



World Citizens Demonstrate at Jubilee 2000

In mid-April, the Jubilee 2000 organization sponsored demonstrations in Washington, D.C. to give voice to issues affecting poor countries.

How exciting to hear Salome Moiane called to the mike at the Capitol Mall to speak to the thousands gathered from all over the U.S. and other countries to send the message to cancel the debt of poor nations!

Salome is currently Mozambican Member of Parliament, and has been *odw's* host every time we took a group to her country beginning in 1984. At that time, she was President of the Organization of Mozambican Women (OMM) and later Deputy Foreign Minister. Salome is one of those in a new program *odw* is offering to community groups and churches: People Who Haven't Make the Media But Do Make a Difference.

Salome told the crowd how debt was strangling Mozambique. For years they tried to stay away from the World Bank (WB) and International Monetary Fund (IMF), but finally succumbed and found themselves no longer able to make education and health care their priority because Structural Adjustment requirements of the WB and IMF put paying the debt as first priority. They were required to close all but one cashew processing factories because India could do it cheaper = 10,000 laid off.

Mozambique is one of the four or five nations who qualified for HIPIC (Highly Indebted Poor Countries) who got debt relief: that meant that they had even more stringent curtailing of government social services spending so they could pay their \$100 million annual debt payment. Their reward was a reduction of the payment to \$70 million. And perhaps next year it will be reduced to \$50 million. That still is more than their entire spending on education and health care combined.

The debt is unpayable! And as Representative Tom Campbell suggests: There is no debt. It was payment to poor allies during the cold war.

Many with Jubilee 2000 understand that cancelling the debt outright is not enough. The WB and IMF must get back to their original mission to end poverty or get out of the game they're in which increases the poor around the world. By their own studies those earning \$1 a day or less

increased from 1.2 billion to 1.5 billion from 1997-1998.

Salome's colleague is Eufrigina dos Reis Manoela, a coordinator of the Mozambican Debt Group. She's working hard now with the Mozambique Red



*Salome Moiane, Mozambican Member of Parliament and *odw* host.*

Cross, helping those who lost their homes due to the horrendous floods created by the cyclones. As was true in Honduras and Nicaragua, in areas of clear cutting (often done as a way to earn foreign exchange through exports so as to pay the debt) there was nothing to hold the water when the floods came. Contributions sent to us were sent to Mozambique via AFSC (American Friends Service Committee). Participants on *odw* Study Tours to that country know Maputo, the capital, Xai Xai, the provincial capitol and Salome's home town. They are very badly damaged.

Mozambique, Venezuela, Honduras, and Nicaragua will take decades to rebuild and really recover. Infrastructure, homes, farms, factories, schools and health centers can't be financed even with foreign aid and generous contribu-

Continued on page 2 →

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Continued from page 2 →

tions if debt payments must still continue. This forces governments to take out new loans to “recover” and the cycle continues.

Those who have been to El Salvador with *odw* will remember an extremely articulate environmentalist, Ricardo Navarro. He gave a heartfelt plea to cancel the debt. Nineteen thousand children die daily in poor indebted countries who are paying their export earnings to the WB/IMF. He called the debt criminal . . . and it is! Certainly in El Salvador it has been accrued by those in power who, with cronies, have pocketed much of it. In Nicaragua, some was misused by Somoza and his family and friends, and under President Chamorro school fees were imposed and funding for the Ministry of Health was so drastically reduced to pay the debt that there was an unprecedented cholera epidemic. President Aleman has acquired land and used loans to build roads to his and his friends’ property.

At Jubilee 2000, the Archbishop of Honduras Oscar Rodriguez spoke passionately. He stressed that the momentum for cancellation of the debt must be maintained—that it must happen!

John Sweeney, President of AFL/CIO just returned from the International Federation of Trade Unions Conference in Durban that unanimously endorsed the total cancellation of the debt of poor nations (NOT POSTPONE-MENT as HIPIC now before Congress would have. And they advocated the right of all workers to organize and strive for fair wages and working conditions. Their participation in Seattle and this DC follow-up emphasizes the right to work in an ecologically safe environment.



Photo courtesy of Vic Ulmer.

Ricardo Navarro, El Salvador Regional Representative, Friends of the Earth International

“High debt levels force developing countries to lower labor standards and wages in order to attract corporate investments.” As a result, U.S. workers must compete against them.

The tradition of debt forgiveness is part of many religions. At Jubilee 2000, the blowing of the Shofars by Jewish religious men and the original trumpet piece of Scott Wood sent the crowd off to walk up to the capitol on either side of the reflecting pool, encircle the capitol and come together with spirited chanting, singing and solidarity: all ages, races, ethnicities, and faiths.

