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**REPORT**

of the Committee on External Economic Relations

on the Commission proposal for a Council decision on the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil

(COM(92) 0209 final - 6952/92 - C3-0303/92)

Rapporteur: Mr Manuel PORTO

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PE 201.933/fin.
Or. ES

* Consultation procedure requiring a single reading
** Cooperation procedure (first reading)

**II Cooperation procedure (second reading) requiring the votes of a majority of the current Members of Parliament
*** Parliamentary assent requiring the votes of a majority of the current Members of Parliament

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By letter of 13 July 1992 the Council consulted the European Parliament, pursuant to Article 235 of the EEC Treaty, on the Commission proposal for a Council decision concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil.

At the sitting of 14 September 1992 the President of Parliament announced that he had referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Foreign Affairs and Security, the Committee on Budgets, the Committee on Agriculture, Fisheries and Rural Development, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Energy, Research and Technology, the Committee on Transport and Tourism, the Committee on Culture, Youth, Education and the Media and the Committee on Development and Cooperation for their opinions.

At its meeting of 15 July 1992 the Committee on External Economic Relations appointed Mr Porto rapporteur.

At its meetings of 21 September 1992 and 6 October 1992 it considered the draft report.

At the latter meeting it adopted the draft legislative resolution unanimously.

The following took part in the vote: De Clerq, chairman; Cano Pinto, vice-chairman; Stavrou, vice-chairman; Porto, rapporteur; Christensen Ib, De Vries, Dido, Gröner, (for Benoit), Hindley, Killilea (for Guillaume), Marck (for Chabert), Melandri, Miranda de Lage, Peijs, Planas Puchades (for Mihr), Rossetti, Sainjon, Sonneveld (for Price), Speciale (for Junker), Suarez Gonzalez and Visser (for Martin David).

The opinions of the Committee on Foreign Affairs and Security, the Committee on Budgets, the Committee on Energy, Research and Technology, the Committee on Transport and Tourism, the Committee on Culture, Youth, Education and the Media, and the Committee on Development and Cooperation are attached to this report. The Committee on Agriculture, Fisheries and Rural Development and the Committee on Economic and Monetary Affairs and Industrial Policy have decided not to deliver opinions.

The report was tabled on 19 October 1992.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the Commission proposal for a Council decision concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil

The European Parliament,

- having regard to Article 235 of the EEC Treaty,
 - having regard to the draft Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil initialled by the Commission (COM(92) 0209 final),
 - having been consulted by the Council pursuant to Article 235 of the EEC Treaty and to the procedure under Article 228 of that Treaty (6952/92 - C3-0303/92),
 - having regard to the report of the Committee on External Economic Relations and the opinions of the Committee on Foreign Affairs and Security, the Committee on Budgets, the Committee on Energy, Research and Technology, the Committee on Transport and Tourism, the Committee on Culture, Youth, Education and the Media and the Committee on Development and Cooperation (A3-0311/92),
1. Approves the conclusion and entry into force of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil, in accordance with international public law and international practice;
 2. Instructs its President to forward this resolution to the Council and Commission, and to the governments of the Member States and of the Federative Republic of Brazil.

B

EXPLANATORY STATEMENT

See the report on economic and commercial relations between the EEC and Brazil
(PE 201.928/final - rapporteur: Mr PORTO).

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on Foreign Affairs and Security
for the Committee on External Economic Relations
Draftsman: Mr Canavarro

At its meeting of 21 and 22 September 1992, the Committee on Foreign Affairs and Security appointed Mr Canavarro draftsman of the opinion on the framework agreement for cooperation between the European Economic Community and the Federative Republic of Brazil.

At its meeting of 1 and 2 October 1992 the committee considered the draft opinion and at the meeting of 2 October it adopted the conclusions unanimously.

The following took part in the vote: Barón Crespo, chairman; Canavarro, draftsman; Avgerinos, Capucho, Cheysson, Dury, Fernandez Albor, Jepsen, Llorca Vilaplana, McMillan-Scott, Onesta, Penders, Rossetti (for Castellina), Sakellariou and Trivelli.

Introduction

On 21 May 1992, the Commission submitted a proposal for a Council decision concerning the conclusion of a Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil (COM(92) 0209 final). The Commission chose as the legal basis for this Articles 113 and 235 of the EEC Treaty, which meant that Parliament had to be consulted.

The substance of the agreement which the Commission recommends concluding is largely the same as that of the agreements already concluded with Uruguay and Paraguay, on which Parliament has already expressed a favourable opinion¹. It is non-preferential and evolutive, and will be concluded for five years, after which it may be tacitly extended from year to year.

