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CORRIGENDUM

REPORT

drawn up on behalf of the Committee on Development
and Cooperation

on the European Community's Policy towards developing
countries (the Memorandum of the Commission of the
European Communities on the European Community's
Development Policy) (COM(82) 640 final)

Rapporteur : Mr Christopher JACKSON

PE 84.594/fin./corr.

By letter of 5 October 1982, the Committee on Development and Cooperation requested authorization to draw up a report on the European Community's policy towards developing countries. (The Memorandum of the Commission of the European Communities on the European Community's Development Policy (COM(82) 640 final)).

By letter of 9 November 1982, the committee was authorized to report on this subject. The Political Affairs Committee, the Committee on Budgets, the Committee on External Economic Relations, the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Agriculture were asked for their opinions.

On 24 November 1982, the Committee on Development and Cooperation appointed Mr C. JACKSON rapporteur.

At its meetings of 19 January, 26 May, 15 and 20 June 1983, the Committee on Development and Cooperation considered the draft report. It adopted the motion for a resolution as a whole on 21 June 1983 by 12 votes to 5 with 0 abstentions.

The following took part in the vote: Mrs Focke, oldest member present, acting Chairman; Mr Jackson, Rapporteur; Mr Fellermaier, Mr Enright, Mr Cohen, Mr Narducci, Mrs Rabbethge, Mr Vankerkhoven, Mr Wedekind, Mr Deschamps, Mr G. Fuchs, Mrs Caretoni Romagnoli, Mr Verges, Mr de Courcy Ling, Mr Sherlock, Mr Irmer, Mr Normanton and Mr Prout.

The opinions of the Committee on Agriculture, the Committee on Budgets, the Committee on External Economic Relations, the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection are published separately.

The Political Affairs Committee has not delivered an opinion.

This report was tabled on 22 June 1983.

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A.

The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

on the European Community's policy towards developing countries (the Memorandum of the Commission of the European Communities on the European Community's development policy - COM(82) 640 final)

The European Parliament,

- A. Having regard to the Memorandum of the Commission on the Community's development policy, COM(82) 640 final,
- B. Having regard to previous resolutions and reports by the European Parliament, in particular those on the European Community's contribution to the campaign to eliminate hunger in the world (1) ; on the second ACP-EEC Convention of Lomé and on the association of the overseas countries and territories with the European Economic Community (2) ; on the assessment of Community development policies and the role of the European Parliament (3) ; on measures following the European Parliament's debate on world hunger ; the communication from the Commission to the Council concerning a plan of action to combat world hunger and the motions for resolutions tabled on this subject (4) ; on the proposals from the Commission for a programme of research and development in the field of science and technology for development 1982 to 1985 (5) ;
- C. having regard to previous resolutions and reports by the ACP-EEC Consultative Assembly, in particular the following :
- From Lomé I towards Lomé II (6), on the fight against hunger (7), on the Sixth Annual Report of the ACP-EEC Council of Minister for the period from 1 April

(1) OJ No. C265, 13.10.1980, Report by M. FERRERO, Doc. 1-341/80, 29.08.1980

(2) OJ No. C327, 15.12.1980, Report by M. WAWRZIK, Doc. 1-559/80, 17.11.1980

(3) OJ No. C260, 12.10.1981, Report by M. MICHEL, Doc. 1-942/80, 20.03.1981

(4) OJ No. C182, 19.07.1982, Report by M. MICHEL, Doc. 1-281/82/Corr., 7.06.1982

(5) OJ No. C182, 19.07.1982, Report by Mrs. RABBETHGE, Doc. 1-202/82, 10.05.1982

(6) Mrs. FOCKE, From Lomé I towards Lomé II, Texts of the report and resolution adopted on 26 September 1980 by the ACP-EEC Consultative Assembly

(7) OJ No. C39, 10.02.1983, and Report by M. FERRERO, Doc. ACP/EEC/35/82, 5.04.1982 and 82/Add./3.11.1982

1981 to 31 December 1982 and an analysis of the early experience of the second Lomé Convention (8), and, in draft, on the Seventh Annual Report of the ACP-EEC Council of Ministers (9) and on ACP-EEC Industrial Cooperation (10).

D. having regard to the submissions made to the European Parliament concerning the European Community's development policy from the Ambassadors of the Members States of ASEAN, the Ambassadors of Barbados, Brazil, China, India, Mexico and Peru, Ministries of Foreign Affairs of Belgium, Denmark, Germany, Greece, Ireland, Luxembourg, The Netherlands, the United Kingdom, the French Ministry of External Relations, the Permanent Representation of Italy to the European Communities, the Rt. Hon. E. HEATH, Prof. J. TINBERGEN, Prof. McALEESE and MATTHEWS of University of Dublin, Prof. J. BOURRINET of the University Aix-Marseille III, Prof. M. LIPTON, the Institute of Development Studies, University of Sussex, International Institute for Strategic Studies, Deutsches Institut für Entwicklungspolitik, Institut für Weltwirtschaft, Overseas Development Institute, European Trade Union Confederation, OXFAM, International Planned Parenthood Federation, Commission des Episcopats de la Communauté européenne, UNILEVER PLC, Union des industries de la Communauté (UNICE), Club de Dakar, Anglican Board for Social Responsibility.

.. having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Agriculture, the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Consumer Protection and the Committee on External Economic Relations (Doc. 1-475/83),

BASIS FOR DEVELOPMENT POLICY

Equal interest and interdependence

1. recognises the economic interdependence of the European Community and developing countries as
 - 60% of the European Community's imports of primary products are from less developed countries
 - 40% of the European Community's exports are to less developed countries
 - this trade is 5% of European Community GDP
 - the European Community accounts for 24% of LDC's external trade
 - the European Community accounts for 28% of LDC's imports

(8) OJ No. C39, 10.2.1983 and Report by M. VERGEER, Doc. ACP/EEC/38/82, 3.11.1982

(9) Statement by H.E. Mr. J.V.D. CAVALEVU, General rapporteur, to the ACP/EEC Joint Committee Meeting in Kingston (Jamaica), 21-25 February 1983, CA/CP/342, 9.2.1983

(10) CA/CF/337

2. believes that economic growth in the developing countries would contribute significantly to the economic recovery within the European Community, and that economic revival in the European Community would provide valuable earnings for developing countries
3. recalls also that the LDC's account for 75% of world population today and will account for 80% of population by the year 2000.

Moral Imperative

4. recognises the moral imperative felt by the peoples of the European Community to help peoples elsewhere in the world who are starving, suffering from preventable diseases and who exist in absolute poverty, lacking the basic minimum of food, shelter, sanitation, health care and education
5. is determined to help the poorest countries of the world to achieve self-sustaining economic growth and human development
6. recognizes the moral duty to future generations to preserve those natural resources and ecosystems vital for durable development

Peace and freedom

7. Wishes to help all peoples to live in peace, in freedom and under conditions which respect basic human rights according to the Universal Declaration of Human Rights and similar Declarations made by groups of countries and international organisations
8. affirms the fundamental interest of the European Community in the promotion of peaceful stable and predictable international relations and the promotion of the North-South cooperation over the East-West confrontation

Limit to responsibility

9. having regard to the sovereignty of each developing country, recognises that in all circumstances the major effort towards development must come from the developing country itself, from its people and from the policies of its government

II. THE MEMORANDUM OF THE EUROPEAN COMMISSION

10. Welcomes the publication by the Commission of the Memorandum on the Community's development policy and concurs that 'it is time to stop and think again'
11. believes that this document is a noteworthy step forward not only in dialogue with the Parliament but also with the developing countries themselves, with European public opinion and the European Member States and emphasises that a clear statement of European Community objectives, methods and resources

for development will prove of great value for promoting a better understanding, increasing predictability, gaining support and improving cohesion between partners and interlocutors

12. regrets, however, that this document :

