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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL
DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION
EXTERNAL DEBT CRISIS AND DEVELOPMENT

Letter dated 11 November 1988 from the Permanent Representative of
Malta to the United Nations addressed to the Secretary-General

On behalf of the Minister for Foreign Affairs of Malta, in his capacity as President of the Committee of Ministers of the Council of Europe, I have the honour to request that the attached Madrid Appeal adopted by the European Conference of Parliamentarians and Non-Governmental Organizations on North-South Interdependence and Solidarity, held at Madrid from 1 to 3 June 1988, be circulated as an official document of the General Assembly, under agenda items 12, 82 and 83.

(Signed) Alexander BORG OLIVIER
Ambassador
Permanent Representative

ANNEX

Appeal for action on North-South interdependence and solidarity¹

I. PREAMBLE

1. We, members of parliament and representatives of European non-governmental organisations gathered together at this Madrid Conference, express our deep conviction that the fate of the countries of the North is intimately bound up with the future of those in the South; nations depend on one another in a complex web of economic, social and ecological relations. Sustainable development represents a worldwide necessity, and yet the North-South relation is still characterised by sharp contrasts and dramatic inequality.

2. We consider that North-South co-operation is a political necessity both as a rational must and a moral duty. Only a strong sense of commitment to abolish an asymmetrical North-South relation and unjust structures can produce a more peaceful world community.

3. Stagnating economic development in the last fifteen years, persistent high levels of unemployment, overpopulation in many parts of the world, the intolerable debt burden of many developing countries, declining commodity prices and environmental deterioration over a protracted period have seriously reversed the prospects for development in the developing world and largely offset earlier achievements in the fight against hunger and poverty. The problems and imbalances currently besetting North-South relations require a strengthening of constructive North-South co-operation in the search for effective and lasting solutions.

4. Human rights and democracy are increasingly part of a global system of human relations and cultural identities which affect everyone's daily life as well as political society. We recognise that human dignity, human rights and international humanitarian law are universal and that Europe's future cannot be separated from the security, cultural identity, self-esteem, self-confidence and self-determination of others sharing the same planet.

¹ Approved on 3 June 1988 by the parliamentarians and non-governmental organisations of the Council of Europe member States participating in the European Conference on North-South Interdependence and Solidarity (Madrid, 1-3 June 1988).

5. We reiterate support for the Lisbon Declaration adopted in 1984 by the parliamentarians from the Council of Europe member states, which urged Europe to spare no effort in building a new international system which, through stronger global institutions, helps to create a world where every citizen is free from hunger, oppression and discrimination, and where all children are offered more equal chances for a better future.

6. All human beings are linked by a common responsibility and a common quest for survival. There is an urgent need for a new thinking and new ethics in politics and economics that meet the requirements of an interdependent world through strategies of co-operative action in a spirit of solidarity. In this respect women, because of their specific culture, have a determinant role to play. The Barcelona Declaration¹ contributes to defining such ethics.

7. Europe has the possibility, the unique opportunity, the specific responsibility and the distinctive interest to change the face of North-South relations and to join with the South in a true partnership against poverty, the abuse of human rights and *apartheid*.

II. INTERDEPENDENCE AND INTERLINKAGES : AIMS AND OBJECTIVES

8. Europe has unique political bonds with the South and a powerful mandate from its people to fight world poverty. This is reflected by a history of initiatives designed to help the Third World, and to promote multilateralism in aid. Europe commands greater voting power in the international institutions than the other wealthy nations combined and therefore carries a particular responsibility in taking initiatives in favour of the Third World, notably such as to alleviate the debt burden of the developing countries, to enhance the flow of public and private development resources, to contribute to the strengthening of their production potential, to improve access for imports from those countries and to undertake the consequential structural adjustments in agriculture and industry in Europe.

9. More robust global economic growth is an important factor in easing the problems of developing countries and in reducing unemployment in both the North and the South, and the developing countries' growth must be compatible with sustainable development. There is a growing consensus that the revitalisation of development, growth and international trade in an increasingly interdependent world is a common objective which requires continued efforts within a multilateral framework involving all states. Specifically

1. The Barcelona Declaration, adopted at the end of the Symposium on "The Voice of Women in the North-South dialogue: strategies for interdependence and solidarity" (Barcelona, 30 and 31 May 1985), can be obtained from the Secretariat of the Council of Europe.

the developed countries have a responsibility to ensure a better environment for the growth and exports of developing countries, primarily by fostering vigorous economies in an open multilateral trading system, correcting massive current account imbalances and achieving greater stability in exchange and interest rates.