Objectives of the agreement

The objectives are to intensify and diversify trade, create a wider framework for economic cooperation and increase investment in accordance with Brazil's specific interests.

The preamble explicitly refers to the process of reform, modernization of the economy and liberalization of trade in Brazil. It reaffirms the importance which the contracting parties attach to the principles of the United Nations Charter, to democratic values and to respecting human rights. Current developments in Latin America with a view to the establishment of MERCOSUR, the Southern Common Market, are also welcomed.

Article 1 reaffirms the importance of the democratic basis for cooperation: cooperation ties between the Community and Brazil are based on respect for democratic principles and human rights, which constitute an essential component of the agreement.

Cooperation is to be established between the contracting parties in various sectors: the economic sphere, trade, industry, investment, science and technology, intellectual property, energy, transport, the environment, agriculture and forestry, health, social development and drug abuse control, regional integration, public administration, information and culture. A Joint Committee, with a remit similar to those of the Joint Committees established by other agreements concluded with other countries in the region, is to be set up to facilitate the functioning of the agreement.

General considerations

Whatever regimes have held power in Brazil in the more than 150 years since it became independent, the country's foreign policy has always been inspired by the principles of respect for national sovereignty, free trade and ample facilities to encourage immigration and to attract technicians, entrepreneurs and capital: Brazil has always been among the countries most open to external resources of various kinds - entrepreneurial, financial, intellectual and so on. The present government headed by President Collor de Mello is guided by the view that

¹ The proposals concerning Latin America in the Commission's Legislative Programme 1992 (SEC(92) 0096 final) also include provision for negotiation of two cooperation agreements with the Andean Pact and Central America.

development must be achieved with the aid of external resources. This explains the country's policy of openness.

However, despite the fact that Brazil is so richly endowed with natural resources, it is also a backward country where social inequalities are extreme. Its economy is currently passing through a very delicate stage, in which it is difficult to contain inflation, while the prospects for development and growth are receding.

The Committee on Foreign Affairs and Security has already had the opportunity to adopt a position on the similar agreements which the Community concluded with Uruguay and Paraguay, and pronounced itself in favour of their entry into force. In the case of the agreement between the Community and Brazil, the reference to respect for democratic principles and human rights is an extremely significant element.

The agreement forms part of a general strategy designed to create a homogeneous and consistent framework for relations between the Community and Latin America. Parliament can only welcome this, although it believes that more financial resources should be allocated to Brazil with a view to assisting its economic development and promoting democratic stability.

In response to the strengthening of the North American bloc under the influence of the United States, by means of the creation of the North American Free Trade Area (NAFTA), the Community is using cooperation agreements to create a network of relations which strengthen its presence in Latin America.

The support of the Twelve is important to countries like Brazil where the danger of reactionary changes of course is ever-present, in view of the difficulties facing the present government. Naturally, respect for democratic principles must always be the key element in relations between the Community and this country.

Conclusions

In the light of the above, the Committee on Foreign Affairs and Security:

- (a) Expresses itself in favour of the conclusion of the framework agreement between the Community and Brazil, which represents a further step towards the adoption of an overall strategy for relations with Latin America;
- (b) Believes that the Community's overall strategy for relations with Latin America should entail economic and political cooperation with a view to ensuring that the entire area does not fall completely into the sphere of influence of the United States in spite of its strong links with Europe;
- (c) Draws attention to the positions it has previously adopted concerning possible financial aid granted by the Community to the countries of Latin America, including Brazil, to meet the settling-in expenses of immigrants from Central and Eastern Europe;
- (d) Calls upon the Commission to ensure that Brazil always guarantees respect for human rights and democratic principles, as cooperation with Brazil would otherwise become pointless.

OPINION

of the Committee on Budgets

Letter from the chairman of the committee to Mr Willy DE CLERCQ, chairman of the Committee on External Economic Relations

Brussels, 8 October 1992

Subject: Proposal for a Council decision on the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil
(COM(92)209 final - C3-303/92)

Dear Mr De Clercq,

At its meeting of 1 and 2 October 1992, the Committee on Budgets considered the above proposal.

The Committee on Budgets noted that the conclusion of this agreement is intended to help cooperation development in several areas of economic and social activity (trade, industry, environmental technology, agriculture). It also noted that this agreement allows for the most favoured nation clause in conformity with GATT rules.

As regards the financial implications of this agreement, the Committee on Budgets recalls that they must be charged against the appropriations authorized by the budgetary authority in the budget chapters on 'Other cooperation measures' and in particular against the budget articles concerning cooperation with Latin American developing countries.

Subject to these observations, the committee delivered a favourable opinion.