- does not look critically enough at the record of the past and particularly at previous Community development policies
- does not sufficiently discuss issues which are of great importance for the developing countries, notably, the effect of the Common Agricultural Policy and of other European common policies
- puts forward proposals which in many respects are too vague to be correctly assessed e.g. concerning the Mediterranean and non-associated countries, the trade policy, finance and foreign investment

III. OBJECTIVES TO BE PURSUED

13. bearing in mind the European Commission's memorandum, proposes the following statement of development objectives relating to the European Community's aim to help the developing countries, especially the poorest, to achieve self-sustaining economic and social progress :

- a) to help countries pursue development policies based on self-reliance. This should not be seen as implying any kind of economic isolation, but as the economic, social and human process by which developing countries become increasingly independent from external assistance
- b) to help countries achieve an appropriate degree of food self-sufficiency based on their own particular resources ; and recognising that for some countries food self-sufficiency is not practicable, to help such countries achieve an economic position where they can afford to purchase the food they need
- c) to help countries develop their human resource potential taking due account of their cultural aspects and paying especial regard to the least privileged sectors of the population, noting that in some countries women are especially underprivileged.
- d) to help the development of appropriate industrial and commercial activity, with emphasis on small scale local enterprises, and to assist in providing a stable environment for emerging industries

- e) to encourage respect for and promotion of Human Rights and the application of recognised international standards on working conditions as an integral part of human development
- f) to help countries promote and develop regional cooperation and to promote South-South cooperation
- g) to help countries achieve technical progress
- h) to encourage the restoration and preservation of vital ecological balance
- i) to help countries assess, and when it is economically viable to develop, natural resource potential
- j) to build a sound trading relationship between the European Community and developing countries on a basis of mutual benefit
- k) to provide timely and appropriate aid in the case of natural disasters

IV. THE RECORD OF THE PAST AND THE PRESENT

14. notes that the European Community and its Member States are together the world's largest aid provider in financial terms providing in 1982 12.1 billion dollars (35% of the world total) of which the European Community's direct contribution was 1,7 billion dollars (11.6% of the total provided by the EEC and its Member States)
15. notes the geographical spread of Community cooperation policy; in 1975 it was confined to 19 African states together with Madagascar and Mauritius while today it covers about 100 developing countries (representing almost 2 000 million inhabitants).
16. notes with satisfaction that the resulting geographical dispersal of financial aid has not prevented this aid from being more concentrated in the countries with low incomes and the least-developed countries than is the case with bilateral aid;
17. notes that in the allocation of this aid priority is given to projects and programmes for agricultural and rural development (more than 50%) and to meeting the vital needs of the people : distribution of water, energy, transport.

18. notes, in view of the importance of co-financing, that in many investment projects Community support acts as a catalyst and helps to mobilise external financial support for development, particularly from Arab sources;
19. notes that the markets for supplies and services connected with projects financed by the Community are open to firms in the ten countries of the European Community - and to the 63 ACP countries in the case of the Convention of Lomé - and that the countries receiving the aid are able to acquire these goods and services under more favourable conditions than in the case of bilateral aid.
20. recognises, however, that the pattern of development of the poorer countries over the last 30 years has been patchy and that while literacy and life expectancy are generally much improved, the poorest countries of all are not progressing fast enough, particularly those with which the European Community is linked in a special relationship, namely, the African countries, and that the number of people in absolute poverty is still rising
21. notes that despite the importance of aid, it is a relatively small part of the economies of developing countries and that this makes it all the more urgent for aid to be effectively used in accord with the needs of these countries
22. notes that despite the many successes of the European Community's development programmes, studies have revealed that some programmes have in the past achieved negligible or, in the case of food aid, even negative results
23. believes that by coupling rigorous definition of objectives to careful and systematic analysis of results, lessons may be learnt which can be applied to the benefit of both developing and developed countries in the pursuit of effective policies and aid methods
24. recalls that many features and instruments of the European development policy have been welcomed as major achievements and innovations, notably :
 - the Lomé Convention
 - mechanisms such as STABEX and SYSMIN
 - agreements of indefinite duration such as the Sugar protocol
 - the Community Food Aid Programme
 - the GSP
 - the conclusion of global cooperation agreements granting free access to the Community market without reciprocity

25. deplores that their effectiveness, partly because of inappropriate aid policy, partly because of the international economic environment, in particular the fall in commodity prices, and partly because of the internal policies of certain developing countries, have too frequently not matched expectations
26. notes the following key areas, repeatedly emphasised by the European Parliament, in which the results of Community help for developing countries have been inadequate
- rural and agricultural development and environmental preservation
 - industrial cooperation
 - promotion of trade, notably in the agricultural sector
 - cooperation in the training sector
27. in view of the experience of the past and present, for example, concerning sugar and textiles, regrets that the impact on the developing countries of other Community policies such as the Common Agricultural Policy, the trade policy and the industrial policy has not sufficiently been highlighted in the Memorandum and that no attempt has been made to assess the magnitude of their positive or negative effects
28. agrees with the European Commission that in the past insufficient regard has been paid to the "fragility of administration" in developing countries and to the economic relevance of their domestic policies and highlights this as an important factor to which more attention has to be paid in future as in some cases domestic policies have been a major factor in hindering the development process
29. notes the criticism of cumbersome administrative procedures both within the Commission and between the European Commission and the Council in the administration of aid

V. SCOPE AND METHODS

Coordination

30. believes the quality and efficiency of European Community development programmes can be improved through increased coordination between European Community and Member States' policies - and in some cases through increased Community level aid instead of fragmented national state level aid and calls on the Commission to analyse the opportunity for closer cooperation and coordination and to report on appropriate mechanisms for this

Overall EC policy

31. underlines that what counts for the developing countries is not the merits of an aid policy considered in isolation but the net effect of the Community's development policy, its other common policies, and its intervention regarding the international framework of economic cooperation

32. therefore believes that the European Community must accept fully that its development policy is not merely a question of financial, technical and other aid but intimately involves its decisions on its other common policies e.g. on the Common Agricultural Policy, on trade policy and on industrial policy, and considers that the European Community should greatly strengthen the coherence between its common policies and its development policy

33. insists that complementary policies must provide help for the redevelopment of regions in the European Community affected by declining industries as a result of imports from developing countries

34. welcomes therefore the Commission's proposal to report periodically to the Parliament and Council on the progress made

- in coordinating bilateral and Community cooperation policies
- in improving the coherence between the various Community policies and in assessing their consequence for the developing countries

INTERNATIONAL COOPERATION

35. Believes the European Community should press for international action to deal with:

- the scale of indebtedness of the main borrowing developing countries which is such that the external debt problem can only be tackled by a concerted effort of the developed countries
- the provision of additional means to provide foreign exchange for other developing countries in order that the process of sound economic development can continue
- an international mechanism for reducing price fluctuations in the world commodities' markets and for ensuring the access of LDC's to needed supplies in times of global shortages

Air procedures

36. emphasises that the EC's aid procedures are sometimes too rigid and complex, placing unnecessary burdens on developing countries and NGO's and asks that a programme of simplification be undertaken

Policy dialogue

37. Welcomes the Commission's concept of "policy dialogue" between the European Community and developing countries:

- a) asks for concrete steps to implement it as this can achieve a practical compromise between rigid conditionality and the irresponsibility of non-conditionality,
- b) emphasises, as does the Commission that the Governments of countries receiving Community support have the sovereign right to determine their priorities and policies,
- c) believes that the Community should make special funds available for policy support; and that these funds should be available on a multi-annual basis subject to policy dialogue

38. emphasises that such policy dialogue must be two way, and that discussion of the EC's internal policies which may affect developing countries should form part of the dialogue; and therefore insists that the Community should improve the mechanisms and the effectiveness of its dialogue with the developing countries in a spirit of achieving stable and predictable relations

Support for Administration

39. requests, having regard to the overwhelming importance of policy determination, that help for the administrations of developing countries should be made available, notably in the following areas:

- analysis of problems and opportunities related to development
- preparation of plans and policies
- execution of plans and policies

40. requests that the Commission explores the possibility of supporting centres of study for Development Policy which the administrations of developing countries could use for policy research, as a think tank, for analysis and for training

Food Strategies, Food Aid and Rural Development

41. emphatically supports the concept of food strategies believing that food aid is in the nature of a crutch which can harm as well as help and that the prime requirement is to help developing countries improve their rural economies which will have the dual effect of providing more food grown locally and developing the human resources of the country

42. believes that EC development expenditure is too heavily weighted towards food aid, in particular of milk products, and calls for a rapid shift towards greater support for food strategies, rural development, and policies

Environment and Ecology

43. Asks the Commission to uphold the objectives of the world conservation strategy namely:

- the maintenance of essential ecological processes and life-support systems
- the preservation of genetic diversity

A sustainable utilization of species and ecosystems

44. asks the Commission to ensure that ecological criteria are systematically integrated in development projects

Mutual advantage

45. notes that developing countries themselves welcome the exchange of advantages referred to by the Commission and believes that the pursuit of mutual advantage has the merit of providing a sound basis for long-term cooperation; supports therefore the concept of mutual advantage being worked out in terms of

- fishing and agriculture
- mineral resources
- energy resources
- industrialization and trade

Technological cooperation

46. calls on the Commission to re-examine the whole question of helping developing countries to achieve technological progress and in particular:

- to make proposals to help developing countries develop local research and technology
- to find better ways of encouraging technology transfers bearing in mind that such transfers have to be made through and by commercial enterprises
- to promote relevant research within the European Community

Industrial cooperation

47. notes the need to encourage a partnership in private and public investment between the EEC and developing countries to our mutual advantage, having respect for the need of the country concerned and for the economic realities of such investment
48. believes that real industrial development necessarily implies increased and sustained private investment flows to developing countries and that this will prove not to be possible without strengthening existing and adding new investment guarantee schemes; therefore stresses at the same time the need to better ensure compatibility between national government industrial policies and external private investment; to this end investment codes might prove useful

49. requests the Commission to take appropriate measures to promote cooperation between private and public firms, notably by giving additional means to the Center of Industrial Cooperation and by setting up an equivalent organization to operate with non-associated countries

Demography

50. stresses again the importance of the expected population growth in the developing countries for the next two decades and the interaction between population and development as emphasized in several international fora and in particular in the resolution on world population and development adopted by the ACP-EEC Joint Committee in Kingston on 24.2.1983
51. believes accordingly that the European Community should give aid to population policies where requested as a way of reinforcing the effectiveness of development aid and contributing to human welfare

Human rights

52. underlines the need to include the fundamental principles of human rights among which "the right to life" is the most important one in the future ACP-EEC Convention as well as in the working of all development policies and in this context recalls the Penders resolution adopted by the ACP-EEC Joint Committee in Kingston and the European Parliament's resolution on human rights in the world;

VI. AREAS AND SYSTEMS OF APPLICATION OF DEVELOPMENT POLICY

53. believes that continued close cooperation with the Lomé countries is an important responsibility for the European Community but welcomes the extent to which relations with non-associated countries in Asia and Latin America have increased in importance
54. deeply aware of the extent of absolute poverty in parts of the developing world not covered by Lomé, and asks the Commission to develop existing or new mechanisms to take account of the special needs of the poorest group of countries in the world and to consider the possibility of a special range of aid policies for which all the poorest countries - as defined by economic and social considerations - should be eligible; and for which countries should cease to be eligible when they have passed the threshold for the definition of "poorest country"
55. calls on the Community:
- a to push for an active follow-up of the Paris Conference on the Least Developed Countries;
 - b to continue and strengthen the existing contractual bonds with the ACP-States;
 - c to strengthen existing Community Agreements/Arrangements with regional groupings; in this respect, to give special attention to ASEAN and Andean Groups; and stimulate such links with the Central-American, Caribbean and Mediterranean regions;

Lomé

56. is of the opinion that the new convention should be the outcome of a fundamental agreement first to be reached on the aims, guidelines, means and methods of cooperation.
57. believes that the time is not yet right to decide whether the successor ACP-EEC convention should be of unlimited duration and proposes to decide on form and duration of the convention only at the end of negotiations and to do this in the light of the content of the convention.
58. considers, however,
- that the time has come to give a detailed assessment of the effects of the Lomé Convention on the economies of the ACP countries
 - that it is necessary to study the extent to which different Community policies (CAP, monetary policy, environmental policy) can have positive effects on the development of ACP countries.
59. is of the opinion that regional cooperation and aid to measures of regional integration should have a much greater importance in the new convention, - this also to be expressed in the financial terms

60. reaffirms that EDF budgetization is essential for the budgetary rights of the European Parliament and to introduce flexibility necessary for the ACP States and insists that this is included in consideration of the European Community's future financing
61. reserves its other comments on the ACP-EEC development matters to the forthcoming report on the successor to the Lomé Convention

Mediterranean countries

62. welcomes the more comprehensive approach towards the States bordering the Mediterranean on the south, with which the Community is so closely linked;
63. believes, however, the political and economic diversity of these countries means that an approach which can respond to their diversity is required, and that while the Commission's proposal for a collective contract is not practicable, collective contracts for regional groups of Mediterranean countries could be considered, particularly for the Maghreb
64. regrets that no assessment of the functioning of the present cooperation agreements is made and that the proposals which are put forward in the memorandum are inadequate in particular in view of the expected future enlargement of the European Community to include Spain and Portugal

Asia, Latin America and other countries

65. believes that all steps should be taken to encourage development links and trade cooperation helpful to Asia and Latin America and while recognizing that in the short-term major financial expenditure cannot be allocated to this, believes there are many areas where cooperation can be usefully developed, particularly technology, training, investment and cooperation between enterprises
66. in the case of the poorest countries of Asia, believes that the European Community should allow their access to the special provisions previously referred to for the poorest countries
67. in the light of the probable accession of Spain and Portugal to the European Community, encourages the formation of closer links between the European Community and Latin America

68. calls on the Commission to propose a detailed programme of measures to build on the possibilities of mutual benefit existing between Asian and Latin American countries and the European Community.

VII. RESOURCES OF THE COMMUNITY'S DEVELOPMENT POLICY

69. believes that there is considerable scope for improved use of existing financial resources, particularly so far as food aid is concerned.

70. supports the proposal of the Commission to dedicate 1/1000 of GNP of Community to community development aid, reaching this aim step by step in the next ten years.

71. believes that the prime official development aid target for the European Community and its Member States should remain the UN target of 0.7% of GNP, with 0.15% of GNP being devoted to the least developed countries.

72. requests that the EEC take steps at the political level to ensure that other industrialized countries undertake to pursue these same goals.

73. believes that increases in the proportion of funds allocated to aid through the European Community should depend on the application of the principle of subsidiarity, i.e. that funds are better spent in common by the European Community than by the Member States individually.

74. with regard to the foregoing therefore urges that a comparative study should be made of the relative effectiveness of the European Community and Member States aid.

75. believes that there is a strong need for the less developed countries to raise extra finance at low cost through a wider and more balanced use of the resources of the international capital market and agrees that - in particular, in view of the economic interdependence between the developing countries and the European Community - it is in the interest of the European Community to extend or create mechanisms to that end.

76. welcomes the proposals to extend the area of intervention of the European Investment Bank and to use the Community's own borrowing capacity to the advantage of developing countries and suggests that the New Community Instrument be reshaped to aid this.

77. Believes that, except in the poorest countries private foreign investment can make a significant contribution to the resources available for the development and reiterates its demand that such investment should be promoted.

