" programme with countries such as Russia, which is a member state of the Council of Europe, and China. I should also mention the OECD's work with developing countries, and here I want to stress the importance of realising the United Nations millennium development goals on which the world is seriously behind schedule.

One sunny patch in Europe is the EU's recent enlargement from 15 to 25 member states. The EU's new members provide a breath of fresh air – or should I say a new reviving breeze of change – to Europe as they question many of the established practices in the previous EU of the "15".

Finally I have a thought for the outgoing Secretary General, Mr Johnston, and it has to do with the OECD's own future enlargement. In the report, I say that further enlargement is not easy for organisational reasons and nor will it be easy to maintain a proper balance between different world regions as the OECD takes on new members. But the organisation must ask itself how long it can continue to become more and more intensively involved in partnerships with much of the emerging economic world and still have only 30 member countries. Perhaps our debate this afternoon will take up that point.

May I also thank Mr Johnston, and through him the highly competent staff of the OECD, for all the advice they have given me as I prepared this report over the past few months and for the excellent work that they are doing to help us better understand the global economy, so that we as politicians can shape better policies to make this world a better and fairer place for all?

I thank you for your attention.

THE PRESIDENT. – Thank you. I call on Mr Hancock to present the contribution of the Social, Health and Family Affairs Committee, Document 10704. He has seven minutes.

Mr HANCOCK (*United Kingdom*). – Seven? Goodness me. I wish I had had that this morning.

THE PRESIDENT. – You do not need to speak for seven minutes.

Mr HANCOCK (*United Kingdom*). – I am very grateful for the time, but I wish I had had as long this morning.

On behalf of the Social, Health and Family Affairs Committee, I wish Mr Johnston a very happy retirement and all the very best in whatever he decides to do in the future. I am sure that he has planned his future in the same way that he plans his current work. We wish him all the very best and I hope that this will not be the last time that we see him here in this Assembly.

I thank Mr Vrettos for the excellent report that he has produced. It is not an easy subject to talk about because, whatever we say, we are not in charge of our own futures. The economic well-being of our continent is interlocked with that of the whole world. When the rapporteur talks about the few countries involved in the OECD, he ignores the consequential links that bring the number of countries involved to more than 100. In reality, the organisation speaks with a much wider voice than that of the countries who have signed up as active members.

The report spells out some of the real risks that our continent faces. Every one of the Council of Europe's 46 member states will be confronted by the ongoing process of demographic change and the challenges that that throws up. If governments believe that they can resist those challenges by ignoring them, social unrest will be the ultimate problem with which they have to deal. The social unrest will come in many different forms. It will come from the dispossessed who no longer have access to health services, good education and jobs.

One of the prices we pay for having a higher retirement age is that, in some cases, there will be little movement at the lower end of the scale and young people might be denied the opportunity to get a job or to advance their careers. Such logjams will be a consequence of some of the failures of many of our member states – the United Kingdom included – who have not recognised that they have to move in a way that is properly planned and adequately financed to deal with the changes that confront us. The rapporteur is right to make such points.

The rapporteur is also right to spell out – in softer terms than I would have chosen – the consequences of not taking seriously the advice and messages that are coming across. It is all too easy for politicians to look for short-term solutions and for ways of attracting votes in elections without their fundamentally getting to grips with the long-term reason for our nations and the way that we will develop

as societies. We must give politicians information that they cannot ignore and one of the reasons for the existence of the OECD is its ability to deny politicians the opportunity to say, "I didn't know." Ignorance is no longer an excuse that politicians can use time and time again. It is all too easy for them to say, "If only I'd known, we'd have planned things differently."

This Organisation has tried to address those issues and to bring home to politicians, such as me and those lucky enough to be able to influence their colleagues who are running governments, a vision with a real basis that addresses the social and economic implications of pensions policy. What does the uncertainty of a pension mean to someone in their 30s? I speak to my children and they are not interested in a serious debate about what they should do, but they should be. It will hit them sooner rather than later. In some instances, and for some of our children, it will happen sooner than they would imagine. How right it is that we have to concentrate on giving support to the well-being of children and supporting families. Too many of our member states have not taken these issues seriously. The repercussion of doing nothing or very little, or not rehearsing properly the ideas and ambitions that governments have sought to implement for families and children is the creation of a galaxy of problems that any one of us could expertly rehearse in this arena and outside time and time again.

There is the issue of having too few children along with the issues that arise from not having support for handicapped or disabled children. Another matter is the well-being of the family unit when housing is the greatest problem, or when education is the problem. We must listen to, and take seriously, the advice and knowledge that is being freely given to us. If we ignore that advice and knowledge, we will be acting like the ostrich with its head in the sand, hoping that something will turn up, in the same way as some of Dickens' characters. That will not happen. There is no magic solution. The world economy must be examined by all of our member states as players. As members of the community in Europe, we must consider what we can do to help one another.

This morning, we had a debate about Ukraine. How many of us will devote our energies in our parliaments to try to resource some of the things that are desperately needed to help Ukraine? We listened in a group meeting this morning to colleagues from Southeast Asia, who talked to us about the problems in Burma and what neighbouring states can do to help solve these problems. They also asked, "What can you do?" It was said that we could help by offering education places to young Burmese citizens so as to give them an opportunity to develop to their full potential. We must think more collectively, as if we were a family that wanted to co-exist and to develop together. We should not act as a group of nations that aspire to out-do one another. The Assembly has a part to play in bringing home to all member states and to all parliamentarians that that responsibility starts and ends with us.

If we are not listening and we are not taking note of what we are being told, we will fail yet another generation of young children in our continent.

THE PRESIDENT. – Thank you. You were able to use your seven minutes without any trouble, Mr Hancock. I now call Mr Braun to speak on behalf of the Committee on Migration, Refugees and Population.

Mr BRAUN (*Hungary*). – First, I congratulate our colleague, Mr Vrettos, on his excellent report on the OECD and the world economy. The OECD has an important role in linking migration to the economy and the labour market and sharing experience and best practice. The OECD's annual publication on international migration provides a valuable source of data and a review of national migration policies. It is useful and important in our work. The current economic situation is that there are about 24.6 million foreign nationals in European countries, comprising 4.5% of the total population. There are about 83 million people in Europe who were born in countries other than the ones in which they reside. The European population gains from migration by more than 1 million people a year. About 10 million foreign workers reside in European states.

At a European conference on population in Strasbourg this year, Professor John Salt identified five main migration streams in Europe. These were the labour market, family reunion and formation, students, asylum seekers and retirement migration. The Committee on Migration, Refugees and Population tries to focus on the economic aspect of migration. Migrants can be both providers and consumers. Some are net contributors to the economy. One of the features of migration is a skill shortage within the host country and global competition for highly qualified people. Labour migration is a feature of increasing globalisation and national economics.

Economic migration is seen more and more as an opportunity to remain competitive by filling in gaps in the national labour market. Migrants can contribute effectively to development through investment and remittances and through their skills and entrepreneurial activities.

The OECD rightly focuses on labour-related migration flows and the difficulties that are faced by specific groups of migrants to integrate within the labour market. Migrant workers are often paid lower wages. They work longer hours and live in poorer houses. They often suffer from segregation and discrimination.

The OECD has examined the effects of these flows on matters such as employment, wages, finances, output and productivity. It provides valuable guidelines for proactive migration policies, linking migration to the economy and the labour market and sharing experience and best practice in the context of proactive migration management in the Council of Europe. The role of the OECD and other international organisations remains crucial.

THE PRESIDENT. – Thank you. I now call Mrs Pericleous Papadopoulos to present the contribution of the Committee on Culture, Science and Education (Document 10702). You have seven minutes.

Mrs PERICLEOUS PAPAPOULOS (*Cyprus*). – First, I warmly welcome the parliamentary delegations of European members in this debate. I congratulate Mr Vrettos on his excellent report as the Vice-Chairperson of the Committee on Economic Affairs and Development, substituting our chairperson, Mr Kirilov.

The current report from the OECD on the world economy indicates that the economic situation is in a relatively good position. There is a relative improvement across countries but there are differences in economic vigour in countries that still persist. In the OECD area, inflation is well-contained. In the United States, there is a huge and steadily rising deficit. In the eurozone, economies are diverging. The targets of the Lisbon agenda encounter serious difficulties in implementation.

The challenge for the EU is to maintain its social programmes as the population ages, to combat increasing unemployment and the political agenda as regards the constitutional treaty. Structural reforms are urgently needed everywhere. The challenge for the world is to overcome existing trends, to combat high and volatile oil prices and to deal with the risks associated with the trade deficit of the United States, which enhance international economic imbalances.

The committee welcomes the extensive ongoing co-operation of the OECD with Russia and China, which is most welcome. We believe that the OECD must also move on increasing energy efficiencies and diverse sources by adopting a new model of sustainable prosperity based on super-efficiency, pollution-free technologies and renewable sources of energy. As a rapporteur on behalf of the Committee on Culture, Science and Education, I stress the importance that the committee places on education, scientific research and other areas that impact on the world economy. We have suggested an amendment – it consists of three paragraphs – which we hope will be added to the report. We are glad that it has been addressed in the report. We suggest that the OECD must pay closer attention to factors such as education, science, scientific research, social cohesion, good government and economic stability. All these factors play an important role in terms of economic performance in each individual state, and certainly in the world economy.

We also call for further co-ordination between the OECD and the Council of Europe. We welcome the work that has been done and the standards that have been set by the OECD and the Council of Europe. We invite the OECD to carry out a comparative performance report in OECD member countries to examine the role of higher education and research and the ability of students to realise their full potential in increasing demands that are associated with the knowledge society, life-long learning, globalisation, national and regional economies, local communities, social cohesion and the community.

We call on the Council of Europe to take concerted action on identified priorities in the field of education policy. The OECD and the Council of Europe must increase co-operation to identify co-ordinated activities, paying due regard to their different missions but having the common vision of sharing their valuable experience in all fields. The aim should be, first, to ensure high-quality, lifelong learning for all as a contribution not only to personal development but to sustainable economic growth and social cohesion; secondly, to raise prosperity in the poorest countries; thirdly, to avoid economic and other constraints that enhance other inequalities; and, fourthly, to strengthen co-operation with developing countries, especially those in Africa.