Yours sincerely,

(sgd) Thomas von der VRING

The following were present for the vote: von der Vring, chairman; Böge, Cassidy, Colom I Naval, Goedmakers, Kellett-Bowman (for Elles), Samland, A. Smith, Wynn and Zavvos.

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on Energy, Research and Technology
for the Committee on External Economic Relations

Draftsman: Mr Rolf LINKOHR

At its meeting of 10 June 1992 the Committee on Energy, Research and Technology appointed Mr Rolf Linkohr draftsman.

At its meeting of 23 September 1992 it considered the draft opinion.

At the last meeting it adopted the conclusions as a whole unanimously.

The following took part in the vote: Desama, chairman; Linkohr, draftsman; Bettini, Chiabrando, Garcia Arias, Lannoye, Mayer, Melis, Schlee and Seligman (pursuant to Rule 111(2)).

I. INTRODUCTION

1. The framework agreement for cooperation between the European Economic Community and the Federative Republic of Brazil covers a number of areas of cooperation which had not been provided for previously and which are intended to facilitate the development of relations along specific lines. The agreement was concluded for five years and may be renewed tacitly. It aims to expand and diversify trade and other sectors essential to economic development. The economic cooperation aims to promote investment and the transfer of technology to meet the specific needs of Brazil.
2. The aim of cooperation in the area of technological development is to improve contacts, arrange exchange schemes for research workers and to promote the transfer of technology. The Contracting Parties will agree on the scale of cooperation and on its priorities at a later date.
3. Article 12 deals with the area of technological development together with the question of intellectual property. The promotion of industrial cooperation in the field of leading edge technologies, the training of qualified technological research personnel and the exchange of information are subject to the provision of appropriate and effective measures to protect intellectual property rights so far as the laws, regulations and policies of the Contracting Parties allow.
4. The agreement provides for cooperation in the energy sector relating to the saving and efficient use of energy and covers cooperation in planning with regard to energy and the consideration of environmental implications. To this end, studies, contacts, programmes and projects are to be promoted. Cooperation in the field of environmental protection covers a series of measures which are subject to the laws of the Contracting Parties.

II. THE SITUATION OF SCIENCE, EDUCATION AND THE ECONOMY IN BRAZIL

5. Research in Brazil is greatly affected by a deep crisis in financing. Almost all research activity in Brazil is carried out by public institutions or universities. These are particularly affected by the government's austerity programme. The 25000 researchers have seen their incomes halved by inflation in the past year.
6. Approximately 0.6% of GNP is spent on research. In 1991, out of a total budget of 800 million dollars, salaries and grants accounted for 550 million dollars. Research funding is administered by the "National Fund for the Development of Science and Technology" which is itself dependent on government funding and which often is a victim of austerity policies.
7. Brazil's education system is characterized by the difference in expenditure on general education and on universities. The latter receive 60% of all funding, whilst only 40 % is available for the 30 million children in Brazil. Thus, the funding available per student is 90 times higher than that per schoolchild.

8. However, results of scientific research cannot be applied to industrial and technological development by scientists alone. This requires to a large extent the cooperation of technicians and skilled workers whose numbers in Brazil are disproportionately small when compared with the Federal Republic of Germany for example. The creation of a large enough supply of skilled workers presumably requires more time than the training of the corresponding academic staff and calls for specific national measures.
9. The current economic trend in Brazil is characterized by rising inflation (currently approx. 20 % per month), redundancies and the simultaneous implementation of an open-market policy and of the normalization of relations with the financial community. The policy of improving relations with the international community began following the appointment of Marcilio Margues Moreira as Minister for Economic Affairs in May 1991. The rapprochement to the industrialized nations has been carried out at the cost of a relative neglect of relations with the Third World.

III. COOPERATION BETWEEN THE COMMUNITY AND BRAZIL TO DATE, PARTICULARLY IN THE FIELD OF RESEARCH AND TECHNOLOGY

On 10 September 1980, the European Community and Brazil concluded the first coordinating agreement which came into force in 1982. The EC-Brazil Joint Committee has only met four times since then. Relations have grown palpably closer since 1987. The new framework agreement resulted from the wish to place relations on a new footing.

Brazil enjoys a positive balance of trade with the European Community. Imports into the European Community in 1991 totalled Ecu 9.377 million whilst exports to Brazil totalled Ecu 4.0 million. Brazil's main exports to the European Community are foodstuffs and cattle (approx. 32 %) and raw materials (approx. 23 %); the main exports from the European Community to Brazil are machinery and transport equipment (approx. 51%) and chemicals (approx. 19 %).