78. Instructs its President to forward this resolution to the Commission and the Council of the European Communities.

B.
EXPLANATORY STATEMENT

I. BASIS FOR DEVELOPMENT POLICY

1. The European Community is a democracy in which, while people can be led so far, in the end support for a more active development policy must come from the people themselves.
2. Your rapporteur has been struck by the extent to which many people in the European Community - no doubt through the admirable efforts of aid charities to raise funds - regard relations with the Third World as largely, even solely, a matter of charity. To them the extent of genuine interdependence between the European Community and the Third World comes as a shock.
3. That is why in this report an attempt is made to explain the basis for a development policy which covers all our relations with Third World countries.
4. Interdependence comes first. With 50% more of world trade than the USA, the EC is by far the world's most important trading power - and 40% of all our exports, exceeding \$ 100,000 million a year, go to developing countries. At the same time we import some \$ 120,000 million of products from developing countries, mainly raw materials and including vital raw materials. It may be estimated that over 5 million jobs in the Community depend on trade with developing countries, and for the future their markets, containing 3,000 million people, are of enormous importance.
5. At the same time as developing countries need our products and expertise, they are seeking to break through into the world of modern technology and production and their industries seek entry to our market.
6. Change is inevitable, and the challenge to the EC is to develop a modus vivendi with developing countries such that we can arrange without disruption to accept increasing amounts of their manufactured products, while exporting to them the higher technology goods and services for which Europe is better suited. This huge and important task deserves more concerted effort than it has been given.

7. We are already experiencing the travails of fast change, and at a time of high European unemployment the temptation to creeping protectionism is obvious. But we should not forget it is in our own interest - in terms of establishing the markets of the future - as well as in the interests of developing countries to establish a genuine dialogue through which we can achieve a better way forward. Mutual interest is a sound basis on which to build.
8. To the people of Europe, the spectacle of widespread hunger and deprivation is intolerable and the moral imperative - the religious or humanitarian response to suffering - is rightly a powerful element in the European Community's attitude to the poorest countries, particularly in its endeavour to help the millions - perhaps 1,000 million - who live in absolute poverty. We greatly respect the dedicated efforts of NGOs - charities - who can sometimes tackle these problems with a flexibility that government or government aid cannot achieve.
9. However, the basic problem demands help on a scale which only governments can meet. The European Parliament has rightly insisted that priority be given to the fight against hunger in the world and the Community has a special role to play in rural development, which, when dealing with the poorest and with the need for food, must be the place to start.
10. Development policy, dealing as it does with the majority of countries and the majority of people in the world, is inextricably linked with foreign policy. The European Community has a fundamental interest in peace and freedom, an interest stemming not only from necessity - i.e. two way trade - but from its dedication to the promotion of basic human rights, including progress towards democracy. This is bound to inform its policy.
11. However important the European Community's policies and efforts may be, each developing country is sovereign. It is on the country's own efforts, on its people and policies, that in the end success or failure in development depends.
12. Europe's responsibility is real, but limited. Round the world, certain countries' policies meet with success but others do not achieve hoped for results. We should offer friendship and help to all, but give greater support to policies that work than to those which do not.

13. In this report interdependence and mutual benefit are stressed. It does not require much reflection to comprehend how important developing countries, with nearly 8 out of every 10 inhabitants of the world, are becoming ; but it will require both vision and effort to realise that benefits which effective cooperation could bring to them and to us over the years to come. For their people it may mean life itself, for us it may mean jobs, for all, increased prosperity.
14. Relations between the EC and developing countries are usually seen as a series of unrelated snapshots : one Commission Directorate-General deals with aid ; another with trade ; a third with agriculture, a fourth with Europe's industry ; while political cooperation tackles another dimension. One Member State has strong links here, another there. Only when these aspects are taken together do we glimpse the reality flowing from the EC's position as the biggest trading partner of the Third World : as the world's biggest economic unit ; as by far the world's largest provider of development assistance ; with unsurpassed strong links to an amazing variety of countries. For Europe's biggest foreign policy challenge the opportunity is that of leading the world in relations with developing countries, to our mutual benefit. Has the Community and its Member States the will and cohesion to assume this task ?
15. Serious resolution to do so is compatible with existing official development aid targets. But it would require a much more serious and sustained attempt to work through with developing countries' adjustments to the EC's internal and external policies to provide the environment and type of support through which developing countries' progress could accelerate.

II. THE MEMORANDUM OF THE EUROPEAN COMMISSION

16. The Memorandum of the Commission is an imaginative timely and welcome initiative that has been widely welcomed (1). In view of the present economic situation within the European Community, the current state of the world economy and the economic and human prospects in the developing countries, and taking account of the criticisms aimed at some Community development instruments and common policies, it is of great importance to

(1) Copies of the evidence submitted to the Development and Cooperation Committee by governments, institutions and individuals have been placed in the library of the European Parliament.

have a global document on the future of the Community development policy to allow in depth discussions and reflection.

17. It is important that the European Community states and defines its priorities concerning its future development policy both vis-à-vis the developing countries and its Member States and vis-à-vis European public opinion. Indeed, the role and importance of the public opinion in supporting any future Community development policy deserves to be highlighted.
18. For some years, the European Parliament in its various debates - notably, concerning hunger in the world - has urged progress and suggested priorities and guidelines. Many ideas which the Assembly put forward - e.g. the importance of improving agriculture and rural development - are expressed in the Memorandum.
19. While acknowledging the important successes of EC aid, it is regrettable that the Memorandum fails to take a more detailed critical look at the record of past Lomé arrangements and other aspects of Community development policy before making recommendations for the future. The results of various reports issued either by the European Court of Auditors or by research centres and dealing with important aspects of the Community development policy are not discussed in the Memorandum (2). There is no assessment of the present functioning of the agreements with the Maghreb and Mashreq countries, as well as agreements with other countries.
20. While valid as pointers, some recommendations are far too vague to be correctly assessed, notably, concerning the Mediterranean countries : it is proposed that all Mediterranean countries participate in a collective contract but it is not clear what is to be included in this contract and how it would add to existing policies in terms of the benefits it brings to the Mediterranean countries themselves.
The same can be said for the proposals which are put forward concerning the non-associated countries or regarding such important areas such as the promotion of private foreign investment.

(2) See e.g. the annual reports from the Court of Auditors and its special report on Community Food Aid, the report on Food Aid made by the Africa Bureau of Cologne and the Institute of Development Studies, the study on GSP made by the Overseas Development Institute.

21. Development cooperation policy does not only concern matters which fall specifically within the aegis of the Directorate General for Development and although it is stated in the Memorandum that "the Community conducts policies which affect the Third World to a greater extent than could surely be achieved by its development policy alone " (3), the effect of the Common Agricultural Policy as well as other European common policies is not discussed. To your rapporteur, this is a fundamental omission.

III. OBJECTIVES

22. Community development policy - which is already strongly oriented to the poorest countries as 40,2% of Community's aid is directed in 1980 and 1981 towards the least developed countries as opposed to, respectively, 30,2% for IDA, 35,7% for UNDP and 21,5% for the Community's Member States (4) - should continue to give them the highest priority.

23. The concept of self-reliance - defined as a global process, i.e. an economic but also social and human process, by which developing countries become over the time increasingly independent from external assistance - is supported under the following conditions :

- self-reliance should not be seen as implying any kind of economic isolation : as stated in the Lagos Plan of Action,

"Africa must cultivate the virtue of self-reliance. This is not to say that the continent should totally cut itself off from outside contributions. however, these outside contributions should only supplement our own efforts, they should not be the main stay of our development" (para. 14, iii).

- it should be seen, according to the Lagos Plan of Action, under a regional point of view in line with its resolution to adopt a far reaching regional approach based primarily on collective self-reliance (para. 1).

24. The European Parliament has many times emphasised the priority to be given to food self-sufficiency. As it was recognised in the resolution on Hunger in the World, self-sufficiency in food cannot be achieved by all developing

(3) Memorandum, p. 15

(4) OECD, DAC, Report 1982

countries (5) : in view of natural resources or natural potential, food self-sufficiency will not be possible or economically practicable for every country and should be seen on a regional basis taking especially into consideration the possibilities of South-South cooperation and trade.