The OECD should further examine ways of improving and assisting economic integration by making OECD experience more widely available, including to non-member countries and possibly to new members and by looking more deeply and closely at field projects to put the millennium development goals into action and good governance principles into practice.

I congratulate the rapporteur, Mr Vrettos, on his excellent, well-documented report and I hope that, by taking concerted action, the Council of Europe and the OECD will do more for the world, especially for the poor countries in Africa.

THE PRESIDENT. – Thank you, Mrs Pericleous Papadopoulos. I call Mr Dupraz to present the contribution of the Committee on the Environment, Agriculture and Local and Regional Affairs. You have seven minutes.

Mr DUPRAZ (*Switzerland*) underlined the importance for the Council of Europe of the work of the OECD. He thanked the rapporteur for agreeing to take on board the amendments suggested by the Committee on the Environment, Agriculture, and Local and Regional Affairs. It was significant that this debate was taking place in an enlarged Assembly. He recalled the Assembly's discussion in 2004 on the energy dependency of European countries and the increasing amount of research into renewable energy sources.

A growing number of experts were now advocating neo-liberal economic development. He believed they had only limited experience of business and had never actually experienced the consequences of the policies they championed. Politics and politicians must retain control of the economy. Following the collapse of communist regimes in Europe, liberal democracies had to demonstrate economic responsibility. This also highlighted the importance of sustainable development.

Agriculture remained important to the economy. Its development should be encouraged in developing countries. Trade which disadvantaged domestic agricultural production in those countries should be discouraged. Agriculture could not simply be relocated. It also helped to protect the environment: paddy fields in Japan prevented soil erosion and agriculture in the Swiss mountains maintained the landscape for tourism.

The report suggested that water supply in China was at risk of deterioration. It was important to reflect on what might happen if this came to pass. Support for sustainable development was essential for a healthy world economy.

THE PRESIDENT. – We now come to the statement by Mr Donald J. Johnston, Secretary General of the OECD.

This is the 10th statement you have made to us since you took over in 1996. I mention that because, alas, today will be the last time we have the privilege of your presence, your having decided not to seek reappointment. We have greatly appreciated your always lucid and candid analysis of the world's economic situation and of the challenges facing it.

Under your stewardship, much has changed in the OECD: not only has its membership enlarged to 30 – with, may I say, constant encouragement from our side? – but it has changed from being an organisation focused mainly on its membership area to one that is extending to the whole world. I have in mind your ambitious outreach programme not only with member states of the Council of Europe such as Russia, Ukraine and others but with a large number of rising economies such as China and with developing countries. I thank you very much for your impressive book on the government in China.

We in this Assembly have always believed in the role of the OECD in this new world economy. We count on the OECD to make us not only understand the world better but also, through that understanding, to make that world better and more just place for all.

I wish you all the best for your personal future.

Mr Johnston, you have the floor. You have 10 minutes.

Mr JOHNSTON (*Secretary General of the OECD*). – Let me just say that my schedule meant that I should leave at 4.45 p.m. because I have a 6 p.m. flight. I see that there are 22 speakers in the debate, and I would like to hear all their contributions. Perhaps people can keep them short. I shall do as you counselled me at lunch, Mr President.

*(The speaker continued in French)*

He congratulated Mr Vrettos on an excellent report. He hoped to limit his comments to five minutes to enable other speakers to raise questions. He apologised that he would have to leave the debate early.

*(The speaker continued in English)*

We have talked about oil. The International Energy Agency is at the OECD, and we follow the subject with great care. Can we be pessimistic, optimistic or realistic? To be realistic, I think that higher oil prices will be with us for some time. The good news is that they have not had an effect on core inflation. Many countries have been more resilient than others. As you mentioned in your report, Mr Vrettos, the strength of the euro has provided some cushion because oil is denominated in dollars. People sometimes forget that.

Our Japanese friends have developed a providing capacity that America and Canada have not achieved to the same degree. Hence they are able to buy Dubai sour oil at a substantially reduced prices, and that has also helped. The United States, which is suffering from these oil prices, has probably the most resilient economy and there has been no spill-over into core inflation. That is terribly important.

We also have to deal with the problems caused by the hurricanes that have hit the Gulf coast and created more uncertainty, and that brings me to the issue of risk. Risk identification, risk management and the mitigation of damages that flow from those risks are important. The OECD has a special programme, which we have been running for some years. We reviewed Norway, Denmark, Sweden, Japan and the United States, and found to our surprise that most countries in the OECD are not well equipped to deal with the risks that we face in the 21st century. As we have seen in the United States, much of it has to do with co-ordination and communication between various departments and agencies of government. However, we have to be much better at dealing with that. We all know what the risks are, and we can do our best to prevent many of them. This morning I talked to some Assembly members about a potential pandemic. All our countries should be well prepared at every level to prevent such problems. As I said, we have pioneering reviews of such situations.

The OECD is very much engaged in outreach and enlargement. I am pleased that Mr Vrettos highlighted the importance of the OECD's outreach activities. At the last count, some 70 countries are involved in our work, and a number of them have country-specific programmes. We have programmes for the Middle East and north Africa to which many countries pay voluntary contributions. They deal with governance on the one hand and investment on the other. However, the two go hand in hand. The governance strand involves the United Nations Development Programme. The other is in conjunction with the World Bank and other agencies. Those programmes are owned by the Arab countries, which are participating actively and voluntarily. That is a very encouraging sign. Assembly members would be encouraged by the level of energy, intelligence and dynamism of some of the young Arab leaders in those countries.

A number of Assembly members are coming to Paris tomorrow to participate in a high-level forum on China. The OECD has focused on China recently. It is greatly engaged in our work. We have conducted governance and economic reviews of China, copied of which I have delivered to the President. They are important pieces of work and were produced in close co-operation with the Chinese authorities. They are the first reports of their kind. I hope that members have the opportunity to look at the synthesis of those papers, because they will find them revealing. They identify the strength of China, but also reveal its structural problems. China is progressing, but it is doing it at different rates in different parts of the country. The poverty gap is growing and it is a major challenge to maintain social stability and cohesion.

We are about to embark on an environmental review of China. The Chinese are the first to recognise that rapid economic expansion – we are looking at 9% to 10% growth a year, and the OECD believe that it will continue at that rate – brings with it environmental problems, such as industrial pollution of waterways and so on. There is much to be done in that regard.

We are also involved in reviewing regulatory reform in China. We do regulatory reform reviews for member countries, such as the recent review for Russia, but we do not carry out many outside of our OECD universe. The review for China will be significant in aiding the Chinese to ensure that their markets are functioning productively and efficiently. They need foreign direct investment to continue to flow, and it must not get caught up in a cobweb of red tape, regulation and non-application of the rule of law or other such problems.

*(The speaker continued in French)*

He invited comments from colleagues. He would remain at the Assembly for an hour and would attempt to answer some questions during that time. It was his last appearance before the Assembly and he was pleased to be able to contribute to the debate.

THE PRESIDENT. – Thank you, Mr Johnston. I am glad that you are prepared to answer questions. Those members who ask questions before you leave will be in the lucky position of receiving answers. Other members will have to get their answers from the rapporteurs.



We now come to the list of speakers in the general debate. I call first Mr Sasi on behalf of the Group of the European People's Party.

Mr SASI (*Finland*). – The Organisation for Economic Co-operation and Development is a wonderful organisation that has done some excellent research into economic development and economic structures in various countries. The recommendations that OECD gives to member and other countries are highly respected, and politicians should look at them carefully and try to implement them. OECD also makes very good treaties, such as tax treaties, which are very helpful in terms of economic activity.

When the Committee on Economic Affairs and Development meets each May, the OECD always provides us with a very good briefing on the world economy. As a result, we know what is happening and what should be done to improve the world economy. Sometimes, we are given economic studies by various organisations such as the OECD and European Commission. The OECD's papers are of the highest quality and contain many very good ideas.

The world economy looks quite good. It is true that oil prices are high, as Mr Johnston said. It is good that that has yet to cause any inflation, and it seems that it will not. What is essential is that all developed countries be able to reduce oil consumption. Resources are diminishing, so such reductions must be achieved in all countries by all means. I urge the Americans to raise their gasoline taxes, because doing so would be a very effective tool in reducing consumption. I know that to do so is difficult politically, but it would be very helpful for the entire world economy.

Asia is growing very rapidly. It can now take a leading position in the world economy, thanks largely to the market reforms that have taken place in China and India in particular. As such reforms continue, they will help the world economy to grow even faster in future.

In South America, stability is fairly good, but in Africa there is a lot to do. The countries concerned should themselves strive to promote democracy, human rights, a market economy and the combating of criminal corruption. When there are good economic conditions, growth takes place and poverty can be reduced.

In future, it will be quite difficult for the United States to be the engine of the world economy. Its economic deficit shows clearly that something must be done. The United States cannot really increase consumption any further; it must try to reduce it in order to achieve a balance. We must understand that point, and I hope that we will aid the Americans in their efforts.

The situation in Europe is not very good. Mr Tony Blair, Britain's Labour Prime Minister, was right to say that the European social model cannot be one of unemployment. It must be a model of employment, and we have much to do in this respect. I urge all politicians in all countries to look at the structural reforms that the OECD proposes, because they would certainly help the countries concerned. I hope that the OECD will help the public debate, so that people in France, Germany and Finland can understand that such structural reforms are necessary if we want to increase employment and to create good economic conditions in those countries. This is the moment to discuss this issue, because now there is much more hope in Germany. If there is a change of government, further radical reforms could be implemented. If Germany goes forward more rapidly, that will help the whole of Europe.

The second problem in Europe is the ageing population. We will have to work to a later age, and we will need a clearer connection between the pensions paid and the payments that people make into their own pensions. We also need clear immigration policies; we have to get more people to work in Europe.

The OECD can help us, and I ask those concerned please to look at the OECD recommendations and to try to follow them. That is one good way to try to improve employment in Europe and throughout the world. The OECD should still try to develop the various treaties and conventions, because things change and they need to be updated. However, such work is taking place all the time.

THE PRESIDENT. – Thank you. I call Mr Szalay to speak on behalf of the Alliance of Liberals and Democrats for Europe.