WHAT’S the CONNECTION between the U.S. and:

- hunger
- factory farming
- genetic engineering
- cuts in social services
- militarization
- low wages
- sexism
- deforestation
- increasing poverty
- plundered resources
- rich getting richer
- famine
- sweatshops
- AND racism???

The World Bank/IMF provides money for “development” that they approve without discussion with the people of the country it’s being foisted on. Example: WB forced Mozambique to use large tracts of land for cotton instead of food (so they could pay more on the debt). This glutted the world market and caused prices to drop. The corporate buyers got richer. The country had to import food . . . the farmers couldn’t afford to buy it because of the low price they got for their cotton. But WB says that the economy has grown . . . which sounds good, doesn’t it? But more people became poor and unemployed.

Here’s a connection:

WB gets its funds from retirement funds, university endowments, churches, local governments, and trade union pensions. Most people don’t know the WB’s part in damaging the environment, the social infra-structure, and peoples’ well-being.

What Can We Do?

Check with what ever group or entity you have contact with to learn if they have WB bonds in their portfolio. Encourage them to divest of at least some, and not to buy any more WB bonds. Tell them why you’re concerned. Joining with others yields more clout.

Among the larger than life puppets at the “April 16 Shut Down the World Bank and IMF” Jubilee demonstrations were flocks of birds representing life, liberty and freedom. A man was wearing a cardboard model of the Washington Monument with the message: *U.S.—Bury the Debt*. The creativity in chants and banners was energizing.



Trevor Ngwane, a Pimville/Johannesburg City Councillor, talked of the privatization WB/IMF is forcing on South Africa and how energizing for him it is to be part of this week. It makes him feel there are many ways to change things, and he sees there are many allies.

As Dennis Brutus, who was jailed with Nelson Mandela, said, “We need to break the power of the World Bank over developing countries, as the divestment movement helped break the power of the Apartheid regime over South Africa: this is why we support the boycott of WB bonds.”

What Do the IMF & World Bank Do?

Hear It From the Global South

Create Poverty

“What has structural adjustment meant for our people? Greater poverty, greater inflation, and greater unemployment. According to data from the Honduran College of Economists, poverty grew from 68 to 73 percent, over 54 percent of the economically active population is unemployed, and inflation has increased 63.4 percent since 1990. Misery is reflected in the faces of men, children, women, and old people, who must wander through the city in search of food, housing, and work. The World Bank officials who have visited the country must have seen this misery from the moment they disembarked from the plane. . .” —Narda Melendez, Coordinator, Asociacion Andar [Honduras]

Not only is the debt burden choking the life of Southern Africa’s human potential, indebted nations have also been pressured to agree to crippling conditionalities to get loans to repay the debt in a deepening spiral of indebtedness. The structural adjustment programs (SAPs) have caused increasing levels of unemployment, reduced government services, higher prices of food and other basic commodities and intensified poverty. —Gauteng Declaration, Southern African Jubilee Debt Summit, “Freedom from Debt = Freedom from Domination” [March 21, 1999]

Destroy Democracy

The very logic and framework of structural adjustment policies require the repression of democratic rights. This is because these policies demand drastic fiscal, monetary, and economic measures which cannot help but raise very strong reactions from the public. And such reactions have to be repressed. It is not surprising that many structural adjustment programs are successfully implemented in countries like my own, under a dictatorship . . . When we complain to the World Bank and the IMF, they tell us, “So sorry, we don’t talk to people. We only talk to governments. We only talk to your president. We only talk to

your central bank governor. We only talk to your minister of finance.” This is a joint production of the international finance community with the cooperation of local elites and leaders in our own country. The majority of the people are shut out of the negotiations. —Léonor Briones, former President, Freedom from Debt Coalition [Philippines]

Sustain Colonialism

Structural adjustment is a mechanism to shift the burden of economic mismanagement and financial mismanagement from the North to the South, and from the Southern elites to the Southern communities and people. Structural adjustment is also a policy to continue trade and economic patterns developed during the colonial period, but which the Northern powers want to continue in the post-colonial period. Economically speaking, we [countries in the South] are more dependent on the ex-colonial countries than we ever were. The World Bank and IMF are playing the role that our ex-colonial masters used to play. —Martin Khor, Director, Third World Network [Malaysia]

During the 1980’s under structural adjustments, instead of flowing North to South through loans and aid investment, more money flowed from South to North in debt servicing, capital flight, and profit from transnational corporations and the privatization of state-owned companies. In truth and fact, the countries of the South are subsidizing the countries of the North. —David Abdullah, Oilfield Workers’ Trade Union [Trinidad and Tobago]