25. Industrial cooperation should primarily be geared to the development of small and medium-sized enterprises devoted to the satisfaction of local needs and the building-up of a strong agricultural sector. Special attention should be given to the need to avoid the concentration of industry in limited parts of the respective countries and to ensure a balanced distribution of activities across the rural areas where most of the populations are living.
26. The Memorandum does not refer explicitly to Human Rights, and to the respect of certain international standards on working conditions. It can, however, be argued that they form an integral part of human development and that insofar as any future European development policy will need the support of European public opinion they have to be taken into consideration. Concerning the problem of working conditions, it has to be recalled that the recent resolution of the ACP-EEC Consultative Assembly on the Sixth Annual Report of the ACP-EEC Council of Ministers demands that the Commission draws up proposals for qualitative improvements, in the social aspects of the new ACP-EEC Convention taking into account the recommendations and agreements of the International Labour Organisation (6). Such a demand should not be restricted to the ACP-EEC relations.
27. The Memorandum recommends the systematic exploitation of all national resource potential of the developing countries (7). This is exaggerated. The European Community should, in fact, help the countries assess their national resource potential and should only help them to develop natural resources when they are economically viable or when they are absolutely vital to the national economy concerned.

(5) OJ No. C 265, 13.10.1980, para. 12 : considers that, to eliminate mass hunger and undernourishment, it is essential for as many of the developing countries as possible to achieve self-sufficiency in food

(6) OJ No. C 39, 10.2.1983, para. 106

(7) e.g. page II

IV. THE RECORD OF THE PAST AND THE PRESENT

28. As stated by the Commission, "the fact that a fifth of the world's population is undernourished is an absolute scandal. Despite substantial achievements in some areas, the overall situation is continuing to worsen : 20 years ago 300 million men, women and children were starving or seriously underfed ; this figure had risen to 450 million by 1975 and the World Bank estimates that it will soar to 700 million by the year 2000" (8)

The same figures are put forward by the Director of the FAO, Mr. Saouma. It is striking to note that, according to the World Bank (9), the situation and the prospects for Sub-Saharan Africa is especially gloomy.

According to the 12th regional conference of the FAO, food production per capita in Africa has decreased by 10% over the last 10 years.

In view of the fact that most African countries have - for some time - a special relationship with the European Community, these facts are particularly worrying and challenging.

29. Under these circumstances, we believe the Commission should make a more comprehensive and a more detailed assessment of the functioning of its past and present development instruments and policies should discuss the criticisms and disappointments expressed in the various reports referred to in item 15, as well as in reports from the European Parliament and from the ACP-EEC Consultative Assembly.

30. In this context, it is worth recalling the criticisms made in the recent resolution of the ACP-EEC Consultative Assembly on the Sixth Annual Report of the ACP-EEC Council of Ministers (10) concerning the functioning of the present Lomé Convention :

- ACP exports to the Community have shrunk (para. 4)
- ACP-EEC trade structure have remained substantially unchanged (para.6)
- the food-supply situation in many African States has deteriorated (para. 26)
- no significant results have been recorded as far as the industrial cooperation is concerned (para. 60)

31. Although no general analysis is applicable to all developing countries, it has to be emphasised that in some cases part of the responsibility for the present situation can be attributed to domestic policies which have been followed over the past decades.

(8) The European Community and World Hunger, European File, 14/82

(9) World Bank, Accelerated Development in Sub-Saharan Africa, 1981

(10) See footnote (5)

The World Bank (11) and the United Nations Economic Commission for Africa (12) highlight the shortcomings and deficiencies in the policies, management and public services of some African developing countries.

V. SCOPE AND METHODS

32. In view of the limited budgetary funds available for Overseas Development Aid, the quality and efficiency of aid must be greatly improved.
33. Improved coordination between the European Community's development policies and its Member States' policies will be important.
It has, however, to be recalled that this is an almost completely new area where no de facto or legal mechanism exists.
Coordination between the Community and its Member States is a prerequisite for the implementation of any food strategy and it is to be hoped that out of day to day experience new proposals to formalise and extend this cooperation will emerge.
34. The advocated shift from a piecemeal allocation of resources to individual projects to aid to policies accompanied by a "policy dialogue" is a welcome proposal which could significantly enhance the effectiveness of aid. This new approach should contribute to a greater coherence and impact of the programmes financed by the Community, and help the local administrations to formulate and implement their policies.
35. A greater coherence between the internal and external Community policies is vital for a more effective Community development policy. The second annual report from the Overseas Development Institute and the Institute of Development Studies on "The Community and the Third World" stresses that the Community's development policy does not fully counterbalance the negative effect on the Third World of the other Community's common policies, such as the Common Agricultural Policy, the Industrial and the Trade Policy (13). The sugar sector is a clear example of a flagrant contradiction between the Community's development policy and its own internal policy, taking into account, as recently stated by the ACP-EEC Consultative Assembly, that the ACP States have no share of responsibility in the situation of beet sugar surplus within the Community (14).

(11) Already mentioned, e.g. p. 32 : "the need to strengthen capacity in project vetting and in policy making is a high priority in all African countries"

(12) Annual Report for 1982

(13) C. STEVENS, EEC and the Third World : A survey 2, cited in Europe 18.9.1982 No. 3447

(14) See footnote (5), para. 49

36. Not only should the Community act in full realisation that its development policy involves some of its other policies but, the Community should also improve mechanisms of dialogue and consultation with developing countries so that long-term evolution of supply and demand can be jointly discussed and planned, thus avoiding repeated use of self-limitation agreements in the future.

The spirit of Lomé was hailed as a landmark in relations between the European Community and developing countries, but today your rapporteur hears many complaints that the dialogue which lies at the heart of the Lomé idea is no longer real.

Europe's proposals are regarded as a *fait accompli*. This is one reason why the necessity for two way policy dialogue is highlighted : not only does it make sense for the European Community to discuss how it can aid policies in developing countries, but developing countries should also discuss how Europe can alter its internal policies to be of help to the development both of Europe and the Third World.

37. Quality of aid must also be improved through better administrative procedures for the management of aid. This remains of major importance. Criticisms of the aid procedures concerning the financial and technical cooperation of the Community have been frequently expressed in various reports from the ACP-EEC Consultative Assembly (15) and it is still to be regretted - as expressed in the paragraph 81 of the recent resolution of the Consultative Assembly on the Sixth Annual Report of the ACP-EEC Council of Ministers - "that procedures for everything from aid programming to project design and implementation are still too complicated" and demanded "that procedures must be simplified and speeded-up" (16).

An in-depth study and detailed criticism of the administration of food aid has been made by the working group on hunger in the world of the Committee on Development and Cooperation of the European Parliament (17).

38. In view of the financial needs of the developing countries, as estimated by the UNCTAD Secretariat (18), the necessity to promote private foreign investment becomes all the more urgent.

(15) See e.g. From Lomé 1 to Lomé 2, Report by Mrs. FOCKE, p. 57 and following Résolution on the Fifth Annual Report of the ACP-EEC Council of Ministers OJ No. C15, 20.1.1982, para. 73

(16) See footnote (5)

(17) Working paper by Mrs. FOCKE, Doc. 1-341/80/Ann.I, 5.9.1980

(18) UNCTAD to present 90 bn. dollars Third World rescue plan, Financial Times 31.3.82

The European Parliament regretted at the time of the signing of the Second Lomé Convention that it had not been possible to include a general mechanism to promote private investments (19). The demand for such a mechanism must be repeated again.

We must recognise " the two fears" : that developing countries fear private investors will not be good citizens and will seek to take far more out of a country than they put in ; and the equal and opposite fears of private investors that they will be essentially unwelcome, likely to be unfairly treated and at the limit expropriated. Investment demands a partnership of trust between investor and the country invested in. For this reason a mechanism to be agreed between the European Community and groups or individual developing countries such that investment guarantees are linked to observance of a locally appropriate code of conduct, would appear to merit serious consideration.