Mr SZALAY (*Hungary*). – On behalf of the ALDE, I thank Mr Donald Johnston for all his hard, fruitful and effective work as Secretary General of the OECD. He has led this important institution over a long period that could easily be marked as the Johnston period. Thank you, Mr Secretary General, for all these years.

The remarkable report of our colleague, Mr Vrettos, gives a good overview of the controversial development of the world economy. Although there are positive aspects to the global tendencies, and we can even find convincing and unquestionably good macro-economic indexes, our economic growth is followed by global imbalances, tensions and risks.

Some countries whose economic growth is expanding are increasingly overburdening their natural resources and surroundings. In countries where environmental concerns are more seriously observed, however, economic growth in many cases falls behind. Until now, humanity has not really made a pledge to address the issue of sustainable development. What we do know is that development cannot be sustained harmlessly in the long run. The depletion of the world's energy resources is happening so rapidly that we cannot provide suitable substitute resources. The technological, economic and social gap is widening more and more in countries, regions and social classes. The consumption of the biggest economy is being financed by others to an extent never seen before. Moreover, uncontrollable violence and terror, in the guise of a certain religion, destabilises and threatens the most vulnerable and sensitive elements of the world economy.

We Liberals agree with the report, which, in ranking the eventual risks, stresses the threatening hazards of oil prices and the United States current account deficit. Oil prices continue to be a major concern in terms of the world economy's overall health, given the vulnerability of oil-importing countries to higher oil prices varies, depending on the degree to which they are net importers, and on the oil-intensiveness of their economies. In many countries, higher prices are contributing to stubbornly high levels of unemployment and exacerbating budget deficits.

The future is also not comforting. The world's dependence on oil is growing continuously. Demand is expected to rise by two-thirds during the next 30 years, and in the light of decreasing reserves, there is no real chance of altering the tendency towards expanding oil prices. As a consequence, the transfer of income from oil importers to oil exporters could rapidly increase, opening the door to new tensions. Natural catastrophes, inappropriate policy responses and higher gas prices would only amplify the adverse economic and political effects.

The United States current account deficit, the most outstanding part of the increasing global current account imbalances, is evidently a source of tension in the world economic outlook. The deficit level is already unsustainable, and it is likely to continue to grow in the coming years.

On enlargement, we Liberals attach great importance to the maintenance of the OECD as a coherent community. That will ensure its ability to concentrate on global and specific problems that are important for its members, and to address these issues from the viewpoint of its like-minded constituency. Any future enlargement should by no means undermine the principle of like-mindedness: the existence of democratic values and institutions. Perhaps it would have been better not to nominate certain countries as the would-be next members of the OECD, while at the same time not mentioning others, such as certain new member countries of the European Union.

Thank you for your excellent work, Mr Vrettos, and thank you all for your patience.

*(Mrs Papadimitriou, Vice-President of the Assembly, took the Chair in place of Mr van der Linden.)*

THE PRESIDENT. – Thank you. I now call Mr Walter to speak on behalf of the European Democratic Group.

Mr WALTER (*United Kingdom*). – I congratulate the rapporteur on an excellent report, which has been enhanced by the contributions of the other committees from which we have heard today.

The OECD has a very important role to play at what is a critical time for the world economy. It is the guardian of the economic contribution of the industrial world, but it also has a critical relationship with wider international bodies: the International Monetary Fund, the World Bank and, in particular, the World Trade Organisation. We live in what is now a global economy. Many of us are focusing on the Hong Kong conference and the Doha development round. It must be in the interests of the OECD nations to promote free and fair trade. A great deal of responsibility rests on the European Union and the United States in particular, in terms of not just tariff reductions but eradication of the agricultural subsidy regimes that currently exist in both the EU and the United States.

For that reason, I have a little difficulty with paragraph 16 of the draft resolution, as I explained yesterday to the Committee on Economic Affairs and Development. I wonder why we single out agriculture in suggesting that the OECD should contemplate economic effects on rural life and rural regions. Why should we not single out regions where there is shipbuilding, mining or tourism? I think that the paragraph

was inspired by a desire on the part of some Assembly members to go on protecting the common agricultural policy. Such a backward step cannot be right.

Paragraphs 4 to 7 of the draft resolution, however, focus on the critical period that lies before us in terms of our global imbalances. There is phenomenal growth in Asia, especially in China and India, combined with deficits in, particularly, the United States. We really must do something to alleviate the problems caused by those imbalances – which, as the report says, are exacerbated by low savings rates. They are not sustainable in the long run, and the OECD nations have a responsibility to tackle the problems.

Having criticised the section contributed by the Committee on the Environment, Agriculture and Local and Regional Affairs on what I described as the protection of the CAP, I welcome its contribution on sustainable development, especially as it applies to energy. Our dependence on hydrocarbon fuels, particularly oil, is evident to all as petroleum prices escalate around the world. We must come to terms with our energy needs: that must be in the interests of the world economy. We must pay much more attention to renewables, and we must not ignore the contribution of nuclear energy – with the reservations that I know many have.

The report is excellent, however, and I have no hesitation in supporting it. Let me again congratulate the rapporteur.

THE PRESIDENT. – Thank you. I call Mr Kox to speak on behalf of the Group of the Unified European Left.

Mr KOX (*Netherlands*). – My speech will be slightly different from those of my colleagues. I shall focus on the Council of Europe's relationship with the OECD and its policy.

Yesterday, a million people filled the streets of France to confront the government with the results of its policy of liberalisation and privatisation, of ever more market and ever less public service. I allowed myself to participate in the demonstration because that policy is not typically French; it is the policy of nearly all the 30 member states of the OECD. Moreover, we are seen as its parliamentary body in an enlarged form: we have with us colleagues from Japan, Korea, Mexico and Canada. Our colleagues from the United States have apparently lost their way to Strasbourg, although the United States is entitled to send 18 delegates.

I ask the rapporteur and the Secretary General – although his plane is waiting – whether they see the American absence as an indication of how seriously the Assembly is taken by its main sponsor and founder, which takes care of 50% of the total costs of the OECD. If such an important member state does not feel the need to participate in this enlarged Assembly, should we not reconsider our position as the OECD's parliamentary body? Do we really want to bear responsibility for the much-discussed organisation, a remnant of the post-war period and the Marshall plan, which has now become the economic alliance of the real rich of the earth? Thirty member states containing only 20% of the world's population represent 75% of the world's trade, and are the homeland of nearly all the Fortune 500 multinationals and many other big companies. Do we really want to be responsible for the parliamentary scrutiny of such an organisation?

What can we expect from an alliance of the rich, led by neo-liberal-inspired governments and dominated by multinational companies? How could an organisation of that kind comply with our goals, such as improving the circumstances of the poor and the powerless? Is it fair to ask that? Is it fair to ask the cat not to eat, but to feed the mice?

Like Mr Ateş's report last year, Mr Vrettos's report makes several demands of member states. The United States should change its blind budgetary policy; all member states should meet the Kyoto criteria, increasing their energy efficiency and decreasing their demand for oil and other energy. They should strengthen domestic demand, especially in the eurozone. Those are proposals on which we could agree, but let us be honest. No one expects that after this debate, George Bush will say "Okay, if this is what you want me to do, it will be done." No one expects that Jacques Chirac will say, like his Prime Minister yesterday after the strike, "*J'ai entendu le message*: I will increase French purchase power." Surely Chancellor Merkel will not speed up domestic demand and end the social security cuts made by her predecessor, Chancellor Schroeder.

Let us look at my country, the Netherlands. Last month a right-wing majority of the Dutch Senate, of which I am a member, even decided that it would not follow the 10-year-old OECD advice to end the possibility of putting the costs of corruption on the taxpayer's bill.

Let us be honest: this Assembly is not capable of forcing the governments of OECD countries to behave better. We should acknowledge that, and start searching for modern means of organising parliamentary scrutiny of this organisation or else call its mission impossible. We should not be a façade; we are too good for window-dressing.

The report underlines the fact that asking the rich and powerful OECD to improve the position of the poor and powerless is like trying to square the circle. It welcomes the so-called overall solid growth of the world economy – although millions of poor people did not profit from it at all, and as a result the imbalance between the rich and poor of the world became bigger and increased the pressure on our environment and the risks for the next generations.

Would it not have been better, I ask the rapporteur, if the draft resolution had stated that the enlarged Assembly was horrified by the fact that we had lost another year in which to decrease worldwide poverty and environmental destruction? Should it not have stated that the economic weather forecast was not overall sunshine with some storms, but overall storm with some sunshine here and there? The development of the world economy is the development of a world tragedy.

Yes, there is some logic in the report. If we accept that the markets decide on our future and the big social economic problems, the recommendations of the rapporteur may make sense. If we do not believe in that kind of magic, we are obliged to say "Mr Rapporteur, this is not our report or our resolution."

THE PRESIDENT (Translation). – Thank you. I call Mr Elo on behalf of the Socialist Group.

Mr ELO (*Finland*). – On behalf of the Socialist Group, I join the previous speakers who have thanked Mr Johnston for the highly qualified work that he has carried out during his time as Secretary General of the OECD. On behalf of the Socialist Group, I would also like to congratulate the rapporteur, Mr Vrettos, on his report. Sometimes in the past, I have been critical of the recommendations of the OECD. This time, however, I almost fully agree with the draft resolution and the recent recommendations of the OECD.

The report points out the solid growth in the United States, China, India, Brazil and Russia, and in several emerging economies. I will take a look at the United States in particular because it is the engine of the world economy. First, I think that the rapporteur is correct when he warns of the soaring current account deficit of the United States. I think that the collapse of the dollar is still a real threat, not only to the United States but to the whole world economy. Of course, there are different views on the future development of the United States, but when we look at the double deficit of the United States – not only the current account deficit, but the budget deficit, which is increasing all the time and which is the same size as the current account deficit – we realise that the situation is very serious.

We all know that the war in Iraq and the hurricanes have aggravated the situation in the United States and that economic growth there is mainly based on huge deficits that have increased the purchasing power of the population of the United States. As the rapporteur says, that development is unsustainable.

When we look at the savings rate in the United States, which is very low, we can all recognise the threats posed by the United States economy. To my mind, some of us here in Europe are a little hypocritical when we criticise Germany, France and Italy for their budget deficits, which are not really big, but simultaneously praise United States economic policy, which is based mainly on huge deficits.