Since the “lost decade” of the 1980’s, it has become painfully clear that the World Bank and the IMF are intended to benefit the wealthy and the powerful, yet they continue to pretend that they are serving the community of nations . . . Their programs on reproductive health and education are constantly undermined by their macro-economic policies, which destroy investments in public health and education. Sustainable development will never be achieved until these contradictions are confronted. —Peggy Antrobus, Founder, Women and Development Institute [Barbados]

Courtesy of Mobilization for Global Justice
<http://www.a16.org>



Condemned to Debt

By Soren Ambrose, Brooke Lehman, and Eric Lerner of Witness for Peace

On a good day, 11-year-old Marvin Gonzales earns \$1 shining shoes on the streets of Managua, Nicaragua. Despite his meager salary, he owes \$1,356 to his country's foreign creditors. Marvin may not write a check to the IMF or World Bank every month, but he pays the human cost of the \$6 billion external debt. He can't afford to go to the school and public medical care is too expensive for his family. Governmental funds that could be used to meet Marvin's basic needs go instead to pay off a debt that is considered unpayable, in a country where:

- The debt equals six times the GDP —74% of the people live in poverty
- 43.6% live in extreme poverty
- 60% are unemployed, and 30% of children under five are malnourished.

Nicaragua, where over half the population is under 16 years old, is sacrificing a generation to pay its debt. The IMF and World Bank now say they will consider cancelling a portion of the debt Nicaragua owes them — if other countries will pay it, and if Nicaragua will commit to several more years of the structural adjustment programs that have deprived Marvin and his fellow Nicaraguans of food, health, and education in the name of economic orthodoxy. Debt is the lever the IMF and World Bank use to impose policies of corporate globalization in Southern countries. Cancelling the debt would be the beginning of freeing the people of those countries from the domination of foreign, corporate agendas. 🌐

NEWS FLASH!

The day after the lobbying group we were part of handed Tom Campbell's aide a copy of a new bill to cancel the debt and not fund IMF, Representative Campbell signed on as an original co-sponsor! 🌐

Web Resources

General IMF, World Bank

50 Years Is Enough Network: www.50years.org

Focus on the Global South: www.focusweb.org

Center for Economic & Policy Research: www.cepr.net

Foreign Policy in Focus: www.foreignpolicy-infocus.org

Global Exchange: www.globalexchange.org

Bank Information Center: www.bicusa.org

Trade/WTO:

Public Citizen's Global Trade Watch: www.tradewatch.org

Third World Network: www.twinside.org.sg

Debt:

Jubilee South: www.jubileesouth.net

Jubilee 2000 U.K.: www.jubilee2000uk.org

Witness for Peace: www.witnessforpeace.org

U.S. Impact:

United for a Fair Economy www.stw.org

Environment:

Rainforest Action Network www.ran.org

Labor:

Campaign for Labor Rights

www.summersault.com/~agj/clr

Women:

Women's Environment & Development Organization

(WEDO) www.wedo.org

Youth/Student Organizing:

Youth ACTION for Global JUSTice www.justact.org

Direct Action:

Continental Direct Action Network:

www.directactionnetwork.org

"Must we starve our children to pay our debt?"