39. The preparation and implementation of food strategies, as well as the necessity to provide local administrations with some help to identify the needs and formulate policies, would result in two consequences for the staff of the Directorate General for Development of the Commission. Firstly, the staff should be increased taking into account that the 1.6 billion dollars aid programme of the Community is currently managed by 585 agents - 271 actually working in the 50 local delegations - at an administrative cost of 45 million dollars (20). Secondly, the role and staffing of the delegations should be enhanced as the new tasks abovementioned would normally be mainly attributed to them.

VI. AREAS AND SYSTEMS OF APPLICATION OF DEVELOPMENT POLICY

40. The European Community has a wide variety of economic, social and cultural links with ACP countries and the importance of the European Community continuing its close cooperation with the ACP countries is highlighted by the economic situation and prospects of Africa which includes 21 of the poorest countries of the world.

(19) OJ No. C 327, 15.12.1980, Resolution on the conclusion of the second ACP-EEC Convention of Lomé, para. 67

(20) OECD, DAC Report 1982

41. This must not overshadow the fact that the relations with non-associated countries in Asia and Latin America have increased in importance : India is the biggest single recipient of Community aid and in the 1983 budget, while commitment appropriations for the non-associated countries amount to almost 250 mio ECUs in total.
42. However, many of the poorest countries of the world - with large populations - are not members of the Lomé Convention and therefore do not benefit from the most extensive set of Community development instruments.
43. Following the 1981 United Nations Conference on the least developed countries in Paris which highlighted the critical situation of these countries, time has come to propose that the Community designs a more comprehensive policy for these countries.
44. The question of the duration of the ACP-EEC Convention was discussed at length at the time of the renewal of the first Lomé Convention (21). The European Parliament pointed out, in paragraph 8 of its resolution, that in the light of the continually changing economic situation, it was no bad thing that the new Convention should have been concluded for a period of 5 years and drew attention to the relevant final provisions concerning new negotiations which guaranteed the continuity of the Convention in all circumstances.
45. The European Parliament - when consulted last year on the conclusion of new financial protocols between the European Community and the Southern Mediterranean countries - recommended "that when the EEC's Mediterranean policy comes under review - and in the negotiations on the forthcoming enlargement of the Community - the extreme political and economic importance of these countries for the Community should be kept in sight" (22). In his report, the rapporteur stressed that enlargement of the Community would require substantial restructuring, notably, in the agricultural sector and emphasised especially the difficulties of this, having regard to the economic realities of the countries concerned (23).
It must therefore be said that the proposals which are put forward by the Commission are too vague - as already mentioned in paragraph 16 - to serve as a blueprint for any future action.

(21) Report by M. WAWRZIK on the conclusion of the second ACP-EEC Convention Doc. 1-559/80, 17.11.1980, p. 29 and 30

(22) OJ No. C 334, 20.12.1982, para. 5

(23) Report M. Filippi, Doc. 1-846/82, 15.11.1982

(24) Source : OECD, in Europe, 16.2.1983, no. 3548

46. Asia and Latin America include countries with the most different levels of economic and social development : some are amongst the poorest countries of the world while others are amongst the newly industrialising states with great economic potential.
- Amongst the ten most indebted countries, 6 are Asian and Latin American countries, namely : Brazil, Mexico, South Korea, Argentina, India and Indonesia (24).
- In addition, amongst the 11 newly industrialising States which received more than 50% of the direct investment flows during the past years from the DAC countries, 7 are Asian or Latin American countries : Argentina, Brazil, Hong-Kong, South Korea, Mexico, Singapore and Taiwan (25).
- Many Asian and Latin American countries are furthermore amongst the most populated countries in the world.
47. While the European Community must take account of the extreme poverty which characterise some of these countries, the great opportunities for increased economic cooperation based on mutual advantage must also be emphasised.
- As a great regional grouping - indeed arguably the most important economic entity in the world - the Community has much to offer and much to gain from the pursuit of mutual advantage with other regional groupings, or individual countries round the world. There is considerable scope for closer relations with ASEAN, and the Andean group in particular. In that connection, it is worth recalling the final act of the Fifth Interparliamentary Conference EEC-Latin America held in Bogota in January 1981 (26) which listed a whole range of areas where economic cooperation could be developed between the European Community and Latin America, notably, in the sector of energy, raw materials, technology transfers and training and cooperation between European and Latin American private companies. The same will no doubt be true of Asian countries.
48. The Community loan - through an ECSC loan of a maximum of 600 mio dollars - to Brazil for the exploitation of the iron mines of Carajas assorted with long-term delivery engagements of iron ore to companies of several Member States of the European Community is a good example of fruitful cooperation based on mutual advantage which can be developed between the European Community and the Asian and Latin American countries.

(25) Source : OECD, in Europe, 24.3.1983, no. 4393

(26) PE 70.678, 28.1.1981

VII. RESOURCES OF THE COMMUNITY'S DEVELOPMENT POLICY

49. In view of the Memorandum's proposal to increase the aid resources administered by the Community to a target of 0,1% of the Community's GNP - which would imply a doubling of the Community's aid programme - a number of questions arise :

- the question of additionality must be clarified : are prospective increases in Community development policy to be additional to national expenditures or rather a transfer of funds from the national to the Community level and would any increase in Community aid not encourage the Member States to reduce their national development aid ?
- an increase in Community aid of this magnitude can only be justified if Community aid programmes are better administered and more effective than those carried out through other channels e.g. the Member States or multinational agencies. While there are exaggerated criticisms of EC aid compared to bilateral aid, what evidence exists - as stated by the Overseas Development Institute (27) - "provides little reason to suppose that the EEC programme is a more effective channel for spending aid than any other".
It is therefore up to the Commission to demonstrate the value of such a change of emphasis.
- the value of adding a Community target is questionable and it seems more advisable to continue to lay emphasis on achievement of the existing US targets.
- any proposal to increase significantly the Community budget should be examined in the light of the future financing of the Community.

50. Taking into account the present estimates of the developing countries, financial needs made by the UNCTAD (28), the total volume of their public and private medium and long-term debt which amounted to 529 billion dollars in 1982 (29), and the constraints for the Community budgetary aid, there is a clear need to establish the necessary machinery to raise extra finance by the Community at little cost to itself to help developing countries which would otherwise have difficulty in raising loans on the open market.

(27) ODI, Briefing paper on the Memorandum, 1983

(28) See footnote (17)

(29) OECD source : Europe, 16.2.1983, No. 3548

51. Dealing with the debt problem, it has to be recalled that indebtedness only concerns a few limited developing countries - out of the abovementioned figure, 345 billion dollars are concentrated on 13 countries (30) - the portfolio of the commercial banks being heavily concentrated amongst a few middle-income countries (31).

52. Official development aid is of course only one part of the funds available to developing countries ; a major part of funds used comes from private sources. It seems certain that in the European Community severe constraints on public spending will continue for some time to come ; there is every reason for the European Community to seek ways of encouraging the flow of private funds and private investment. One of the major tasks of the Community in this field should be - through the EIB or other mechanisms such as a reshaped NCI - to encourage commercial banks to diversify their portfolios and give therefore poorer countries access to the international banking system.