The role of the emerging economies – in particular, that of China – in financing the United States deficit is really remarkable. Who would have believed 10 years ago that communist China would finance the capitalist United States economy and keep it in a good condition? There is also a great risk of the collapse of the dollar, as I pointed out, if such countries – particularly China – finish financing the United States deficit.

The report also refers to the role of the European Central Bank in the economic development of Europe – rightly so in my view. If we compare the Fed – the central bank of the United States – and the European Central Bank, we notice big differences in their policies. The Fed is aggressive and has an aggressive monetary policy. We have all noticed the 11 interest rate hikes during the past year. The Fed must pay attention to employment and economic growth. In Europe, the European Central Bank has to pay attention only to inflation and stable price setting. What we need in Europe is a more flexible and aggressive monetary policy.

It is interesting to look at the countries outside the economic and monetary union: the United Kingdom, Sweden and Denmark. They all have an independent monetary policy and their unemployment situation is better than the average in European Union countries.

I thank the rapporteur again and also extend the thanks of the Socialist Group to Mr Johnston for his work.

THE PRESIDENT. – Thank you. All the group representatives have spoken. I now call Mr Kucheida.

Mr KUCHEIDA (*France*) thanked Mr Vrettos for a high-quality report but noted with regret that it was based on classical liberal ideas. He was not surprised by this since the OECD had consistently subscribed to such tenets and had not been the subject of a recent revolution. In his view, the OECD was using the wrong economic indicators; for example, the use of GDP did not reflect the health or financial well-being of a country's inhabitants. He asked why it was necessary to focus on a country's overall growth, and not on personal development. GDP ought to be replaced by a more qualitative indicator. In order to combat the problems mentioned in the report, other solutions were required than those dictated by economic liberalism. The OECD had adopted the same policies as the United States: it needed to be shaken up. The OECD should adopt a sustainable economic model, based on the concept of "equal trade".

He had been told by United States State Department officials that there was a risk of the price of oil continuing to rise sharply. Speculators should be taxed, wastage reduced, and alternative energy sources explored in order to deal with this problem. He evoked the words of Gandhi and concluded that there were enough resources for everyone, but insufficient to meet the greed of each of them.

THE PRESIDENT. – Thank you, Mr Kucheida. Mr Grignon is not present, so I call Mr Lee.

Mr LEE (*observer from Canada*). – First, I want to recognise the excellent work of the committee's rapporteur, Mr Vrettos, who had the challenge of compressing OECD views on our complex and ever-changing world economy into some 120 paragraphs and a detailed resolution. The core document is three months old and we know how quickly things can change on the world scene. I must also recognise the huge contributions made by the economic, administrative and leadership skills of Mr Don Johnston to the work of the OECD over his term of office.

Our prospects for growth and stability, outlined in the paper, could be described as positive and upbeat. However, as he and we do our work here, there are late-breaking events that may challenge one or more of the economic assumptions described in the report. With the projection of above-trend growth in 2006, and recognising the absence of any large inflation psychology expectation, all eyes might turn to the United States economy, where the possibility of economic overheating might have to be addressed by the economic brake of interest rate increases.

Secondly, the report recognises the persistence of market-driven oil prices well above their original projections of between \$45 and \$50. Economic modelling has not yet digested the global impacts of that, recognising the fact that various economies and regions will react differently.

On the same theme, the repercussions of the recent Chinese exchange rate regime adjustments and the indirect impact of Hurricanes Katrina and Rita on commodity and financial markets have not yet been factored into medium-term projections. For all those reasons, I would have to be at least a little more cautious in looking at the future global economy. I would hope for the best but plan for other, less robust outcomes, as the report suggests, with its implied challenge to the central banks and governments of the major economies.

In Canada, we are playing our part. We have now had eight consecutive annual budgetary surpluses and six consecutive current account surpluses; unemployment is at its lowest rate in 30 years, inflation has been kept in the 1% to 3% band for 10 years and we have reduced our debt-to-GDP ratio from 68% in 1995 to 38% today, and it is declining further.

In speaking about the importance of oil to our global economy, I want to refer to three factors in respect of which many of the so-called "player" countries could make some improvements in law and government policy. I say that from the viewpoint of Canada, which now has the world's second-largest proven oil reserves. The first factor is that some countries subsidise oil, which impedes demand-side adjustment. Secondly, some countries impede foreign direct investment inflows in the oil sector, which reduces investment and supply-side adjustment. Thirdly, some countries are very coy about releasing data on proven oil reserves, which impairs investment and policy decision making.

The report refers to two of the OECD membership expansion criteria – being “like minded” and being a “major player” – but does not refer to the other two stated criteria, which are “mutual benefit” and “geographic considerations”. Although some countries rank those factors, Canada believes all four are equally important.

Looking to future challenges, paragraph 118 of the report quite properly underlines the critical need for our economies to prepare for the huge financial demands of societal pension transfers. At least those large amounts are actuarially quantifiable, but perhaps even more challenging is the matter of health care. Who will pay for the huge, open-ended and multiplying financial costs of health care as that very same population ages?

Canada will continue to support and work with its partners at the OECD and in the Council of Europe to achieve these and many other public interest goals undertaken by us so that our world will be a better place for us and for all who will inherit the planet.

THE PRESIDENT. – Thank you, Mr Lee. I call Mr Korobeynikov.

Mr KOROBAYNIKOV (*Russian Federation*) said the OECD's work should cover human capital not just economics. He suggested the OECD and the Council of Europe should co-operate to conduct worldwide research and to change the habits of trading nations. Investment in technology should be increased. He agreed with Mr Kox that there had been enough talking and the time had come to help developing countries. Worldwide trade was holding back development. Poorer countries must be given the means to bridge the digital divide, because only then would they be able to meet the millennium development goals. Western technological know-how should be combined with the human capital available in central and eastern Europe. This would help bridge the divide and attenuate the resulting social and economic tensions.

He understood that the OECD had been researching the knowledge and potential of school-age children. No more than 5% of them had obtained full marks in the OECD test. He did not know whether this was due to problems with the curriculum, poor teaching or other factors. However, he believed children were neither physically nor psychologically capable of succeeding in the modern world economy. A joint OECD, Council of Europe and WHO research project should be established to examine the link between children's attainment and their health. He believed OECD officials supported this. If the health of human capital was not improved, economic development would suffer. The costs of the research should be shared between international organisations and member states.

THE PRESIDENT. – Thank you. I call Mr Wielowieyski.

Mr WIELOWIEYSKI (*Poland*) noted that there was some support for Mr Kucheyda's suggestion of some measure of the impact of human intervention, but it was inconceivable to ignore GDP as a measure of economic activity.

He asked about the timetable which should govern the opening of European markets to exports from developing countries. The implementation might take years, but in order to see results in eight to 10 years, decisions were required now. He saw little hope for this happening, but wished to hear the OECD view.

He also asked what progress had been made in the fight against economic crime. There appeared to have been little improvement over the last 15 years. Economic criminals were exploiting new opportunities. The United States had attempted to improve legislation, and its judicial and police responses, after the collapse of Enron, but centralised banking information was necessary to improve monitoring.

THE PRESIDENT. – Thank you. I call Baroness Hooper.

Baroness HOOPER (*United Kingdom*). – In the circumstances, I shall try to be brief. I congratulate the rapporteur and many of the other contributors to this, as always, most interesting debate.

I shall focus on a part of the world in which I take a special interest and which I have visited on a number of occasions during the past year, and that is Latin America. I use that term as a generalisation but I recognise always that each country of Latin America is different and has different circumstances.

We have the two major global economies of Mexico and Brazil in this context. I am glad that we are to hear from Senator Margáin Berlanga later in the debate. Mr Sasi said that Latin America was enjoying a period of stability and, indeed, growth in most countries. That is to be welcomed, but let us not

forget that about 13 of the 19 Latin American countries are due to have elections during the coming year or so. That can always cause some differences, as we know only too well.

The region is rich in energy resources, and is therefore an important part of the world for us. There are oil resources, and new gas resources have been discovered in the Chaco region of Bolivia and Paraguay. There is enormous potential for hydro-electricity and other alternative energy sources.

I believe that the region exemplifies two issues and aspects of the economy that are not always referred to in debate. One is the effect of remittances on the economy. Mexico is importantly in receipt of remittances. Nicaragua and Bolivia, which I have visited recently, have economies that are based by about 20% on the effect of remittances.

Throughout Latin America, the informal economy has a great impact. That is another factor that is not always taken into consideration. There are the issues of good governance, the fight against corruption and the educational programme which was outlined by Mrs Pericleous Papadopoulos, and these, too, are important.

There are two developments that are quite interesting because they represent initiatives. As a result, in part of the Arab-Latin American summit, which took place in Brazil earlier this year, I understand that a small country – Paraguay – now has a contract to export sweet water to the Gulf countries. That seems amazing and the result was entirely unexpected. There is the phenomenon of people from Canada and the United States retiring to Costa Rica because of the climate, the fact that the dollar goes further and the excellent health provision. There are a number of factors to consider. Europeans should pay more attention to the countries of Latin America, where there is a great European inheritance. We should take advantage of that cultural link.

I thank Mr Johnston for his contribution. Can he tell me about the timetable for Brazil's membership of the OECD?

THE PRESIDENT. – Thank you, Baroness Hooper. I now call Mr Johnston, Secretary General of the OECD to make a short reply. You have two minutes.

Mr JOHNSTON (*Secretary General of the OECD*). – Some 16 countries want to join the OECD. That is a decision for members to take and we are seriously considering how it can expand while maintaining its relevance. In the meantime, we have substantial programmes with a number of major economies, such as Brazil, where we have also carried out a country review. In about two weeks' time, we shall hold a forum on that matter. We have a good working relationship with Brazil, which is getting closer to the OECD through the work programme, as is China. However, I cannot give a specific timetable. Mr Wielowiejski also asked about a timetable.

*(The speaker continued in French)*

Negotiations were being conducted as part of the current Doha Round in Hong Kong.