Adjustment in the South cannot succeed if adjustment in the North is based on contraction.

There is an urgent need to take better account of social, ecological and human parameters when international monetary policies and adjustment programmes are decided.

10. In accordance with the Final Act of the 7th United Nations Conference on Trade and Development (1987), European states should intensify their efforts to enhance the flow of public resources for development, open their markets for imports from developing countries, dismantle protectionist measures that unfairly hurt the interests of these countries and promote constructive wide-ranging and action-oriented dialogue between developing and developed countries, and intensify their efforts to implement the substantial programme of action for the least developed countries.

The role of both production and service transnational companies in trade should be recognised, in particular with regard to their impact on trade, employment and the work of women.

International co-operation against unacceptable trade practices, in particular chemical and nuclear waste and products banned in Europe, should be strengthened, possibly by drawing up a convention.

In order to solve the serious problems caused to the least-developed countries by their continuing heavy dependency on exports of commodities, it is necessary to take fresh action in order to compensate these countries for loss of income due to price falls or other adverse conditions. A more effective compensatory financing mechanism should be considered, which could replace the existing but still insufficient mechanisms such as the compensatory financing facility of the International Monetary Fund and STABEX.

11. The extension of debt relief will bring positive benefits to the North as well as the South through increased economic growth and employment. Net resource outflows from the debtor countries must be reversed.

The debt burden of the heavily indebted and poorest developing countries should be alleviated by appropriate programmes of discounting debt, debt cancellation, conversion of debt into equity, by environmental programmes and grants or by repayment rescheduling schemes negotiated with debtor countries on conditions that offer real opportunities for growth and social and economic development.

For the middle-income countries, mechanisms must be found for capturing the secondary market discounts.

12. As far as the poorest countries are concerned — especially those of sub-Saharan — the growing recognition of the international community that the debt cannot be repaid on bilateral loans should be extended to multi-lateral debt to ensure that positive resource flows are maintained. It will also be necessary to increase substantially the financial resources of these countries on concessional terms. No increase in official development aid for the poorest indebted countries seems likely if no real progress is made towards the attainment by all industrialised countries of the levels of 0.7% of gross national product (GNP) for the developing countries, of which at least 0.15% of GNP should be earmarked for the least-developed countries.

13. More additional resources should be provided to debtor countries aiming at self-reliant, sustained development and at unleashing the productive capacity of the poor, including programmes to increase the access of women to productive resources and basic services. Any adjustment programmes must not endanger the meeting of basic needs of the poor, allow for longer repayment periods at more liberal terms and place greater emphasis on growth-conducive policies, but conditionality should ensure the conditions for sustained, equitable growth and must include the establishment of targets for acceptable living standards and gender-specific monitoring of their achievement.

14. Development must remain the responsibility of the groups or societies concerned, not of the donors of development aid. The policies of the recipient countries are crucial; aid should improve the livelihoods of the poorest. Therefore there must be continued, in some cases increased, emphasis on projects and programmes focusing on: food production, recognising that women are often the main producers; forestry and environmental programmes which concentrate on developing capabilities fulfilling basic needs, such as fuel, fodder, etc.; access to credit; primary health care; child survival and development; water resources and sanitation; housing; education, social communication and mobilisation, and the transfer of technology which is beneficial to and managed by those who use it.

15. Aid should also fulfil its function of empowering people to take control of their own development by: helping group formation — independent trade unions, peasants' organisations and NGOs — leadership training, generation of awareness of rights and the working of power structures, management training and training in vocation and basic skills, including literacy.

In order to better guarantee fundamental freedoms and strengthen democracy, it is vital to improve the information and communications capabilities of the Third World. To that end, more official development assistance (ODA) should be directed for developing these capabilities.

Women should be fully integrated at all stages in the development process as planners, decision-makers, implementers and evaluators in both recipient and donor countries; in order to overcome the fundamental inequalities of the present system, all projects must be evaluated for their impact on women.

16. International co-operation to combat the grave environmental and ecological degradation of large parts in the developing world must be intensified as a matter of greatest urgency involving environmentalists, social scientists, anthropologists and other experts. All development programmes should be evaluated against their environmental and ecological impacts. Sustainable global development requires that those who are more affluent adopt lifestyles compatible with the planet's finite ecological means.