(30) OECD source, Europe, 16.2.1983, No. 3548

(31) The Guardian, Why the Third World debt mountain is not quite as formidable as it appears, 7.2.1983

Basic Indicators

	Population (millions) Mid-1979	Area (thousands of square kilo- meters)	GNP per capita		Average annual rate of inflation (percent)		Adult literacy rate (percent) 1976 ^b	Life ex- pectancy at birth (years) 1979	Average annual growth of population (percent)		Projected population (millions)			
			Dollars 1979	Average annual growth (per- cent) 1960-79	1960-70 ^a				1970-79		1960-70	1970-79	1980	2000
					1960-70 ^a	1970-79			1960-70	1970-79				
Income countries	2,260.2 t	33,778 t	230 w	1.6 w	3.0 m	10.8 m	51 w	57 w	2.2 w	2.1 w	2,300 t	3,275 t		
China and India	1,623.7 t	12,885 t	230 w	..	..	..	..	..	2.1 w	1.9 w	1,650 t	2,214 t
Other low-income	636.5 t	20,893 t	240 w	1.8 w	3.0 m	10.9 m	54 w	59 w	2.4 w	2.6 w	650 t	1,061 t		
Algeria, Dem.	..	181	..	..	3.8	..	..	..	2.7	..	..	..
Angola PDR	3.3	237	..	..	..	..	..	42	2.2	1.4	3	5
Burundi	1.3	47	80	-0.1	..	..	..	44	2.0	2.1	1	2
Bangladesh	88.9	144	90	-0.1	3.7	15.8	26	49	2.4	3.0	92	148		
Bhutan	4.4	1,284	110	-1.4	4.6	7.9	15	41	1.8	2.0	4	7		
Ethiopia	30.9	1,222	130	1.3	2.1	4.3	15	40	2.4	2.1	31	53		
Guinea	14.0	141	130	0.2	7.7	8.7	19	44	2.0	2.2	14	21		
Guinea-Bissau	3.8	638	..	-0.5	4.5	11.3	60	44	2.4	2.3	4	6		
India	6.8	1,240	140	1.1	5.0	9.7	10	43	2.4	2.6	7	12		
Indonesia	32.9	677	160	1.1	2.7	12.1	67	54	2.2	2.2	34	50		
Afghanistan	15.5	648	170	0.5	11.9	4.4	12	41	2.3	2.6	16	25		
Algeria	52.9	330	..	..	..	..	87	63	3.1	2.9	54	88
Burundi	4.0	28	180	2.1	2.8	11.2	25	42	1.6	2.0	4	7		
Upper Volta	5.6	274	180	0.3	1.3	9.8	..	43	1.6	1.6	6	10		
India	659.2	3,288	190	1.4	7.1	7.8	36	52	2.3	2.1	673	975		
Malawi	5.8	118	200	2.9	2.4	9.1	25	47	2.8	2.8	6	11		
Rwanda	4.9	26	200	1.5	13.1	14.6	..	47	2.8	2.8	5	9		
Sri Lanka	14.5	66	230	2.2	1.8	12.3	85	66	2.4	1.7	15	21		
Senegal	3.4	113	250	0.6	1.9	9.2	..	47	2.6	2.9	4	6		
Mozambique	10.2	783	250	0.1	2.8	11.0	..	47	2.2	2.5	10	20		
Sierra Leone	3.4	72	250	0.4	2.9	11.3	..	47	2.2	2.5	3	6		
China	964.5	9,597	260	..	..	..	66	64	1.9	1.9	977	1,239
Taiwan	4.9	28	260	0.3	4.1	10.9	..	53	1.5	1.7	5	8		
Pakistan	79.7	804	260	2.9	3.3	13.9	24	52	2.8	3.1	82	141		
Tanzania	18.0	945	260	2.3	1.8	13.0	66	52	2.7	3.4	19	35		
Zaire	27.5	2,345	260	0.7	29.9	31.4	15	47	2.0	2.7	28	49		
Niger	5.2	1,267	270	-1.3	2.1	10.8	8	43	3.3	2.8	5	10		
Guinea	5.3	246	280	0.3	1.5	4.4	20	44	2.8	2.9	5	9		
Central African Rep.	2.0	623	290	0.7	4.1	9.1	..	44	2.2	2.2	2	3		
Madagascar	8.5	587	290	-0.4	3.2	10.1	50	47	2.1	2.5	9	15		
Uganda	12.8	236	290	-0.2	3.0	28.3	..	54	3.7	3.0	13	24		
Mauritania	1.6	1,031	320	1.9	1.6	10.1	17	43	2.5	2.7	2	3		
Lesotho	1.3	30	340	6.0	2.5	11.6	52	51	2.0	2.3	1	2		
Togo	2.4	57	350	3.6	1.1	10.3	18	47	2.7	2.4	2	4		
Indonesia	142.9	1,919	370	4.1	..	20.1	62	53	2.0	2.3	146	220		
Sudan	17.9	2,506	370	0.6	3.7	6.8	20	47	2.2	2.6	18	31		
High-income countries	985.0 t	38,705 t	1,420 w	3.8 w	3.0 m	13.3 m	72 w	61 w	2.5 w	2.4 w	1,008 t	1,569 t		
Oil exporters	324.8 t	13,781 t	1,120 w	3.1 w	3.0 m	14.0 m	64 w	57 w	2.7 w	2.7 w	334 t	565 t		
Oil importers	560.2 t	24,924 t	1,550 w	4.1 w	3.0 m	12.2 m	76 w	63 w	2.3 w	2.2 w	674 t	1,004 t		
Kenya	15.3	583	380	2.7	1.5	11.1	45	55	3.2	3.4	16	34		
Ghana	11.3	239	400	-0.8	7.6	32.4	..	49	2.4	3.0	12	21		
Yemen Arab Rep.	5.7	195	420	10.9	..	17.8	13	42	1.8	1.8	6	9		
Senegal	5.5	197	430	-0.2	1.7	7.6	10	43	2.4	2.6	6	10		
Angola	6.9	1,247	440	-2.1	3.3	21.6	..	42	1.5	2.3	7	12		
Zimbabwe	7.1	391	470	0.8	1.3	8.4	..	55	3.9	3.3	7	15		
Egypt	38.9	1,001	480	3.4	2.7	8.0	44	57	2.2	2.0	40	60		
Yemen, PDR	1.9	333	480	11.8	..	..	27	45	1.9	2.3	2	3
Liberia	1.8	111	500	1.6	1.9	9.4	30	54	3.1	3.3	2	4		
Zambia	5.6	753	500	0.8	7.6	6.8	39	49	2.8	3.0	6	11		
Honduras	3.6	112	530	1.1	2.9	8.4	60	58	3.1	3.3	4	7		
Bolivia	5.4	1,099	550	2.2	3.5	32.4	63	50	2.3	2.5	6	9		
Cameroon	8.2	475	560	2.5	4.2	10.3	..	47	1.8	2.2	8	14		
Thailand	45.5	514	590	4.6	1.8	9.5	84	62	2.9	2.4	46	68		
Philippines	46.7	300	600	2.6	5.8	13.3	88	62	3.0	2.6	48	75		
Congo, People's Rep.	1.5	342	630	0.9	5.4	10.9	..	47	2.1	2.5	2	3		
Nicaragua	2.6	130	660	1.6	1.9	12.2	90	56	2.9	3.3	3	5		
Papua New Guinea	2.9	462	660	2.8	3.6	9.5	..	51	2.1	2.3	3	4		
El Salvador	4.4	21	670	2.0	0.5	10.8	62	63	2.9	2.9	5	8		
Nigeria	82.6	924	670	3.7	2.6	19.0	..	49	2.5	2.5	85	161		
Peru	17.1	1,285	730	1.7	10.4	26.8	80	58	2.8	2.7	18	28		
Morocco	19.5	447	740	2.6	2.0	7.3	28	56	2.5	2.9	20	36		
Mongolia	1.6	1,565	780	3.0	..	..	..	63	2.9	2.9	2	3
Albania	2.7	29	840	4.2	..	..	..	70	2.8	2.5	3	4
Dominican Rep.	5.3	49	990	3.4	2.1	8.4	67	61	2.9	2.9	5	9		
Colombia	26.1	1,139	1,010	3.0	11.9	21.5	..	63	3.0	2.3	27	40		
Guatemala	6.8	109	1,020	2.9	0.1	10.6	..	59	2.8	2.9	7	12		
Syrian Arab Rep.	8.6	185	1,030	4.0	1.9	12.7	58	65	3.2	3.6	9	16		