Julius Nyrere, Former President of Tanzania

"STRUCTURAL ADJUSTMENT": HOW IMF/WORLD BANK EXPLOITS THE GLOBE

IMF/WORLD BANK DEMANDS	BENEFITS FOR THE RICH	IMPACTS ON THE POOR
<p>Cut Social Spending: Reduce expenditures on health and education. [IMF claims it is now making sure such spending goes up, but often it's to put in place systems to collect fees.]</p> <p>Shrink Government: Reduce budget expense by trimming payroll and programs.</p> <p>Increase Interest Rates: To combat inflation, increase interest charged for credit and awarded to savings.</p>	<ul style="list-style-type: none"> • More debts repaid. • Fewer government employees means less capacity to monitor businesses' adherence to labor, environmental, and financial rules. • Frees up cash for debt service. • Investors find country a profitable place to park cash, though they may pull it out at any moment. 	<ul style="list-style-type: none"> • Increased school fees force parents to pull children—usually girls—from school. Literacy rates go down. • Poorly educated generation not equipped for skilled jobs. • Higher fees for medical service means less treatment, more suffering, needless deaths.
<p>Eliminate Regulations on Foreign Ownership of Resources and Businesses.</p> <p>Eliminate Tariffs: Stop collecting taxes on imports; these taxes are often applied to goods which would compete with domestically produced goods.</p>	<ul style="list-style-type: none"> • Multinational corporations can purchase or start enterprises easily. • Countries compete for foreign investment by offering tax breaks, low wages, free trade zones. • Once in the country, corporations can turn to WTO for enforcement of "rights." • Allows foreign goods easy access to domestic markets. • Makes luxury items cheaper for those in the country. • Allows country to comply with WTO agreements. 	<ul style="list-style-type: none"> • Control of entire sectors of economy can shift to foreign hands. • Governments offer implicit pledges not to enforce labor and environmental laws. • Makes it harder for domestic producers to compete against better-equipped and richer foreign suppliers. • Leads to closure of businesses and layoffs.
<p>Cut Subsidies for Basic Goods: Reduce government expenditures supporting basic necessities, food, etc.</p> <p>Reorient Economies from Subsistence to Export: Give incentives for farmers to produce cash crops (coffee, cotton, etc.) for foreign markets rather than food for domestic ones; encourage manufacturing to focus on simple assembly (often clothing) for export rather than manufacturing for own country; encourage extraction of valuable mineral resources.</p>	<ul style="list-style-type: none"> • Frees up more money for debt payments. • Produces hard currency to pay off more debts. • Law of supply and demand pushes down price of commodities as more countries produce more, meaning guaranteed supply of low-cost products to export markets. • Local competition eliminated for multinational corporations. • Increased availability of low-cost labor. 	<ul style="list-style-type: none"> • Raises cost of items needed to survive. • Most frequent flashpoint for civil unrest. • Law of supply and demand pushes down price of commodities as more countries produce more, meaning local producers often lose money. • Best lands devoted to cash crops; poorer land used for food crops, leading to soil erosion. • Food security threatened. • Women often relegated to gathering all food for family while men work for cash. • Makes country more dependent on imported food and manufactured goods. • Forests and mineral resources (oil, copper, etc.) overexploited, leading to environmental destruction and displacement.





TATA—There Are Thousands of Alternatives

Policy Alternatives or How Would We Like to See It Done?

First, a caution; there are many types of alternatives and many ways to consider alternatives. For example;

- Survival level alternatives vs. policy alternatives
- Possible/doable vs. What we really want (long term)
- General principles vs. Plans and policies to accomplish those principles.

The following is an overview of International Policy Alternatives that have been suggested by a variety of progressives working on these issues.

1. WTO. Should be shut down and replaced by the UN Regulatory Agency for Transnational Trade and Investment (UNRATI) regulating trade, raising standards, localizing economies and doing the opposite of WTO.
2. World Bank should be closed and replaced with regional and local development banks.
3. IMF should be shut down and replaced with UN International Finance Organization (UNIFO) responsible for (1) Managing debt cancellation, (2) regulating international finance markets, (3) forum to coordinate government policies to balance foreign accounts, (4) establish enforceable reserve requirements, (5) collecting and administering the Tobin Tax on foreign exchange transactions.

COMMUNITY

We work together toward a common goal, joining hands, one with another, and then another. In this manner a couple is formed, and then a group, and then a community.

We must not fear to depend on another. Be strong enough to let others depend on us. Together we can soar like the mighty Eagle. Apart we drift in chaos, like feathers tossed to the raging wind.

Such is the way that we must be. It is good.

Excerpt from a poem by Michael D. Vritt as it appeared in the *San Felipe Pueblo*

Alternative Investment Treaty—Not the MAI (Tony Clarke, Polaris Institute)

Tobin Tax - Tax on Speculation /0.5% Financial Transactions Tax

(<http://www.ceedweb.org>)

Principles of an Alternative Agenda

- A. Democracy/Popular Sovereignty
- B. Favoring the Local (protectionism, when chosen by local communities)
- C. Ecological Sustainability
- D. Economic Human Rights (minimum wage)
- E. Food security and food safety
- F. Certain Goods and Services Should Not Be Traded and Should Not Be Subject to Trade Agreements
- G. Equity
- H. Cultural, Biological, Economic and Social Diversity

Principles of Alternative Global Institutions: Internationalism, Not Globalization

Because stronger global institutions are needed to fight larger, more powerful corporations, the world needs effective global institutions that will:

- A. Prevent the spread of disease, conflict, and harm to the environment across borders
- B. Set norms on internationally agreed upon rights and standards which are largely implemented at the national level, in order to;
 - Strengthen labor protection,
 - Reorient financial flows from speculation to long-term investment: The rules and institutions of global finance should discourage all speculation and encourage long-term investment in the real economy
 - Reduce instability and volatility: The rules and institutions of global finance should seek to reduce instability in global financial markets.
 - Enhance local and national political space: The rules and institutions of global finance should allow maximum space for national governments to set exchange rate policy, regulate capital movements, and eliminate speculative activity.
 - Keep private losses private: Governments should not absorb the losses caused by private actors' bad decisions.
 - Address the imbalance between growing private flows and shrinking public flows: The rules and institutions of the global economy should seek to decrease private speculative flows while increasing those public flows that support sustainable and equitable activities.