*(The speaker continued in English)*

What can one say about economic crime? We are doing what we can about money laundering through the work of the financial action task force, which is dealing with bank secrecy, tax evasion and terrorist financing. We are using every technique that we can find to do that and are working diligently at it. At the same time, however, we have to recognise that there will always be economic crime. The question is how we minimise it because it distorts trade and investment and relations between countries. It also disadvantages corporations.

*(The speaker continued in French)*

He agreed with Mr Kuchieda's comments about GDP: it did not give an accurate picture of the social progress made in a country.

*(The speaker continued in English)*

This question came up at a major conference of statisticians in Palermo. I am pleased to have the opportunity to advise the Assembly of the reaction of statisticians generally. They recognise that we have to develop new ways of measuring social, economic and environmental progress. Those measures are rigorous and the OECD is working on that. The point raised was significant. I remember being at a conference when a young woman stood up and said, "I am told my country is doing very well. It has 9%

growth. We cannot drink the water, we have open sewers, polluted air and poor housing, but my goodness, the country is growing at 9% a year."

*(The speaker continued in French)*

The issues raised by colleagues were very important and the OECD would address them.

*(The speaker continued in English)*

I cannot comment on all the good remarks made. However, the opening comments by Mr Sasi appealed to me. Notwithstanding the position taken by Mr Kox and others, it is important to recognise that we cannot have social progress without economic progress. We must have a balance. To do that, the goods market, the labour market and the services market have to work. One million people marched in Paris yesterday, and I believe that Mr Kox was one of them. It is important to bring such social issues to our attention. The reality is, however, as the OECD constantly reminds some of our economies, particularly Germany, that we must make the markets work if we are to generate the wealth needed to address the serious social problems that lie ahead.

As Mr Sasi said, there is also the problem of the ageing population. That is a serious issue for many of our countries, as are the issues of pensions and immigration.

I am sorry that I cannot stay to hear the speeches by Mr Seko and Senator Margáin Berlanga. However, we talked earlier, and they will be in Paris tomorrow.

I take my leave at 4.45 p.m. as promised. I hope that I return to the Parliamentary Assembly in the future, although I do not think that that will happen. Obviously, it will not be in the capacity that I enjoy now. Next year, you will see standing here someone from Japan, Korea, Australia, France, Mexico or Poland, because there are six fine candidates in the race for my succession. When that person is selected, I will convince them that being here with you each year is an imperative.

THE PRESIDENT. – Thank you, Mr Johnston. We will always be happy to welcome you here. I very much enjoyed your address to the Assembly.

I call Mr Seko.

Mr SEKO (*guest from Japan*). – I am highly honoured to be here because amendments proposed by the Japanese delegation are reflected in the report. I want to express my heartfelt thanks to committee members for understanding our position.

The world economy is experiencing a strong recovery, especially in the United States and the Asian countries, such as China and India. We have to accept that that pleasing trend is taking place. The United States economy is achieving sustained expansion and its inflation is being adequately restrained. However, we are concerned that Hurricane Katrina could have a serious impact not only on the United States economy, but on the world economy.

The Chinese economy is expanding, with its annual economic growth rate continuing to register more than 9%. In July this year, the Chinese Government announced a switch to a managed floating exchange-rate system, with reference to the currency basket. It is making efforts to co-operate with the international financial market. We anticipate, however, a more flexible exchange rate regime in China. On the other hand, the rising price of crude oil, caused by increased demand in countries like China, might be a risk factor for the world economy. Coupled with the hurricane damage, the high oil prices might have an impact on the world economy.

The Japanese economy is continuing in its recovery stage, which started at the beginning of 2002. Since the start of this year, the economy has been growing steadily as the improvement in corporate business performance has an effect on household accounts, and it will lead to improvements in employment and income environments. In addition, strong leadership by the Koizumi Administration for structural reform is highly valued by the stock market.

On the other hand, Japan's fiscal system faces a serious problem. The combination of the outstanding debt of Japan's local and central government has risen to ¥773 billion. That is approximately €5.6 trillion, which is the equivalent of 151% of the country's gross domestic product. Every year, more than 40% of the Japanese Government's budgetary income is covered by the issuing of government bonds. Such fiscal debt is supported by huge domestic savings, so we can say at the moment that the situation is not in crisis. However, considering the increasing cost of the Japanese social security system,



along with a rapidly ageing world population and a declining birth rate, drastic reform of the public finance structure is an urgent political issue.

Having been stimulated by the recent economic recovery, Japan is once again ready to play a more important role in the world economy, and particularly in the economic development of Asian countries. Japan has already entered into free trade agreements with Singapore and Mexico, and it has reached broad agreement with the Philippines, Mauritius and Thailand. Japan will continue to make great efforts to revitalise the world economy.

Japan has tried to contribute to the world economy in a further respect. The OECD is selecting a successor to Mr Donald Johnston, the Secretary General, who has been with us today, and aims to elect his successor by December. Sawako Takeuchi, an economist at the World Bank and a famous and popular opinion-former in Japan, is running as a candidate. From now on, Asia's viewpoint, including that of Japan, will play an essential role in the OECD. Moreover, the OECD is expected to deal not only with macro-economic issues but technological issues, the environment and energy. In this regard, the OECD will be able to use the cross-sectional expertise of Ms Takeuchi, who specialises in fiscal and financial matters and advanced technology policies. In addition, she is the only female candidate. Mr Johnston has mentioned the type of person who would be desirable as the next Secretary General, and she meets these conditions as she is from Asia and is female. I am therefore convinced that she is truly the ideal person for the job. I sincerely ask you for your understanding and that you support her candidacy. Thank you for your kind attention.

THE PRESIDENT. – Thank you. I call Mr Jonas.

Mr JONAS (*Germany*) thanked Mr Vrettos and the secretariat for producing the report. The OECD was founded in 1961 when the impact of the Marshall Plan was still being felt in Germany. The Assembly's OECD debate played an important role in facilitating discussions between member and non-member states. He believed balanced economic development was achievable. It was important to note that countries with high economic growth did not always achieve an acceptable level of social care. In this area, the OECD's activities were more important than ever.

THE PRESIDENT. – Thank you. I call Mr Högmark.

Mr HÖGMARK (*Sweden*). – I first thank the rapporteur and the secretariat for a very good report. I should also like to thank the various committees for their contributions to it, and last but not least, I should like to thank the Japanese delegation for its valuable contribution to this work.

As has been said, this report gives a rather bright picture of the world economy, but there are a number of worrying developments clouding the horizon, such as rising oil prices; the United States' steadily rising current account deficit; corruption, economic crime and bad governance in many countries; and the extremely high rate of unemployment, especially among young people, women and those a few years from retirement age.

In my report on solutions to Europe's unemployment – it was debated here in the plenary about six months ago and is referred to in this report – I gave a rather broad description of the unemployment issue in Europe. In terms of the future and the unemployed's belief in it – I am thinking especially of young people – it is extremely important to speed up the European economy and to reduce unemployment. If they are without work and a home of their own, there will be no real hope for the young generation. I want to stress that building a new Europe – in my vision, it includes Turkey and all the Balkan countries – with active support from our voters is closely linked to our success in combating unemployment on our continent.

This report is a form of credo on world free trade. Free trade and labour division are key factors in welfare-building – now and in the future. Free trade also means the meeting of people, culture and languages; it provides a tremendous opportunity to learn from each other with an open mind and tolerance. When we talk about free trade, others sometimes talk about fair trade. I hope that it is possible to combine free and fair trade as a basis for welfare.

I want to say a few words about the energy situation. I am worried not only about oil and energy prices, but about the growing imbalance between the geographical location of consumption and production.

For instance, in the United States the market share of imported oil and energy increases every year. That means that the United States will become more and more dependent on oil imports, especially from the Middle East.

Mexican immigrants were heading north in search of wealth. Economic development should take place in such a way that people could remain in their home countries. Mr Johnston had spoken of the gathering clouds of economic crime and terrorism. There were many threats to the economy, and they were not exclusively economic. In the future, they would have widespread effects.

Studies had shown there were differences between countries in respect of patterns of economic development. The expertise of the OECD ought to be used by those countries which need it most.

THE PRESIDENT (Translation). – Thank you. I call Mr Jáuregui.

Mr JÁUREGUI (*Spain*) said that eurozone countries had been insufficiently critical of the region's economic performance. At the Lisbon summit, a five-year strategy had been agreed for the convergence of EU economies. This goal was far from being attained: economic growth was insufficient; jobs were not being created quickly enough; and unemployment was rising. There were serious imbalances in the Italian, French and German economies. There appeared to be a worrying tendency towards protectionism in Europe. The French agricultural sector was attempting to invoke protectionist measures that were inconsistent with the single market.

The crisis in the European economy was reflected in the failure to agree the key tools which the EU could use to influence economic policy: the EU budget for 2006 and the financial perspective for 2007-13. This situation resulted from a disagreement involving the United Kingdom, France and Germany. Structural change in the services sector and other sectors was too slow: modernisation must progress at a faster rate. These issues were not raised in the report, but he believed they were important.

THE PRESIDENT (Translation). – Thank you. The last speaker is Mr Oliynyk.

Mr OLIYNYK (*Ukraine*) said the positive picture being painted of the OECD did not reflect certain statements which had been made at the Vienna conference about the Chernobyl incident. Chernobyl counted as the world's third major nuclear incident after Hiroshima and Nagasaki. Those who were complicit in suppressing information about it should be taken to task.

People had picked mushrooms after the incident and children had played on contaminated land. Hundreds of firemen had died. The deaths of thousands of victims should rest on the consciences of those who had suppressed information.

The United Nations Development Programme representative in Vienna had suggested that the claims of contamination were exaggerated and that people were living normal lives. This was scandalous. The victims of the incident must be protected and the Assembly must not be indifferent to their fate. The international community and the OECD should express their outrage.

THE PRESIDENT (Translation). – Thank you, Mr Oliynyk. Unfortunately, I must now interrupt the list of speakers. Mr Lund should deliver his speech in writing to the Table Office for publication in the official report.

Mr KOX (*Netherlands*). – On a point of order, Mr President.

THE PRESIDENT (Translation). – You do not have the floor, Mr Kox. Under what article are you making your point of order?

Mr KOX (*Netherlands*). – We agreed that the list of speakers would be interrupted at 5.30 p.m. Only one speaker is left on the list and we gave Mr Johnston the opportunity to speak earlier.