	Population (millions) Mid-1979	Area (thousands of square kilo- meters)	GNP per capita		Average annual rate of inflation (percent)		Adult literacy rate (percent) 1976 ^b	Life ex- pectancy at birth (years) 1979	Average annual growth of population (percent)		Projected population (millions)	
			Dollars 1979	Average annual growth (per- cent) 1960-79	1960-70 ^a 1970-79				1960-70	1970-79	1980	2000
					1960-70	1970-79						
65 Ivory Coast	8.2	322	1,040	2.4	2.8	13.5	20	47	3.7	5.5	9	15
66 Ecuador	8.1	284	1,050	4.3	..	14.7	77	61	3.1	3.3	8	14
67 Paraguay	3.0	407	1,070	2.8	3.1	9.3	84	64	2.6	2.9	3	5
68 Tunisia	6.2	164	1,120	4.8	3.7	7.5	62	58	1.9	2.1	6	9
69 Korea, Dem. Rep.	17.5	121	1,130	3.5	..	..	..	63	2.8	2.5	18	28
70 Jordan	3.1	98	1,180	5.6	..	..	70	61	3.0	3.4	3	6
71 Lebanon	2.7	10	..	..	1.4	..	..	66	2.8	0.8	3	4
72 Jamaica	2.2	11	1,260	1.7	3.9	17.4	..	71	1.4	1.6	2	3
73 Turkey	44.2	781	1,330	3.8	5.6	24.6	60	62	2.5	2.5	45	69
74 Malaysia	13.1	330	1,370	4.0	-0.3	7.3	60	68	2.9	2.2	13	20
75 Panama	1.8	77	1,400	3.1	1.6	7.4	..	70	2.9	2.3	2	3
76 Cuba	9.8	115	1,410	4.4	..	..	96	72	2.0	1.4	10	13
77 Korea, Rep. of	37.8	98	1,480	7.1	17.5	19.5	93	63	2.4	1.9	38	53
78 Algeria	18.2	2,382	1,590	2.4	2.3	13.3	35	56	2.8	3.3	19	34
79 Mexico	65.5	1,973	1,640	2.7	3.6	18.3	82	66	3.2	2.9	67	109
80 Chile	10.9	757	1,690	1.2	32.9	242.6	..	67	2.1	1.7	11	15
81 South Africa	28.5	1,221	1,720	2.3	3.0	11.8	..	61	2.6	2.7	29	50
82 Brazil	116.5	8,512	1,780	4.8	46.1	32.4	76	63	2.9	2.2	119	177
83 Costa Rica	2.2	51	1,820	3.4	1.9	15.4	90	70	3.4	2.5	2	3
84 Romania	22.1	238	1,900	9.2	-0.2	0.8	98	71	1.0	0.9	22	26
85 Uruguay	2.9	176	2,100	0.9	51.1	64.0	94	71	1.1	0.3	3	4
86 Iran	37.0	1,648	..	..	-0.5	..	50	54	2.7	2.9	38	64
87 Portugal	9.8	92	2,180	5.5	3.0	16.1	70	71	-0.2	1.4	10	11
88 Argentina	27.3	2,767	2,230	2.4	21.7	128.2	94	70	1.4	1.6	28	34
89 Yugoslavia	22.1	256	2,430	5.4	12.6	17.8	85	70	1.0	0.9	22	26
90 Venezuela	14.5	912	3,120	2.7	1.3	10.4	82	67	3.4	3.3	15	24
91 Trinidad and Tobago	1.2	5	3,390	2.4	3.2	19.5	95	70	2.0	1.3	1	2
92 Hong Kong	5.0	1	3,760	7.0	2.4	7.9	90	76	2.5	2.6	5	6
93 Singapore	2.4	1	3,830	7.4	1.1	5.5	..	71	2.4	1.4	2	3
94 Greece	9.3	132	3,960	5.9	3.2	14.1	..	74	0.5	0.6	9	10
95 Israel	3.8	21	4,150	4.0	6.2	34.3	..	72	3.4	2.7	4	5
96 Spain	37.0	505	4,380	4.7	8.2	15.9	..	73	1.1	1.0	37	43
Industrial market economies	671.2 t	30,430 t	9,440 w	4.0 w	4.3 m	9.4 m	99 w	74 w	1.0 w	0.7 w	675 t	744 t
97 Ireland	3.3	70	4,210	3.2	5.2	14.6	98	73	0.4	1.1	3	4
98 Italy	56.8	301	5,250	3.6	4.4	15.6	98	73	0.6	0.6	57	61
99 New Zealand	3.2	269	5,930	1.9	3.3	12.3	99	73	1.7	1.5	3	4
100 United Kingdom	55.9	245	6,320	2.2	4.1	13.9	99	73	0.5	0.1	56	58
101 Finland	4.8	337	8,160	4.1	5.6	12.9	100	73	0.4	0.5	5	5
102 Austria	7.5	84	8,630	4.1	3.7	6.5	99	72	0.6	0.1	7	8
103 Japan	115.7	372	8,810	9.4	4.9	8.2	99	76	1.0	1.1	117	130
104 Australia	14.3	7,687	9,120	2.8	3.1	11.7	100	74	2.0	1.5	14	17
105 Canada	23.7	9,976	9,640	3.5	3.1	9.1	99	74	1.8	1.1	24	26
106 France	53.4	547	9,950	4.0	4.2	9.6	99	74	1.0	0.6	54	58
107 Netherlands	14.0	41	10,230	3.4	5.4	8.3	99	75	1.3	0.8	14	16
108 United States	223.6	9,363	10,630	2.4	2.8	6.9	99	74	1.3	1.0	227	259
109 Norway	4.1	324	10,700	3.5	4.3	8.2	99	75	0.8	0.5	4	4
110 Belgium	9.8	31	10,920	3.9	3.6	8.1	99	72	0.5	0.2	10	10
111 Germany, Fed. Rep.	61.2	249	11,730	3.3	3.2	5.3	99	73	0.9	0.1	61	62
112 Denmark	5.1	43	11,900	3.4	5.5	9.8	99	75	0.7	0.4	5	5
113 Sweden	8.3	450	11,930	2.4	4.4	9.8	99	76	0.7	0.3	8	8
114 Switzerland	6.5	41	13,920	2.1	4.4	5.4	99	75	1.6	0.3	6	7
Capital-surplus oil exporters	25.4 t	4,363 t	5,470 w	5.0 w	1.7 m	18.2 m	..	56 w	3.6 w	4.0 w	26 t	45 t
115 Iraq	12.6	435	2,410	4.6	1.7	14.1	..	56	3.1	3.3	13	23
116 Saudi Arabia	8.6	2,150	7,280	6.3	..	25.2	..	54	3.4	4.5	9	15
117 Libya	2.9	1,760	8,170	5.8	5.2	18.7	50	56	3.8	4.1	3	5
118 Kuwait	1.3	18	17,100	-1.6	0.6	17.7	60	70	9.8	6.0	1	2
Nonmarket industrial economies	351.2 t	23,266 t	4,230 w	4.3 w	..	..	..	72 w	1.1 w	0.8 w	355 t	410 t
119 Bulgaria	9.0	111	3,690	5.6	..	..	..	73	1.0	0.9	36	41
120 Poland	35.4	313	3,830	5.2	..	..	98	72	0.4	0.4	11	11
121 Hungary	10.7	93	3,850	4.8	..	..	98	71	1.3	0.9	267	314
122 USSR	264.1	22,402	4,110	4.1	..	..	100	73	0.5	0.7	15	17
123 Czechoslovakia	15.2	128	5,290	4.1	..	..	..	71	-0.1	-0.1	17	17
124 German Dem. Rep.	16.8	108	6,430	4.7	..	..	..	72	..	..	..	..
											4,364	6,043

a. Figures in italics are for 1961-70, not 1960-70. b. Figures in italics are for years other than 1976. See the technical notes.