The main areas of cooperation in the field of research and technology are:

- (a) The Science and Technology for Development (STD) programme, the main fields covered being tropical and subtropical agriculture, medical and public health care and nutrition. The Ecu 80 million provided by the European Community between 1987 and 1991 included Ecu 6.77 million for partners in Brazil, corresponding to 28 contracting partners, as a result of which Brazil heads the list within the Rio Group. The STD III budget for 1991-94 is Ecu 111 million.
- (b) Through the "International Scientific Cooperation" programme the Community promotes the cooperation of research laboratories in Member States and in third countries from Latin America, Asia and the Mediterranean region on the basis of bilateral agreements between the EC and the respective national governments. Since 1988, 22 agreements have been concluded and Brazil has received aid totalling Ecu 5 296 842 million.

- (c) The pilot project for the preservation of the Brazilian rain forest began in 1990. It is a joint project between the Brazilian government, the World Bank and the EC with a current budget of 250 million dollars.
- (d) The TREE programme is being carried out within the field of satellite remote sensing, a joint JRC and ESA research area. Following initial misgivings and non-cooperation on the Brazilian side, there has been a discernible increase in trust for some time now.

IV. COMPARISON OF WORLD RESEARCH

A publication by the Commission of the European Communities on the STD3 Programme 1991-94 quotes the following figures to illustrate the differences in world research.

	Number of scientists and R & D engineers per million inhabitants			
	1970	1975	1980	annual growth
World	711	799	850	1.8 %
Developed count.	2317	2722	2984	2.6 %
Developing count.	84	103	127	4.2 %
Africa	27	40	49	6.1 %
Arab countries	124	166	207	5.3 %
Asia	220	261	274	2.2 %
Latin America	136	182	252	6.4 %

	R & D expenditure as a % of GNP		
	1970	1975	1980
World	2.04	1.87	1.78
Developed count.	2.36	2.25	2.23
Developing count.	0.32	0.38	0.45
Africa	0.33	0.35	0.36
Arab countries	0.31	0.23	0.27
Asia	1.02	1.08	1.18
Latin America	0.30	0.44	0.49

V. Conclusions

Cooperation between the European Community and Brazil has until now mainly centred around agriculture and medicine. In future an expansion of cooperation into other fields will be necessary. This must include universities and companies with production sites in Brazil.

An increased development of cooperation in the scientific and technological field is necessary. The following are possible areas of cooperation:

- an accelerated implementation of the programme to protect the rain forests;
- satellite remote sensing;
- cooperation in the field of transport, e.g. model projects in the Sao Paolo conurbation and/or the development of the railways;
- universities (education, student exchanges);
- promotion of industrial cooperation;
- professional training must be promoted to enable the results of scientific research to be rendered useful for practical applications.

Thought should be given to the question as to how cooperation between Brazil and the European Community can be strengthened institutionally. The creation of a technico-scientific sector would be one possibility.

On the basis of the above considerations, the Committee for Energy, Research and Technology recommends that the Committee on External Economic Relations, as the committee responsible, approve the proposed agreement.

OPINION

of the Committee on Transport and Tourism

Letter from the Chairman of the committee to Mr De Clercq, Chairman of the Committee on External Economic Relations

Brussels, 29 September 1992

Subject: Proposal for a Council decision concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil¹
(COM(92) 209 final - C3-0303/92)

Dear Mr De Clercq,

At its meeting of 30 September 1992 the Committee on Transport and Tourism considered the above-mentioned proposal.

The text of the EEC-Brazil agreement signed in Brasilia on 29 June 1992 largely complies with the Council's negotiating mandate and replaces the previous agreement signed in 1980.

The agreement is one of the 'third generation' of agreements between the Community and the Latin America countries, which allow for the expansion and enhancement of cooperation. This means above all that no area of cooperation will be excluded from the scope of the agreement thanks to the 'future developments clause' contained in Article 35. The agreement, concluded initially for five years and then renewable tacitly on a yearly basis, refers explicitly to respect for democratic principles and human rights as the basis of cooperation.

Besides the development sector, this wide-ranging economic cooperation will extend specifically to transport and tourism. Where transport is concerned, the cooperation will be based mainly on the interchange of information, training programmes and technical assistance. In the case of tourism the specific measures will concern the interchange of information, assistance in statistics and data processing, training, the organization of events and the promotion of investment in order to expand tourist travel.

Annexed to the agreement is an exchange of letters between the two Contracting Parties concerning maritime transport, which provides that, in the event of obstacles to trade arising - both for the Community and its Member States and for Brazil - from the operation of shipping, mutually satisfactory solutions will be sought within the Joint EEC-Brazil Committee with a view to promoting the development of trade.

¹ OJ No. C 163 of 30.6.1992, p. 11

In practice, the cooperation for which the agreement provides includes the organization of conferences and seminars, trade visits, business weeks and interchange and contacts between entrepreneurs.