General:

- Economic decisions should be less important, less prominent in our preferred society. We should instead be considering what is best for our families, our communities, and our environment.
- Whereas the mandates of the Bretton Woods institutions were to advance economic globalization, their successor agencies should be given mandates to advance economic localization
- “The global institutions of money have only the power we yield to them. It is our power. We can reclaim it.” —David Korten, *When Corporations Rule the World* 🌐

Comprised by Bill Ferguson
Bill@vida.com

Debt Relief & Funds for Mozambique

The flood waters may recede but the needs will last long.

We can picture people we know, and the scene in Maputo, Matola and the country side.

In 1999 Mozambique was judged to have the world's fastest growing economy. It was able to feed itself for the first time in decades. Then disaster struck. We can assist in two ways:

- 1) Send tax deductible donations through the Africa Fund (17 John St., 12th Floor, NY 10038-4010) to the Mozambique Red Cross & the Mozambique Council of Churches; American Friends Service Committee 1501 Cherry St, Philadelphia PA 19102; or to U.S. Fund for UNICEF, 333 East 38th St, NY 10016.
- 2) Debt Cancellation. During the 1990's Mozambique's debt burden reached 594% of its GNP. Yearly payments of \$57 million surpass the dollars on primary health (\$20 million) and education (\$32 million) combined. Contact Congress and the president to provide 100% relief of the bilateral debts and encourage the IMF & World Bank to stop taking payments and make substantial funds available for reconstruction. This is what Jubilee 2000 is about. 🌐



SHUT DOWN the IMF/World Bank

Courtesy of Mobilization for Global Justice

odw is offering a program of hope:

“People Who Haven't Made the Media But Have Made a Difference”

This program with slides puts faces on remarkable work being done around the world and shows what the World Bank, IMF and WTO are doing to thwart it. 🌐

“Paul Robeson: Ballad for Americans”

An 11-minute video with visuals of historic people and the wonderfully diverse people who built our country.

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The Soft Vengeance of a Freedom Fighter

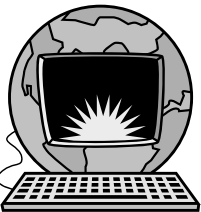
by Albie Sachs

New in paperback, University of California Press



Albie Sachs, an activist South African lawyer, and a leading ANC member always met with *odw* study tours to Mozambique. One time he rustled up a meal for us and other ANC people in exile so we could talk together informally. Another time he was the docent for the Mozambican muralist exhibit he took us to see.

On April 7, 1988 he was car-bombed. His right arm was blown off and he lost the sight of one eye. This very personal, intimate, moving account of his recovery, his interaction with the healing profession, his physical and emotional journey toward reentry into the world becomes the reader's journey to getting to know a remarkable human being. His new epilogue gives an insider's view of major public events in the struggle against apartheid and the building of a new South Africa where he is a Justice of the Constitutional Court.



Check out our new and evolving website at:

<http://www.magiclink.net/~odw>

Please Join Us — Upcoming Events

APRIL 25 7 p.m.

SEIU Justice for Janitors meets at 1010 Ruff where *odw* will be reporting back from Washington D.C. about Jubilee 2000.

APRIL 29 7 p.m.

San Jose Peace Chorale presents "Keep the Flame Alive" at Cambrian Park Methodist Church, 1919 Gunston Street in San Jose. Tickets available in advance from *odw*, or at the door.

MAY 1 7 p.m.

Benefit concert for Friends Outside. SJ Peace Chorale joins other choruses at Saint Joseph's Cathedral in San Jose.

MAY 4

Update on South Africa for United Methodist Women, Cambrian Park Methodist Church.

MAY 6

San Jose Peace Chorale presents an encore presentation of "Keep the Flame Alive" at Unity Temple of Santa Cruz, 407 Broadway.

Moving? Don't miss an issue of voices!

Please notify us of your new address.

We are now asking \$8 per year from our readers to support the publishing and broader circulation of this newsletter. This issue is volume six. Have you sent your donation for this new year to the address below?

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our developing world

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