

### Adaptive Economic Structures

13. Ministers agreed on the need to implement positive adjustment policies across the whole range of economic activities, and endorsed a Statement by the Economic Policy Committee, the policy recommendations of which are annexed to this Communiqué. Such policies would facilitate rather than impede the adjustment of production structures to new technologies, changing market conditions and shifts in international competitiveness. The task facing governments is to phase out those measures which impede economic performance or, where this is not possible, to replace them with better, market-conforming alternatives. Strengthening competition, improving regulation and promoting more open trade policies are of key importance. The progress that has been made in freeing capital markets from constraints needs to be consolidated and generalised. Ministers called upon the Organisation to strengthen its processes of review and appraisal of adjustment policies in an overall economic perspective.

14. Ministers agreed that a lasting reduction in unemployment could be achieved by sustained non-inflationary growth if accompanied by improved labour market performance. Labour market and related policies should encourage structural change in ways which create job opportunities and help workers and affected communities to adjust. Improved labour market performance requires the modification of policies that impede structural change and job creation, as well as the strengthening of policies which promote labour mobility and the acquisition of new skills. It also requires more responsiveness in the level of real wages and non-wage labour costs, as well as appropriate wage differentials, consistent with the maintenance of social standards. Where appropriate, specific action to influence the development of incomes may also play a positive role in mastering inflation and fostering employment. Ministers recognized that there was a continuing role for carefully targeted measures to secure work experience and training for youth and the long-term unemployed. Bearing in mind the contribution that collective bargaining and consensus building can make, Ministers requested the Organisation, in consultation with BIAC and TUAC, to pursue the above orientations.

15. Bearing in mind the importance of the social, economic and technological changes underway, Ministers underlined the importance for the Organisation of dealing with all these issues in a medium and long-term perspective.