Relief should be given to rural communities in Third World countries which suffer from environmental stress because of deforestation, desertification, drought, excessive practice of monocultures, etc. Therefore, genetic resource protection, crop diversification, reforestation and ecologically-sound agricultural production systems should be promoted.

17. Aid policies should also give priority to helping developing countries increase their agricultural production for domestic purposes, so that genuine food security can be achieved in those countries. To this end, donors should reorient the bulk of their aid away from large-scale, highly mechanised and import-dependent projects, towards low-cost, self-help methods which benefit local villages and peasant farmers, often women. Fisheries and aquaculture must be given sufficient attention alongside agriculture as aid policies are shaped, seeing that, in many developing countries, they represent a largely untapped potential.

18. Northern countries should uphold the principle of asylum and fulfil their obligations under the 1951 Geneva Convention relating to the status of refugees, in respect of refugees and others seeking asylum. They should also co-ordinate their policies so as to seek a more even distribution of refugees and asylum-seekers between each other.

In addition, Northern countries should contribute to ensuring the protection and assistance of refugees in the Third World and promote situations in which people do not need to flee and in which those who have fled are able to return voluntarily to their countries of origin.

19. European governments and NGOs should promote development education -- both at national and European level -- so that European public opinion will become aware of the growing interdependence between Europe and the developing countries, and of the need for solidarity; governments should have a development education policy and allocate more funds to NGOs for this purpose while respecting their identity and diversity.

Young people should be enabled to take upon themselves their share of responsibility in the construction of Europe and in a genuine policy of North-South co-operation.

20. Culture should be at the core of development with a view to enriching cultural identities and giving a new impulse to the intercultural dialogue for mutual enrichment. Cultural domination by the North is one of the most insidious expressions of international power relations. Therefore, alongside the struggle to meet material needs of the developing world, a parallel effort must be made to fight illiteracy and safeguard and promote the cultural heritage in the South.

21. The dialogue which has been initiated between the two superpowers and the subsequent *détente* between East and West certainly represent a very positive element on the world political scene. However, this process will only reach its full value if we succeed in taking advantage of the *détente* in favour of the solution of the persisting North-South inequality. More specifically, a significant part of the means which will be freed in the North (both in the West and in the East), as a result of disarmament policy, should be directed to development co-operation programmes in the South.

The countries of Eastern Europe should be encouraged to participate more actively in the economic and social development of the Third World.

III. PROPOSALS FOR SPECIFIC ACTION

22. In line with the above policy proposals and our call for stronger European action in the forging of a constructive North-South relationship, we appeal:

To the Council of Europe member states:

— to give priority to policies promoting greater solidarity and an equitable North-South relationship;

— to extend their traditional concern for human rights, democracy and social justice to the peoples of the Third World, in particular those who suffer from racial discrimination and *apartheid*;

— to take measures to help end *apartheid*, help the victims of *apartheid*, continue to increase their support of the front-line states and denounce any legislation in South Africa that prohibits foreign financial assistance to opponents of *apartheid*;

— to take action against violations of human rights in Europe whereby migrant workers and refugees have increasingly been subjected to growing xenophobia, intolerance, racism, discrimination and marginalisation; and also

— to work for a better social and economic integration of migrant workers and their families in European society, in accordance with the relevant Council of Europe recommendations, in particular the European Convention on the Legal Status of Migrant Workers;

— to make a special effort to help emerging or vulnerable democracies in the South improve conditions for accelerated self-reliant and sustainable economic and social development;

— to see to it that transnational corporations and commercial banks observe the OECD guidelines for multinational enterprises;

— to institute mechanisms to evaluate the impact of protectionist measures;

— to work closely with other OECD countries, in the course of the current Uruguay Round of GATT negotiations, in favour of more harmonised agricultural policies, especially to prevent "dumping" of surpluses on Third World markets;

— to recognise the right of developing countries, in accordance with GATT provisions, to protect their agriculture to an extent necessary to attain production of food at levels that ensure food security and remunerative prices;

— to engage in continuous co-operation and dialogue with Third World governments regarding the realisation and respect of the ILO conventions and of civil, political, social, economic and cultural rights, and the promotion of democracy;