Having recently reverted to democracy, Brazil - the largest country in Latin America - is now experiencing a difficult period, given the call for the impeachment of President Collor de Mello for corruption.

On the other hand, Brazil is participating in the process of economic integration in the 'Cono Sur' region. On 26 March 1991 Argentina, Brazil, Uruguay and Paraguay concluded at Asunción, the Paraguayan capital, a treaty establishing a common market in the 'Cono Sur' of the Latin American continent, the MERCOSUR, which is modelled on the EEC and has set itself the goal of dismantling all customs barriers to intra-regional trade by the end of 1995.

The Committee on Transport and Tourism can but express a favourable opinion on the whole framework agreement and especially on the inclusion of cooperation in such extremely important sectors as transport and tourism.

The development and modernization of transport infrastructure would undoubtedly represent one of Brazil's major options for coping with the current economic challenges and the difficult situation its democracy is facing. However, this modernization should certainly be achieved without further damage being done to the immense ecological heritage of the Amazonian forest, which must be preserved.

In this respect it is certainly important that the European Investment Bank may already - within certain limits - provide funds, since it will thus be possible to monitor and guide future large-scale infrastructure projects to ensure that they are compatible with the conservation of nature in Brazil.

In addition, the Committee on Transport and Tourism feels that cooperation in the tourism sector should be developed in a satisfactory manner, the main aim being to launch a collaborative effort to create forms of environmentally friendly tourism that take advantage of the extraordinary beauty of the country and its nature.

The Committee on Transport and Tourism requests the Committee on External Economic Relations to take account of these observations and to approve the entry into force of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil.

I ask you to regard this letter as the opinion of the Committee on Transport and Tourism, it having been approved at the meeting of 30 September 1992².

Yours sincerely,

(sgd) Nel VAN DIJK

² The following were present for the vote: van Dijk, chairman; Bourlanges, Cornelissen (for Jarzembowski), Dinguirard, Lüttge, Sánchez (for Speroni, pursuant to Rule 111(2)), Sapena Granell, de Vitto and van der Waal.

OPINION
(Rule 120 of the Rules of Procedure)

of the Committee on Culture, Youth, Education and the Media
for the Committee on External Economic Relations
Draftsman: Mr Antonio COIMBRA MARTINS

At its meeting of 21 May 1992, the Committee on Culture, Youth, Education and the Media appointed Mr Antonio Coimbra Martins draftsman.

At its meetings of 22 September 1992 it considered the draft opinion.

At the latter meeting it adopted the conclusions unanimously.

The following were present for the vote: La Pergola, chairman; Banotti, vice-chairman; Coimbra Martins, draftsman; Barrera I Costa; Barzanti; Elliott; Frémion; Gröner; Larive and Pack.

The declared intention of this agreement is to develop bilateral cooperation and to extend it to cover new areas.

It should be borne in mind that Brazil is currently in the throes of a serious political crisis and the highest office-holder in the land may soon be forced to resign. It should therefore be stressed that the signing of this agreement must not favour any of the entrenched political forces in the country.

The fourth recital of the proposal for a decision refers to the positive consequences of the process of reform, modernization of the economy and liberalization of trade in Brazil. In fact, it seems that efforts in this direction have led to severe disruptions and aggravated corruption, and are therefore to some extent responsible for the present crisis. This positive attitude to modernization and liberalization - as they are being undertaken at present - therefore amounts to an endorsement of specific policies, including the negative consequences of these policies.

The Committee on Culture considers that an agreement between the EC and Brazil must not favour one political direction in Brazil at the expense of others. Rather, it should seek - as indeed it does - to develop cooperation between the EC and the Federative Republic of Brazil in the interests of democracy and the populations of both parties, in line with our joint, steadfastly held convictions.

The Committee on Culture welcomes the fact that the very first recital of the proposal implicitly establishes a cultural basis for this agreement since it refers to 'the traditional links of friendship between the Member States of the European Economic Community and the Federative Republic of Brazil'; it is also pleased that cultural cooperation is specifically dealt with (in Article 25). This article recommends the strengthening of cultural ties between the two parties, the preservation of the cultural heritage, the organization of cultural events and cultural and academic exchanges.

However, it should be pointed out that Article 25 is very short and is not even concerned exclusively with culture: indeed the first subject to be dealt with is information.

