Recommendation 991 (1984)[1]

Economic relations between Europe and Latin America

Parliamentary Assembly

The Assembly,

1. Taking note of the report on economic relations between Europe and Latin America, presented by its Committee on Economic Affairs and Development (Doc. 5277), and of the opinion of its Committee on Agriculture (Doc. 5278) ;

Having regard to Resolution 814 (1984), on cultural relations between Europe and Latin America, and Recommendation 976 (1984), on the Council of Europe's contribution to cultural co-operation with Latin America ;

Observing that the difficulties of Latin America are reflected, notwithstanding variations in economic performance, in an overall drop in standard of living throughout the continent and a worsening social situation ;

Believing that the continent's huge volume of debt- which now amounts to nearly 350 thousand million dollars, interest payments on which absorb 35% of the continent's export earnings- is an obstacle to its economic recovery and a danger to the stability of the system of international finance ;

Bearing in mind the conclusions of the Latin American economic Conference held in Quito in January 1984 and of the Cartagena Conference on the region's debts (June 1984), as well as the commitments undertaken by the major Western industrialised countries during their 10th Economic Summit held in London in June 1984 ;

Welcoming Latin America's efforts at economic integration, as well as the agreements concluded with the European Community, in particular the co-operation agreement signed in December 1983 in Cartagena between the five countries of the Andean Pact and the Ten of the Community ;

Convinced that it is in Europe's political and economic interest to strengthen its trading links with Latin America, and that Spain and Portugal can play a crucial role in this connection and, in this respect, welcoming the holding of the San Jose ministerial meeting ;

Supporting also the recent efforts made by the European Community, Spain and Portugal to develop their co-operation with the countries of Central America and those of the Contadora Group ;

Welcoming also the considerable increase in agricultural production and in areas under cultivation which has been achieved in Latin America in recent years ;

Aware, however, that this overall increase conceals great variations in productivity between regions, many of which now suffer from acute food shortages, due in part to the difficulties of family farming, and that a greater and greater share of production is for export rather than domestic consumption ;

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1. Assembly debate on 28 and 29 September 1984 (12th, 13th and 14th Sittings) (see Doc. 5277, report of the Committee on Economic Affairs and Development, and Doc. 5278, opinion of the Committee on Agriculture). Text adopted by the Assembly on 29 September 1984 (14th Sitting).

Conscious, furthermore, that the growth of large-scale agriculture for export has often been at the expense of traditional, family-type farming, which has been assigned poorer and poorer land on holdings which have been progressively reduced in size ;

Concerned that these developments- coming at a time of depressed world prices for crops and heavy debts by many Latin American governments- have increased poverty in rural areas and engulfed the countries concerned in a vicious circle of greater and greater dependency on imported food,

Recommends that the Committee of Ministers invite the governments of the member states and the European Community :

a. to endeavour, by redirecting and co-ordinating their commercial and industrial policies, to make Europe a major economic partner of Latin America, which by the end of the century will comprise a population of over 550 million ;

b. to step up their efforts to reduce or remove their quantitative trade restrictions, and to start a new round of multilateral trade negotiations ;

c. to consider what specific contribution Europe could make, in the spirit of the Lisbon Declaration, to the existing debt problems ;

d. to work for the improvement of the international monetary system, in order to bring about :

1. the creation of new international liquidity without fuelling inflation ;
2. a reduction in interest rates on international markets ;
3. greater concern for the particular economic needs of the least developed countries, which the IMF is not equipped to solve ;

e. to increase their official aid to Latin American countries ;

f. to encourage the private sector to develop its investments in these countries, for instance by facilitating international joint ventures ;

g. to exert all their efforts to bring about an immediate halt to the massive destruction of forests which- caused by short-term profit motives and aggravated by the absence of coherent forest policies- leads to serious ecological imbalances such as droughts, floods, landslides and the spread of deserts in subtropical areas ;

h. to encourage agricultural policies which support the small, family-type farm in particular and orient production towards covering, as a priority, domestic needs ;

i. to help fight illiteracy in rural areas and spread knowledge about modern agricultural as well as fisheries techniques in these regions ;

j. to step up their co-operation with the countries and the regional organisations of Latin America, giving priority to the following areas :

1. stimulation of study of the cultural and environmental situation in Latin America and the relevance of European experience, in order that European co-operation with Latin America fully respects the cultural identities in that continent ;
2. trade (better access to the European market, especially through more effective use of the Generalised System of Preferences) ;
3. education and vocational training (particularly in order to eradicate illiteracy, improve labour skills and working conditions and facilitate the democratic process) ;
4. human and physical infrastructures (European experience could be of benefit to the countries of Latin America, especially in the cultural, legal, administrative and social fields and with regard to urban planning and the preservation of industrial plant) ;
5. technology (especially as Latin America plays a central role as intermediary between the industrialised and the developing countries) ;
6. agriculture (rational utilisation of land, for example) and environmental protection ;
7. tourism (planning of tourist infrastructures) ;
8. financial aid in particular to the poorest countries, and direct private investment the downward trend of which ought to be reversed.