THE PRESIDENT (Translation). – Mr. Kox, as President of this sitting, I am in charge of the order of business, and we do have another report to debate.

Mr KOX (*Netherlands*). – It is strange, because we have one speaker left on the list and Mr Johnston took his five minutes.

THE PRESIDENT (Translation). – It has been decided that I should now give the floor to the rapporteur.

Mr VRETTOS (*Greece*). – Thank you, Mr President.

I thank all the contributors to the debate – those who attended and those who gave their views. The enlarged session of the Assembly is unique: not only members of the Council of Europe but colleagues from other countries such as Canada, Mexico, Japan, the United States and Australia have the

opportunity to participate in the debate, which allows us to exchange views on and make contributions to, this important issue.

The world economy, generally speaking, is performing well. The economies of the United States, Brazil, China and India are doing better than those of some other countries, but speakers in the debate highlighted certain flashpoints such as the US deficit, rising oil prices, persistent and increasing unemployment in some developed countries, the ageing population, economic crime, the unfair treatment of immigrants and market distortions. We appreciate that some reforms are necessary to deal with those problems. Some colleagues, however, including Mr Kox, believe that we should help the losers before we pursue such reforms.

I do not want to draw personal conclusions because the conclusions are in the draft resolution, which incorporates the specialist contributions of committee spokespersons and of our colleagues from abroad, who expressed their views at yesterday's meeting of the Committee on Legal Affairs and Human Rights and at other meetings in Paris and elsewhere.

You, colleagues, will decide. I express our appreciation for the tremendous work of the Secretariat, headed by Mr Torbiörn.

THE PRESIDENT (Translation). – Thank you, Mr Vrettos. I call Mrs Pericleous Papadopoulos to reply on behalf of the Committee on Economic Affairs. You have two minutes.

Mrs PERICLEOUS PAPAPOULOS (*Cyprus*). – I express our sincere thanks to the rapporteur, Mr Vrettos, for his excellent report and to the spokespersons of the four committees – the Social, Health and Family Affairs Committee, the Committee on Migration, Refugees and Population, the Committee on the Environment, Agriculture and Local and Regional Affairs and the Committee on Economic Affairs and Development. I thank the parliamentarians who travelled all the way from Mexico, Canada and Japan to participate in the debate and assist in the drafting of the report. I offer special thanks to the staff of the Secretariat and of all the committees, including the Social, Health and Family Affairs Committee, which I have not mentioned before, for their valuable assistance, as always. I thank members for their contributions to the debate and, last but not least, express deep appreciation for the work of the secretariat of the OECD. I thank Mr Donald Johnston for attending today and for his long and fruitful association with the Committee on Economic Affairs and Development. We wish him all the best in whatever endeavour and activity he embarks on in the future.

THE PRESIDENT (Translation). – Thank you for being brief, Mrs Pericleous Papadopoulos.

I call Mrs Milne on a point of order.

Mrs MILNE (*observer from Canada*). – As a member of the enlarged Assembly, can I vote on the draft resolution? If so, how? Will our voting cards work?

THE PRESIDENT (Translation). – Non-European members of the OECD may vote by a show of hands.

The Committee on Economic Affairs and Development has presented a draft resolution contained in Document 10645 to which no amendments have been tabled. Voting will be by a show of hands to allow non-European members of the OECD to participate in the votes.

Mr KOX (*Netherlands*). – I said to the previous President that I wanted to make an oral sub-amendment to the text and was told that I should make it now. It is up to you to decide whether to allow that.

THE PRESIDENT (Translation). – Under rule 34.6, the oral amendment cannot be moved as it does not seek to clarify the text or conciliate opposing viewpoints. In addition, the committee has not had a chance to review the proposed amendment.

We will now proceed to vote on the whole of the draft resolution contained in Document 10645.

Will those in favour of the draft resolution please raise their hands?

Those against?

Are there any abstentions?

*The draft resolution in Document 10645 is adopted.*

### 7. Forced marriages and child marriages

THE PRESIDENT (Translation). – The final item of business this afternoon is the debate on the report on forced marriages and child marriages presented by Mrs Zapfl-Helbling on behalf of the Committee on Equal Opportunities for Women and Men, Document 10590, with an opinion presented by Mrs Bargholtz on behalf of the Social, Health and Family Affairs Committee, Document 10678.

The list of speakers closed at 12 noon today; 11 names are on the list, and 13 amendments have been tabled. I remind you that we have already agreed that in order to finish by 7 p.m., we shall interrupt the list of speakers at about 6.40 p.m. to allow time for the reply and votes.

I call Mrs Zapfl-Helbling, rapporteur. You have eight minutes.

Mrs ZAPFL-HELBLING (*Switzerland*) said that this report highlighted a very important issue. Forced marriages were an enormous infringement of human rights even though they were not always seen in this way. Forced marriages were a form of slavery which exposed young women to an environment where they were at risk of sexual violence. In 2002, 230 forced marriages of children took place in Berlin. When young women resisted such unions, they faced estrangement from their families, violence or even murder. Forced marriages were particularly prevalent in immigrant and second generation immigrant families. It was not unusual for a young girl to be forcibly married to a man from the girl's family's country of origin, before the girl had reached the legal age of marriage in her country of residence. Young girls in this situation were frequently removed from schools, had no access to sex education or contraception, and consequently experienced difficult pregnancies from an early age. These girls also risked abuse from their husbands. Such women frequently knew of no means by which they could be helped. Sadly, some committed suicide.

There was a need for legislation across Europe to ban child marriages under the age of 18. She had been assured that the Swiss Government would introduce such a measure shortly. Young women had to be aware of the help available to them. Many young victims were at serious risk once they left a forced marriage. Teachers had helped young girls take the first step to finding advice and support. The Assembly should explicitly condemn forced marriages.

THE PRESIDENT (Translation). – Thank you. I call Mrs Bargholtz to speak on behalf of the Social, Health and Family Affairs Committee. You have three minutes.

Mrs BARGHOLTZ (*Sweden*). – On behalf of the Social, Health and Family Affairs Committee, I thank Mrs Zapfl-Helbling for her very ambitious and thorough work. I am extremely interested in this issue and in fact, I was behind the motion relating to this debate. I have therefore read the report very carefully and with great interest.

I have some points to make that might make this excellent report even better. Forced marriage is not exclusively a women's issue; just as many young men are being hurt by such marriages. They do not want to marry just any woman, just as a young girl does not want to marry just any man. So it is wrong to describe this as just a women's issue.

I would also like to change the report's title. Given that a child cannot be considered as having consented to marriage, the committee thinks it proper that the report be entitled "Forced marriages, including child marriages". All child marriages are forced marriages, and as I said, let us put even greater stress on the problem of young men being forced to marry.

Another particular difficulty is that the report states that such marriages should be regarded as rape. In such a marriage, both people are forced to marry, and I would find it very hard to judge who is raping whom. If there are any rapists, it is the parents of these couples. They are the real rapists, because they want the couple to marry and to have children, so that they can have grandchildren. That is why they want these young people to have sexual intercourse.

The sad thing about forced marriage is that it affects the young people concerned in many ways. For example, many such young girls will not be given a proper education; they will be taken away from school and kept at home, because they do not need to know anything. Of course, early sexual intercourse and early child-bearing is very dangerous to their health.

I shall perhaps comment further on these issues when we later discuss the relevant amendment, but in the meantime I thank Mrs Zapfl-Helbling for her very important report, and I hope that we have a very thorough debate on this issue, which affects both women and men.

THE PRESIDENT. – Thank you, and congratulations on sticking to the time limit.

We move now to the general debate, and I first call Mr Hancock on behalf of the Alliance of Liberals and Democrats for Europe.

Mr HANCOCK (*United Kingdom*). – I join others in congratulating the rapporteur on the report, and I congratulate Mrs Bargholtz on getting it before the Assembly in the first place. I thank her for the time and trouble that she took in putting the motion together, for her comments on behalf of the Social, Health and Family Affairs Committee, and for her reflections on the report. She and the rapporteur made a number of interesting points.

Most of the United Kingdom members of this Assembly come into regular contact with people involved in arranged or forced marriages. My advice centre regularly deals with one or two such cases each month – with people who are suffering the consequences of a forced marriage that has gone horribly wrong.

In the United Kingdom, there is considerable evidence of arranged or forced marriages deteriorating to such an extent that an “honour killing” is the ultimate outcome. Brothers and fathers have taken the lives of sisters and daughters whom they believe have dishonoured the family by trying to avoid or escape from arranged or forced marriages. That is a very sad reflection on our society.

There is not a shred of historical evidence to suggest that arranged and forced marriages have any religious significance to any of the accepted world religions, or are based on the cultural or ethnic creed of those religions. An arrangement with an historical basis has enabled communities in some countries to flourish and develop close ties within very small groups. Time has moved on, and attitudes and education should reflect the fact that we now live in a modern age. Sadly, however, they do not.

We must differentiate between marriages of young people – Roma marriages, for instance – which are allowed in Council of Europe countries, and arranged or forced marriages involving a Council of Europe citizen and a citizen of a country outside the Council. It is to the credit of the Indian Government that it has taken steps to remedy many of the problems. It is now a criminal offence in India for an Indian citizen to marry a non-Indian citizen under 21. It would be enormously helpful if Bangladesh, Pakistan and many other countries followed suit.

I do not think it is possible to argue the case for a general age limit of 18 for marriage. In the United Kingdom, the age of consent for marriage is 16, and reversing that at this stage would be extremely difficult, if not impossible. We must find other ways of remedying the position. Education is fundamentally important, and in my city we offer it to young Asian girls and, indeed, young Asian men who might find themselves in the circumstances that we are discussing.

What worries me is that young people are being removed from the United Kingdom to return to other countries at an even earlier age than before. The most horrendous case with which I have dealt involved a girl with learning disabilities. She did not even comprehend what day it was, let alone whether she wanted to return to a country on the Indian subcontinent and be subjected to a forced marriage with a man old enough to be her grandfather. That is a terrible state of affairs, but the British legal system could do nothing at the time.