Moreover, this concern for information - very laudable in itself - is reflected in the whole proposal, for instance:

The agreement focuses on the importance of information for economic cooperation (Article 3.3(a)); it recommends a continuous exchange of information (*ibidem*); the need to promote the interchange of information with a view to developing trade cooperation (Article 5.3); the interchange of scientific information through seminars, workshops, congresses and working meetings between the scientific communities of both Parties (Article 10.3); studies and interchanges of information on information technologies and telecommunications (Article 16); the interchange of information and the carrying out of forward studies in the field of cooperation in the tourist sector (Article 17, first indent); public information and awareness as regards the environment (Article 18, third indent); the interchange of all relevant information in combating drug abuse, with specific reference to information on money laundering (Article 22.2, last indent); interchange of information on programmes for the modernization of the civil service departments concerned (Article 24.3, second indent); and an appropriate interchange of information on issues of common interest regarding information and culture (Article 25, first indent). It should be pointed out

that these exchanges of information - advocated in practically all sectors - sometimes require terminals in the EC and Brazil to be connected to existing data banks (Article 3.3(a)).

It therefore states, in connection with technological development and intellectual property, that the Contracting Parties undertake to facilitate access to the databases of intellectual property organizations (Article 12.2); furthermore, it provides for the establishment of new databases (Article 3, *ibidem*).

While deploring the very limited space given to culture in the proposal for a decision, the Committee welcomes the fact that the proposal deals with vocational training in a number of different connections and notes that it also considers the question of intellectual property and copyright; it also welcomes the fact that it opens up prospects for cooperation in the field of science and research and recognizes that it seems to back a policy of innovation.

We note in particular the interacting and apposite proposals for cooperation regarding television and the introduction of high-definition television.

At the same time, we note that very little space is given to education and that the cultural heritage is dealt with only very superficially; Brazil urgently needs to adopt a careful and creative approach to its natural heritage and cooperation can help foster such an approach.

Of course, environmental protection does not really fall within the remit of this committee, but today no absolute separation is possible between the environment and culture; in the same way cultural and social questions are inextricably linked.

We shall deal with these matters in turn - albeit briefly, owing to the usual constraints - highlighting interesting points and weaknesses before submitting conclusions for adoption by the committee which has once again appointed me draftsman.

As regards vocational training, the Committee on Culture fully approves as necessary and appropriate the following objectives of cooperation: support and notably technical assistance and job-creation, as part of social development (Article 21.2, second indent); training in new administrative techniques (Article 24.2, second indent) and for new customs procedures (Article 6, second indent); and seminars and training courses for civil servants at federal, state and municipal level (Article 24.3, first indent).

We also consider that other sectors in which vocational training cooperation is proposed are priority sectors: for instance, health (Article 20, first indent), measures to combat drug addiction (Article 22, second indent), the training of scientists and technicians in the new information technologies and telecommunications and the utilization of special techniques (Article 16, tenth indent), and, more prosaically, tourism (Article 17, third indent).

Leaving aside vocational training we agree with the proposal's approach to consider intellectual property and copyright in conjunction with technological development (Article 12). The Contracting Parties undertake to ensure that suitable and effective protection is provided for intellectual property rights. It is therefore very apposite that Article 12.2 should specify that the following are protected: patents, trade or service marks, geographical

designations (including marks of origin), industrial designs and integrated circuit topographies. Copyright and similar rights are also referred to in this paragraph.

We welcome the fact that this proposal for effective and adequate protection implies a strengthening of protection measures wherever necessary, as part of cooperation (*ibidem*). The possibility of extending the scope of protection should also be considered.

Intellectual property is also named as one of the priority areas for economic cooperation (Article 3) and it is specifically stated that this covers industrial property, standards and quality criteria (*ibidem*).

The Committee on Culture also noted with interest that high-definition television is named as one of the main fields for cooperation in Article 16 on information technology and telecommunications and the use of space technology. It will be recalled that Brazil is an important producer and exporter of audio-visual programmes which have penetrated markets in various continents. If Brazil adopted European high-definition standards this would pave the way for cooperation in producing programmes which could be encouraged and consolidated by special, mutually advantageous clauses, gradually opening up the respective markets.

Cooperation in the field of education is only specifically referred to in special cases such as education for young offenders (Article 21, last indent) and the education (or re-education) of drug addicts (Article 22.2, first indent). However, the academic exchanges advocated in the last indent of paragraph 25 may be seen as the basis for more widespread cooperation in this field.

In our opinion, there are a number of reasons why more extensive cooperation should be envisaged: notably, the process of reform, economic modernization and the liberalization of trade which has begun in Brazil will alter the nature of the already fragile labour market and seriously affect the employment situation. These changes will have to be accompanied and prepared by education and training and cooperation will help modernize and increase the effectiveness of vocational training.

Moreover, if some Brazilian universities are bastions of European culture, there are not as yet any seminars on the Community organization of Europe as it progresses towards European union. Cooperation in the field of education will help these universities inform students about the EC and its policies.

