

# EUROPEAN PARLIAMENT

1999



2004

---

*Session document*

19 September 2002

B5-0515/2002

## **MOTION FOR A RESOLUTION**

further to Oral Questions B5-B5-0258, B5-0259, B5-0446 and B5-0447/2002

pursuant to Rule 42(5) of the Rules of Procedure

by Monica Frassoni, Alain Lipietz, Camilo Nogueira Román and Miquel  
Mayol i Raynal

on behalf of the Verts/ALE Group

on the situation of Mercosur

**European Parliament resolution on the situation of Mercosur**

*The European Parliament,*

- having regard to the new cooperation programmes with Argentina, Brazil, Uruguay and Paraguay, adopted on 2 August 2002,
- A. having regard to the huge difficulties being experienced by the Mercosur countries, which are bringing political, social and financial systems to the brink of collapse, creating a situation even worse than during the so-called ‘lost decade’,
- B. whereas the reforms undertaken in the countries concerned, which were in strict compliance with the recommendations of the international financial institutions, have contributed significantly to this situation,
- C. whereas poverty levels have increased substantially, the social fabric of the countries has deteriorated sharply, political systems have become discredited, the manufacturing base has been virtually destroyed and internal consumption has fallen precipitously,
- D. whereas the aid provided by the international financial institutions to the various countries since the current crisis began has been very unevenly distributed,
- E. whereas it is totally inappropriate to make international aid conditional on structural adjustment programmes, with major cutbacks in social spending and further redundancies in the public sector, while safeguarding private capital and increasing poverty among the population,
- F. whereas ECLAC is forecasting a 13.5% increase in unemployment in Argentina and whereas rising unemployment is one of the major problems affecting Mercosur, reducing the scope for both economic and social recovery,
- G. whereas the external debt problem of the four countries needs to be reviewed and resolved, since many of the debts date from the dictatorship era and since that time have been subject to interest rate rises introduced unilaterally by the United States,
- H. having regard to the influence which the Member States can bring to bear in the international financial institutions on decisions concerning loans and the conditions attached to them,
  1. Expresses its solidarity with the four Mercosur countries affected by the crisis, welcomes the new forms of popular mobilisation developed in these countries and calls for any attempt to overcome the crisis to be based on an analysis of their problems and the solutions they propose;
  2. Calls on the Member States of the European Union to bring their joint influence to bear in

the international financial institutions to persuade them to abandon once and for all their policy of making loans to the Mercosur countries subject to harmful conditions and to direct their efforts instead to the objective of creating jobs, promoting production for internal consumption, and ensuring universal access to education and health services, with the criteria for granting loans focussing on macroeconomic stability based on social stability and justice;

3. Requests that loans granted by multilateral agencies and European Union bodies should under no circumstances include conditions such as wage and pension cuts or public sector redundancies;
4. Calls for the European Union's own programmes to be devoted essentially to preventing further impoverishment of the population and promoting internal development;
5. Stresses that the basis for any solution must be restoring people's income through genuine unemployment benefit, widespread wage increases and free public services;
6. Calls on the European Union to provide all possible support to investigate cases of corruption and crime in the banking sector in Mercosur and the assistance given by European banks to the flight of capital from Mercosur;
7. Calls on the countries of Mercosur and the European Union to work together to restructure the banking sector so as to make available small-scale loans and micro credits with affordable interest rates;
8. Calls once more on the European Union to seek structural solutions to the external debt problem;
9. Calls again for a review of the EU's agricultural policy with a view to removing EU farm export subsidies which produce unfair competition for products from Mercosur and other third countries;
10. Calls for a formal people's bilateral consultation mechanism to be established for the future negotiation of an EU-Mercosur agreement;
3. Instructs its President to forward this resolution to the Commission, the Council, the Member States and the governments of Mercosur.