The British Parliament is taking long-overdue steps to change the situation. We need a set of rules in Council of Europe states, and I implore all our member parliaments to think seriously about that. Our young citizens are being forced to go to countries that many of them have never visited. Sometimes, they are sent on the pretext of a holiday, only to discover when they arrive that they are to be married. There are many examples of the disaster and sadness that can arise from such marriages going wrong.

I implore the Assembly to accept the report, although this cannot be the end of the matter. More important, I implore our member states to do something about their own legislation, to prevent their citizens from getting into this position in a second or third country.

THE PRESIDENT (Translation). – Thank you. I call Mr Lund to speak on behalf of the Group of the Unified European Left.

Mr LUND (*Denmark*). – I thank the rapporteur for an objective report on the problems of forced marriages and child marriages, and for the recommendations in the report. We cannot emphasise enough that it is our duty to fight such violations against human beings, and that forced marriages and child marriages are not acceptable in any circumstances.

Let me say on behalf of my group that I am pleased that the rapporteur considers it important to distinguish between, for example, arranged marriages and forced marriages. There is nothing wrong with arranged marriages, at least in comparison with other kinds of marriage. The important point is that the decision is made voluntarily by both parties. As the rapporteur also observes, there is a thin line between the two kinds of marriage, which is very difficult to draw. That means that every case must be analysed independently.

My group and I think it important to raise these issues, mainly because they are themselves important but also because discussion of such subjects seems to be hijacked in many parts of Europe by extreme and xenophobic right-wing parties such as the Danish People's Party, our local version of the Austrian Jörg Haider party. Stressing the need to fight forced marriages and child marriages as the report and its recommendations suggest will help to ensure that the debate about these serious problems is not misused by the extreme right as part of its dirty campaign against foreigners and people with other cultures and habits.

Our group also wants to emphasise that there is a link between the debate on overcoming the problems of forced marriages and the general debate on how to integrate citizens who arrive in a new country. It can be hard to create an understanding among new citizens if the country involved is not willing to offer possibilities to new members of its society. Many of the problems related to integration are rooted in social problems, and problems caused by discrimination. We need better opportunities for jobs. We must ensure that new citizens are given a good education. We need more resources for schools in ghettos with massive social problems. We need to create places where women suffering as a result of forced marriages can be safe.

Integration is not the same as assimilation, but nor is it the same as accepting everything. Our group opposes all reactionary, political ideologies, religious fanaticism, racism and the suppression of women's and children's rights wherever they are found in Europe. That is why we welcome the report and the recommendations.

THE PRESIDENT (Translation). – Thank you. I call Mrs Rupprecht on behalf of the Socialist Group.

Mrs RUPPRECHT (*Germany*) stated that cultural and religious tolerance could not extend to encompass practices in which human rights were being violated. The Council of Europe was a human rights institution and could not condone forced or child marriages. The debate was a milestone and the Socialist Group welcomed the report, as well as the draft resolution. Forced marriage was something known to occur in certain communities. For example, in Germany, in certain communities, one in four women did not know her husband before her marriage. This also happened in other communities. It was not possible to respect the culture and religion of migrants in all cases, since that would facilitate the creation of parallel societies. The assessment of certain situations had to be made in the context of human and children's rights. The proposals to make changes in domestic laws were to be welcomed, as were the proposals relating to education, policing, provision of hostels and other matters. She believed that enlightened members of the communities concerned should also be involved in this work. However, the Assembly would need to be vigilant when considering how this issue was being tackled in such communities.

THE PRESIDENT (Translation). – Thank you. I call Mrs Papadimitriou on behalf of the Group of the European People's Party.

Mrs PAPADIMITRIOU (*Greece*). – Forced marriage for one or both parties – especially condemnation to a loveless union for life that is forced on innocent minors – is an outrage and a shame on our civilisation. It can have no cultural, religious or social justification and it must not be tolerated.

Twenty-seven years after the Convention on the Elimination of All Forms of Discrimination against Women, 45 years after the United Nations Convention on Consent to Marriage and with all the other relevant provisions of the European Convention on Human Rights, it is more than disheartening that we are still unable to cope with this problem and that we watch it happen with lukewarm reactions.

I realise, of course, that trans-temporal and well-rooted traditions and social practices do not break the UN's and Council of Europe's paper swords, but my main concern is how little has been achieved. The motivation of some women and their lack of progress only show the increasing gap between emancipated women and the everyday, simple women from many social groups in the developing – and not only the developing – world. It is appalling that research statistics unveil the fact that, more often than not, mothers arrange the "secure deposit" of their pre-pubescent daughter to an arranged marriage. That means only that such a poor mother is repeating what she went through and does not

know any better. It shows that our efforts and campaigns were not targeted at improving through education the awareness of the main protagonists.

When I was in Beijing in 1995, I was shocked to witness that the greatest supporters of their "chains" were women. The very same women who wanted to find out more about entrepreneurial skills and having an environmental role did not want us to fight for their "right"—their "human right"—to property and other rights and, especially, to safeguard their daughters within their holy traditions.

The report that we are debating is excellent. The explanatory memorandum of Mrs Zapfl-Helbling is inspired, but fully pragmatic. It provides us with the necessary incentive to go further than just voting on the resolution. We should increase our visibility beyond our borders and should open avenues of communication with other women and we should open up pathways to reach the leaders of women who can be found in the dark corners of our universe where the unsuspecting and illiterate are hidden away. Such leaders are the only ones who can inspire and impose the necessary changes on those they love.

I truly believe that we must take refuge in the greatest tool for the implementation of the decisions taken in this room and our values. That tool is education, education, education.

THE PRESIDENT. – Thank you. I call Mrs Wurm.

Mrs WURM (*Austria*) congratulated Mrs Zapfl-Helbling on her outstanding report which had provided the opportunity for the debate. She noted that the term 'forced marriage' would need to be translated carefully into German in order to explain the concept fully.

The report afforded the Assembly an opportunity to assess the situation in member states and discuss the matter at greater length. Forced marriages happened in all member states, including Austria, particularly in immigrant families. Lack of data was a problem and, until now, discussion of forced marriages had been taboo. The idea that they were acceptable under the guise of religious tolerance was cultural relativism; they constituted violence against women and girls.

One Austrian non-governmental organisation believed one in four girls in immigrant families was at risk of forced marriage. Girls might be threatened with murder and would need to show exceptional courage to seek refuge in a shelter. More shelters were required, and the available data should be used to provide the requisite number. There were insufficient shelter places in Austria, even for victims of domestic violence. Women who were not of Austrian origin found it even harder to secure assistance.

Forced marriages were often contracted because women were seen as a risk to the honour of the family. Once a woman had been promised to a particular man, often a relative, the possibility that she might not marry him posed a threat. Families therefore tended to ensure that forced marriages were undertaken quickly. Daughters were being sacrificed in this way as part of a patriarchal system against which action was now required. The profile of this issue with youth justice workers, judges and social workers needed to be raised and the law should be amended to make forced marriage a criminal offence.

THE PRESIDENT (Translation). – Thank you. I call Mr Branger.

Mr BRANGER (*France*) said that in certain communities in the Netherlands, Belgium and France, one in four children were at risk of being forced to marry. After hearing the harrowing testimony of girls of North African origin in a hearing in Antwerp in October 2004, he had discussed the matter with Mr de Villepin. He understood preliminary hearings could be held before a wedding took place under French law. French consular officials could also conduct interviews if recognition of a foreign marriage was sought. Since 2003 the number of suspect marriages had risen from 740 to 1 300.

Prevention should be the main focus of action. Most effort should be made in schools. Children should be able to confide in their teachers who, in turn, should be able to approach social workers.

He agreed that the minimum age for marriage should be raised to eighteen, as approved by the French Senate. While exemptions to this were possible, they were to be subject to testimony from a trusted third party. He was worried by such exceptions, which were permitted under the 1972 United Nations convention. The existence of forced marriages undermined the principle of consent to marriage. He supported the report, subject to certain amendments.

THE PRESIDENT (Translation). – Thank you. I call Mr Gülçiçek.

Mr GÜLÇİÇEK (*Turkey*) said forced and child marriages prevented women from working. They often occurred at an early age and involved violence. It was important to conduct research in Turkey

THE PRESIDENT. – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.

*Amendment No. 1 is rejected.*

We come to Amendment No. 6, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, delete paragraph 7.

I call Mr Lloyd to support Amendment No. 6.

Mr LLOYD (*United Kingdom*). – In general, the report is excellent. In a country such as mine, forced marriage is an issue but child marriage, as my colleague Mike Hancock pointed out, is not so much of an issue. We want the report to bear down on the serious issue of the violation of human rights, but if we accept the view of both rapporteurs that child marriage is, by definition, forced marriage – and if the report persists in saying that all marriages contracted by willing parties at the age of 16 with parental consent are, by their nature, forced marriages – that will simply be regarded in a country such as mine as a ridiculous statement. If we want this excellent report to lose credibility in the UK, then go ahead and insist on the age of 18. However, I hope that some common ground can be found. In practice, perhaps we should raise the smoking age – we can legally buy cigarettes at the age of 16 – but I ask that we maintain the UK's credibility in terms of the age of marriage.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment?

I call Mrs Err.

Mrs ERR (*Luxembourg*) said that under age marriage, even at the age of 16, was unacceptable.

THE PRESIDENT. – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.

*Amendment No. 6 is rejected.*

We come to Amendment No. 7, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, at the end of paragraph 7, insert the following words: “, other than in circumstances where persons aged sixteen or seventeen wish to marry and parental consent has been received.”

I call Mr Lloyd to support Amendment No. 7.

Mr LLOYD (*United Kingdom*). – This amendment is more specific. I simply disagree with the concept that any marriage at the age of 16 contracted voluntarily can be considered as forced. That concept would not be seen as rational in my country. The amendment would change the description of child marriage so that it accords with UK law. I can think of no member of the UK delegation who would envisage such an alteration to our national law, and I know of no debate in my country on the changing of the marriage age. It is unfortunate that, during a debate on an excellent report on the important issue of forced marriage and child marriage, we end up discussing the appropriate age at which people can voluntarily consent to marry, with or without parental permission.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment?

I call Mrs Rupprecht.