Given that current Community programmes attach such importance to languages, the EC's growing cooperation with Brazil in the field of education and training could include a linguistic component. It is worth recalling that this country uses one of the four official EC languages widely spoken outside Europe and it is the vehicle of a vigorous literature. The teaching of Portuguese both in Europe and outside should also cover Brazilian Portuguese. At the same time, efforts to safeguard the cultural heritage - whose most important treasure is language - should involve measures to preserve, illustrate and tap the resources of language as an essential vehicle of cultural identity, and, linguistically, Brazil can be seen as an extension of Europe.

Bilateral cooperation could profitably be developed from certain Member States on the basis of their own language and culture. Parliament has already adopted

a motion for a resolution on new Community initiatives in the cultural sector: under the heading 'cultural and intercultural dialogue', i.e. recognized that certain Member States were particularly suited to act as EC ambassadors in areas outside Europe shaped by their languages and culture.

It is perhaps worth pointing out in this connection that among the translators and interpreters in Parliament there are a number of Brazilian citizens who are included in Portugal's quota. We consider that this situation needs to be regulated in provisions on language in the section on education in the EC-Brazil cooperation agreement.

As regards cultural cooperation, measures are proposed to safeguard the cultural heritage, including studies and aid. The proposal could have gone on to set out priorities in this field which we believe to be as follows: the architectural heritage, and notably Baroque architecture, sculpture and religious art and 20th Century architectural and urban planning innovations, as well as increased efforts to study and safeguard the Tupi-Guarani culture; and the monuments of 'miscegenation' referred to by Gilberto Freire. It could also have suggested cooperation with various foundations (Funarte, the Portugal/Brazil foundation) and other bodies which endeavour to safeguard and enrich Brazil's heritage. In Brazil, the meeting of different cultures has produced unique cultural forms which cooperation must recognize and promote. It is important not to neglect the wellbeing of Indian societies, and the preservation, promotion and dissemination of their own cultural heritage.

Brazil's natural heritage is infinitely rich and the international community is well aware of the problems facing the Amazonian rain forests and the dangers threatening them. The Committee on Culture therefore welcomes the announcement of cooperation in the field of forestry, inter alia, in Article 19, and notably the second indent of the second part which provides for cooperation concerning the protection and development of forestry resources.

It should be noted, moreover, that the proposal recognizes the importance of environmental protection and the need to improve it, in the sixth recital; more particularly, the eighth indent of Article 3.1, considers the protection and improvement of the environment as one of the priorities of economic cooperation.

The inclusion of Article 18, entirely devoted to the environment, is to be welcomed. The seven joint measures it contains are, of course, useful; but they are non-specific - in keeping with the character of a framework agreement - and do not reflect the size and complexity of the problem. Moreover, the problem is not a static one and it is, unfortunately, likely to become more serious.

If, as we maintain, the cultural and social spheres are inextricably linked, it is perhaps legitimate to highlight the importance given by the proposal to cooperation in respect of the dramatic social problems confronting Brazil.

The eighth recital refers to the promotion of social rights, notably in favour of the most disadvantaged sections of the population. The first paragraph of Article 18.1 (on the environment) calls for particular attention to be paid to the most disadvantaged sections of the population. Article 19 gives priority to the human dimension of development. As regards public health, the agreement lays down that cooperation in this field will concentrate on the needs of the most disadvantaged sections of the population. Public health programmes and projects will seek to improve the sanitary conditions and promote well-being in urban and rural environments (*ibidem*, second indent).

The proposal fails to consider the plight of people living in often squalid conditions on the fringes of cities.

Furthermore, Article 21.1 states that cooperation with a view to social development should seek to improve the living conditions and quality of life of the most disadvantaged sections of the population. In many cases it is difficult even to talk of quality of life in this context. The people concerned have to struggle desperately merely in order to survive.

The protection of children is the subject of one brief indent in Article 21.2. This is not enough. The protection of children, and notably radical efforts to stop attacks on children and adolescents, is one of the most urgent tasks facing Brazil today.

Finally, we note that, although it is stressed throughout the proposal that cooperation must focus on the needs of the most indigent sections of the population, paragraph 4.3 of the financial statement carries a rather different message: it says that the target population is 'the people of Brazil, especially the business sector (as regards industrial cooperation)'. The most optimistic reading of this paragraph would be that the most disadvantaged sectors are not distinguished from the rest of the population.