— to contribute to the improvement of official development assistance for the Third World in quantitative and qualitative terms and, if they have not yet done so, to make a public commitment to reach the United Nations' target of 0.7% of GNP within an agreed time period, bearing in mind the recommendations made in paragraphs 14 and 15 of this Appeal;

— to help, in line with the recommendations made in paragraph 16, combat environmental disasters that threaten developing countries, especially in Africa, and ultimately the world as a whole;

— to pay more attention to the implications for our European societies of a growing global interdependence and the consequential need for building up greater North-South solidarity and, to this end, make better use of the Council of Europe as a forum for political dialogue and a framework for activities in these areas;

— to strengthen triangular co-operation between parliamentarians, NGOs and governments in the elaboration of development strategies, to promote development education and awareness of the asymmetrical North-South relationship and to set up for this purpose organisational structures, bearing in mind the constructive proposal made by the Prime Minister of Portugal that his country host a centre for global interdependence, which should serve the purpose of continuing the process of co-operation between NGOs, parliamentarians, governments and international institutions and following up the ideas and structures built up during the North-South Campaign;

— to involve the South in the planning and implementation of future action and to intensify contacts with other parts of the North (East and West) for the purpose of collectively increasing public awareness of North-South interdependence and solidarity;

To the European Community:

— to further improve the co-ordination of development assistance given by the Community and its member states as well as by other donors;

— to reduce, in socially acceptable ways, protection of their agricultural products and to work towards elimination of export subsidies. A large proportion of the money saved in this way should be channelled into additional aid for development as a whole — including agriculture — and, more specifically, for the eradication of starvation in the developing countries. Food aid must not be allowed to compete with local agricultural production;

— to enact a special study and information programme on the socio-economic impact of the new bio and genetic technologies on agriculture in Europe and developing countries;

— to promote more balanced trade relations between the European Community and the South and to improve further access to the European Community market for products from developing countries, in particular with regard to textiles and agricultural products;

— to ensure that the completion of the European internal market in 1992 does not damage the interests of the South;

— with regard to the fourth ACP-EEC Convention, to consolidate the positive elements of the third Convention and to further improve it towards an equitable relationship between the European Community and the ACP countries, in particular by placing greater emphasis on debt alleviation, food

security, the fight against environmental degradation, promotion of South-South co-operation and the need to reverse deteriorating terms of trade of the ACP countries. The new convention should be extended to the Dominican Republic and Haiti;

— to help find progressively a lasting solution to the debt problem in line with the recommendations made in paragraphs 11 to 13;

To members of parliament:

— to continue to support the aims of the North-South Campaign with a view to raising greater awareness amongst the European public of the fact that the fate of the North and the South are intimately bound up with each other;

— to help ensure that this Appeal is implemented as fully as possible;

— to pay greater attention to the repercussions of national and international trade policies on the day-to-day conditions of people producing, exchanging goods and services both in the North and the South;

— to take into consideration the setting up of a monitoring system on "conditionality";

— to give full weight to the views of relevant non-governmental organisations in the preparation of international negotiations on North-South issues, to work with NGOs for greater transparency in the decision-making process and to continue the spirit of co-operation established in the North-South Campaign by facilitating dialogue with NGOs;

To the Standing Conference of Local and Regional Authorities of Europe:

— to continue to work to raise the consciousness of public authorities and public opinion in Europe about North-South interdependence and solidarity;

— to be fully associated with any follow-up to the North-South Campaign;

— to share information and documentation on the North-South development activities among national and international organisations of local authorities and NGOs, and to promote joint action by local authorities and NGOs, in favour of development, in particular in the field of development education;

— to encourage the work of other appropriate international institutions in Europe and in the South which have programmes on North-South co-operation and development;

To development NGOs, religious institutions, grass-roots organisations, socio-economic interest groups and women's organisations:

— to intensify their work in the field of development education, to combat racism and prejudice and to promote new forms of insight into and understanding between cultures;

— to continue close collaboration with parliamentarians and make them attentive, whenever necessary, to the interests of the South in their deliberations on domestic policies;

— to help create grass-roots organisations in the developing countries in co-operation with Southern NGOs;

— to make efforts to promote direct links between grass-roots organisations in Europe and their counterparts in the Third World and also among such organisations in the South;

— to co-ordinate their policy positions, actions and involvement in the Third World;

— to promote the implementation of the proposals formulated in this Appeal.