Mrs RUPPRECHT (*Germany*) said that whilst 16-year-olds might wish to marry, the state should protect children from their own decisions. The state did not allow children to make other major decisions before they reached maturity.

THE PRESIDENT (Translation). – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.



*Amendment No. 7 is rejected.*

We come to Amendment No. 2, tabled by Mrs Helena Bargholtz, on behalf of the Social, Health and Family Affairs Committee, which is, in the draft resolution, at the end of paragraph 8, add the following sentence:

"Often an obstacle to school attendance, child marriages may be prejudicial to children's access to education and their intellectual and social development, in that they restrict their horizon to the family circle".

I call Mrs Bargholtz to support Amendment No. 2.

Mrs BARGHOLTZ (*Sweden*). – It is so sad that many of these young girls are not only forced to marry but are denied all manner of education. They have no future because they are locked in their homes. We have discussed at length the importance of education, especially for young girls, who are greatly harmed when they are unable to go to school because their parents or spouses lock them in their home.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment? That is not the case.

What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is in favour

THE PRESIDENT. – The vote is open.

*Amendment No. 2 is adopted.*

We come to Amendment No. 9, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, paragraph 12, delete the words "by making eighteen years the minimum marriageable age. Thus, persons not having reached that age would not be able to lawfully contract marriage."

I call Mr Lloyd to support Amendment No. 9.

Mr LLOYD (*United Kingdom*). – It is probably for the convenience of the Hemicycle if I point out that I will simply continue to move my amendments formally. It is almost pointless to engage in this debate, and I have said what I need to say about national law in the UK and the incredibility there of the position adopted in the report. It undermines what is an excellent report. I shall simply move the remaining amendments formally to save us time, so that we can get home a little earlier.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment?

I call Mrs Zapfl-Helbling.

Mrs ZAPFL-HELBLING (*Switzerland*) wished to point out that the Assembly had a convention on human rights and on the rights of the child which should be respected. She was not trying to undermine British law.

THE PRESIDENT. – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.

*Amendment No. 9 is rejected.*

We come to Amendment No. 8, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, replace paragraph 12 with the following paragraph:

"It therefore stresses the need to take the requisite legislative measures to prohibit child marriage by making eighteen years the minimum marriageable age, other than in cases where persons aged sixteen or seventeen wish to marry and have received parental consent. Thus persons not having reached those ages and persons aged sixteen or seventeen who have not received parental consent would not be able to contract marriage legally."

I call Mr Lloyd to support Amendment No. 8.

Mr LLOYD (*United Kingdom*). – I should perhaps say one thing for the sake of completeness before I do what I said I would do, which is to move the remaining amendments formally. Of course everyone in the United Kingdom is against forced marriages and the victimisation of young women and, indeed, young men. But it would not be credible to say that those who marry at 16 voluntarily see themselves, or are seen by my society as, victims. For that reason, I have moved this amendment in this way.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment?

I call Mrs Rupprecht.

Mrs RUPPRECHT (*Germany*) also wished to refer the Assembly to the convention on the rights of the child. She suggested that the UK might wish to ratify this convention.

THE PRESIDENT (Translation). – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.

*Amendment No. 8 is rejected.*

We come to Amendment No. 10, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, paragraph 14.2.1, replace the words "at or raise to eighteen years the" with the following word: "a".

I call Mr Lloyd to support Amendment No. 10. If this amendment is adopted, Amendment No 11 falls.

Mr LLOYD (*United Kingdom*). – I move it formally.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment? I call Mr Eörsi.

Mr EÖRSI (*Hungary*). – Everyone in the United Kingdom will agree with the essence of what we are saying; the difference is to be found in the legislation. I respect the UK's laws, but we are here to harmonise our member countries' laws with the European Convention. So it would be better if the United Kingdom joined us in this respect, rather than our joining them. I therefore ask that we reject this amendment.

THE PRESIDENT (Translation). – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – The committee is against.

THE PRESIDENT. – The vote is open.

*Amendment No. 10 is rejected.*

We come to Amendment No. 11, tabled by Mr Tony Lloyd, Mr Edward O'Hara, Lord John Tomlinson, Mr Paul Flynn and Ms Chris McCafferty, which is, in the draft resolution, at the end of paragraph 14.2.1, insert the following words: ", except that persons aged sixteen or seventeen shall be legally allowed to marry when parental consent has been given;"

I call Mr Lloyd to support Amendment No. 11.

Mr LLOYD (*United Kingdom*). – It being late, although I disagree fundamentally with Mr Eörsi's last proposition, I wish to withdraw the amendment.

THE PRESIDENT (Translation). – We come to Amendment No. 3, tabled by Mrs Helena Bargholtz, on behalf of the Social, Health and Family Affairs Committee, which is in the draft resolution, delete paragraph 14.3.

I call Mrs Bargholtz to support Amendment No. 3.

Mrs BARGHOLTZ (*Sweden*). – The committee agrees in principle with what the rapporteur says about “sexual relations undergone by victims of forced marriages and child marriages” being regarded as rape, but I think it would be difficult for a court to demonstrate that one person raped another. As I said in my speech, we know that such young people are being forced into marriage by their parents. I do not think that that can really be called rape in a legal context. For it to be called rape, legislation in all member countries would have to be changed.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment?

I call Mrs Err.

Mrs ERR (*Luxembourg*) said that just as rape could happen within a consensual marriage, rape could happen within a forced marriage. The question was one of legal proof.

THE PRESIDENT (Translation). – What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – Against.

THE PRESIDENT (Translation). – The vote is open.

*Amendment No. 3 is rejected.*

We will now proceed to vote on the whole of the draft resolution contained in Document 10590, as amended.

The vote is open.

*The draft resolution in Document 10590, as amended, is adopted.*

The Committee on Equal Opportunities for Women and Men has also presented a draft recommendation to which four amendments have been tabled. They will be taken in the following order: 4, 13, 12 and 5.

We come to Amendment No. 4, tabled by Mrs Helena Bargholtz, on behalf of the Social, Health and Family Affairs Committee. Replace the title of the draft recommendation with the following title: “Forced marriages, including child marriages”.

I call Mrs Bargholtz to support Amendment No. 4.

Mrs BARGHOLTZ (*Sweden*). – I withdraw the amendment, as the title has already been decided.

THE PRESIDENT (Translation). – We come to Amendment No. 13.

Mr LLOYD (*United Kingdom*). – I do not intend to move this amendment, nor Amendment No. 12.

THE PRESIDENT (Translation). – We come to Amendment No. 5, tabled by Mrs Helena Bargholtz, on behalf of the Social, Health and Family Affairs Committee, which is in the draft recommendation, paragraph 2.3, first line, replace the words “young women and girls “ with the following word: “people”.

I call Mrs Bargholtz to support Amendment No. 5.

Mrs BARGHOLTZ (*Sweden*). – This goes back to what I said earlier. The problem does not affect only young women and girls. I wanted to make the wording neutral, because young men and boys are also affected.

THE PRESIDENT (Translation). – Does anyone wish to speak against the amendment? That is not the case.

What is the opinion of the committee?

Mrs ČURDOVÁ (*Czech Republic*). – In favour.

THE PRESIDENT (Translation). – The vote is open.

*Amendment No. 5 is adopted.*

We will now proceed to vote on the whole of the draft recommendation contained in Document 10590, as amended. I remind you that a two-thirds majority is required for the adoption of a recommendation.

The vote is open.

*The draft recommendation in Document 10590, as amended, is adopted.*

**8. Date, time and orders of the day of the next sitting**

THE PRESIDENT (Translation). – I propose that the Assembly hold its next public sitting tomorrow at 10 a.m. with the orders of the day which were approved on Monday and this afternoon.

Are there any objections? That is not the case.

The orders of the day of the next sitting are therefore agreed.

The sitting is closed.

*(The sitting was closed at 7.05 p.m.)*

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Presentation by Mr Vrettos of report, on behalf of the Committee on Economic Affairs and Development, Doc. 10645

*Contributions from Committees:*

Mr Hancock, on behalf of the Social, Health and Family Affairs Committee, Doc. 10704

Mr Braun, on behalf of the Committee on Migration, Refugees and Population, Doc. 10699

Mrs Pericleous Papadopoulos, on behalf of the Committee on Culture, Science and Education, Doc. 10702

Mr Dupraz, on behalf of the Committee on the Environment, Agriculture and Local and Regional Affairs, Doc. 10709

Statement by Mr Johnston, Secretary General of the OECD

*Speakers:*

Mr Sasi (Finland)

Mr Szalay (Hungary)

Mr Walter (United Kingdom)

Mr Kox (Netherlands)

Mr Elo (Finland)

Mr Kuchieda (France)

Mr Lee (observer from Canada)

Mr Korobeynikov (Russian Federation)

Mr Wielowieyski (Poland)

Baroness Hooper (United Kingdom)

Mr Seko (guest from Japan)

Mr Jonas (Germany)

Mr Högmark (Sweden)

Mr Margáin Berlanga (observer from Mexico)

Mr Poi (Poland)

Mr Özal (Turkey)

Mrs Lalonde (observer from Canada)

Mr Jáuregui (Spain)

Mr Oliynyk (Ukraine)

*Replies:*

Mr Vrettos (Greece)

Mrs Pericleous Papadopoulos (Cyprus)

*Draft resolution adopted*

7. Forced marriages and child marriages

Presentation by Mrs Zapfl-Helbling of report, on behalf of the Committee on Equal Opportunities for Women and Men, Doc. 10590

Presentation by Mrs Bargholtz of opinion, on behalf of the Social, Health and Family Affairs Committee, Doc. 10678

*Speakers:*

Mr Hancock (United Kingdom)

Mr Lund (Denmark)  
Mr Rupprecht (Germany)  
Mrs Papadimitriou (Greece)  
Mrs Wurm (Austria)  
Mr Branger (France)  
Mr Gülçiçek (Turkey)  
Mr Eörsi (Hungary)

*Replies:*

Mrs Zapfl-Helbling (Switzerland)  
Mrs Bargholtz (Sweden)  
Mrs Čurdová (Czech Republic)

*Amendment No. 2 adopted,  
Draft resolution, as amended, adopted  
Amendment No. 5 adopted  
Draft recommendation, as amended, adopted*

8. Date, time and orders of the day of the next sitting