In view of the above, the Committee on Culture:

1. Has a duty to point out that the agreement in question will in no way affect the crisis currently affecting Brazil, and does not endorse a policy which has triggered a wave of popular unrest and discontent accompanied by widespread accusations of corruption;
2. Subject to the above reservation, fully endorses the framework agreement and believes that the proposal should therefore be duly adopted and the agreement enter into effect immediately;
3. Notwithstanding the omissions, obscurities and even contradictions which inevitably accompany the process of approximation undertaken by a framework agreement, fully approves the approach and priorities espoused in the proposal;
4. Considers that in overcoming these shortcomings, the existing cooperation structures - and the structures that may be created in future - must seek to benefit the most helpless and disadvantaged sections of the population of Brazil;
5. In order to overcome certain shortcomings in cooperation, an additional subcommittee shall be set up in the EC-Brazil Joint Committee, in accordance with Article 29.3 (Joint Committee), to be entrusted initially with social, cultural and environmental affairs.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Development and Cooperation
for the Committee on External Economic Relations

Draftsman: Mr Niall ANDREWS

At its meeting of 24 June 1992, the Committee on Development and Cooperation appointed Mr Niall ANDREWS rapporteur.

At its meeting of 23 September 1992 it considered the draft opinion and adopted the conclusions as a whole unanimously.

The following took part in the vote: Mr Saby, chairman; Mr Chiabrande, vice-chairman; Mr Andrews, draftsman; Mrs Daly, Mr Escuder Croft (deputising for Mrs Bindi), Mr Kostopoulos, Mr Langer (deputising for Mr Telkämper), Mr Mantovani, Mr McGowan, Mr Pons Grau, Mrs van Putten, Mrs Schmidbauer, Mrs Simons, Mr Vecchi, Mr Verhagen and Mr Wynn.

EXPLANATORY STATEMENT

The transition to democracy has been a long process in Brazil, beginning in the mid 1970s. This transition was completed early in 1985. Unfortunately, for the Brazilian people, the resulting democracy has been somewhat disappointing as it has not resulted in a solution to the country's economic and social problems. In short, the political system in Brazil is now democratic, but democracy has by no means been consolidated. Unless the democratic government is able to resolve the economic and social problems, a political crisis is possible, which would endanger this fledgling democracy

Brazil has experienced a stagnating per capita income since 1980, coupled with an extraordinary high inflation rate, 700%. The major challenge for Brazil is now the creation of political and economic institutions consistent with modern capitalism and democracy.

Democracy in Brazil was not a gift from the military regime; it was won after a struggle by civilian society. The present cooperation agreement must meet the requirements of this civil society. At this time it will be almost impossible to achieve economic development and a fairer distribution of wealth unless the means are found to balance the budget, to improve the balance of payments situation and to stabilize prices.

The Committee on Development and Cooperation,

1. Welcomes the conclusion of this cooperation agreement with Brazil, which defines the objectives of commercial and economic cooperation without excluding any area or the means that could be employed;
2. Welcomes this agreement with Brazil, which is currently at a decisive stage in the process of regional economic integration with the other countries in the area (Paraguay, Argentina and Uruguay), with which the Community has concluded similar cooperation agreements;
3. Hopes that these steps towards integration will achieve the desired results and considers that the Community should help to ensure this, in the context of the new regulation approved by Parliament on 10 September 1991, concerning financial and technical assistance to and economic cooperation with the developing countries in Asia and Latin America;
4. Recalls that Argentina, Brazil, Paraguay and Uruguay intend to set up a common market (MERCOSUR) which is due to come into operation towards the end of 1994; considers that the prospects for successful regional integration are better now than they have been in the past as a result of the increase in trade amongst these countries since 1985 and their determination to achieve liberalization; requests the Commission to foresee a cooperation agreement between the EC and the MERCOSUR and provide technical assistance for the MERCOSUR;
5. Welcomes Article 1 thereof, which establishes the democratic principle and is intended to ensure that the democracy in Brazil is reflected in all the areas covered by the agreement; also welcomes the inclusion of articles concerning the environment and drug control;

6. Considers that the current process of democracy in Brazil requires considerable political will and financial resources from the Community to enable the commitments made by the Brazilian Government to the civilian population to be honoured;
7. Considers that this agreement must contribute to a "sustainable development" in Brazil in order to combat the social marginalisation and social violence which currently affect the country;
8. The Committee on Development and Cooperation points out that Brazil's prospects for economic development will depend to a large extent on an increase in export income and on attracting investment from outside. Such investment, which the Commission should endeavour to encourage essentially by means of joint ventures within the framework of the current agreement, is highly attractive in view of the current circumstances in the country: progress towards democratic stability, possible access to other Latin American markets, a reduction in public expenditure, etc.
9. Asks the Committee on External Economic Relations to take the above points into account when drawing up its report.

