

GLOBAL NETWORK FOR JUSTICE

A Project of New Orleans Bread for the World at the
Twomey Center For Peace Through Justice

June 2005

Volume 4 Number 10

MAKE POVERTY HISTORY

Trade Justice. Drop the Debt. More and Better Aid.

Today, the gap between the world's rich and poor is wider than ever. Global injustice such as poverty, AIDS, malnutrition, conflict and illiteracy remain rife.

Despite the promises of world leaders, at our present sluggish rate of progress the world will fail dismally to reach internationally agreed targets to halve global poverty by 2015.

World poverty is sustained not by chance or nature, but by a combination of factors: injustice in global trade; the huge burden of debt; insufficient and ineffective aid. Each of these is exacerbated by inappropriate economic policies imposed by rich countries.

But it doesn't have to be this way. These factors are determined by human decisions.

2005 offers an exceptional series of opportunities for the UK to take a lead internationally, to start turning things around. This year, as the UK hosts the annual G8 gathering of powerful world leaders and heads up the European Union, (EU), the UK Government will be a particularly influential player on the world stage.

A sea change is needed. By mobilizing popular support across a unique string of events and actions, we will press our own government to compel rich countries to fulfill their obligations and promises to help eradicate poverty, and to rethink some long-held assumptions.

MAKE POVERTY HISTORY urges the government and international decision makers to rise to the challenge of 2005.

We are calling for urgent and meaningful policy change on three critical and inextricably linked areas: **trade, debt** and **aid**.

1. Trade justice

- **Fight for rules that ensure governments, particularly in poor countries, can choose the best solutions to end poverty and protect the environment. These will not always be free trade policies.**
- **End export subsidies that damage the livelihoods of poor rural communities around the world.**
- **Make laws that stop big business profiting at the expense of people and the environment.**

The rules of international trade are stacked in favor of the most powerful countries and their businesses. On the one hand these rules allow rich countries to pay their farmers and companies subsidies to export food – destroying the livelihoods of poor farmers. On the other, poverty eradication, human rights and environmental protection come a poor second to the goal of “eliminating trade barriers”.

We need trade justice **not** free trade. This means the EU single-handedly putting an end to its damaging agricultural export subsidies **now** ; it means ensuring poor countries can feed their people by protecting their own farmers and staple crops; it means ensuring governments can effectively regulate water companies by keeping water out of world trade rules; and it means ensuring trade rules do not undermine core labor standards.

We need to stop World Bank (WB) and International Monetary Fund (IMF) forcing poor countries to open their markets to trade with rich countries, which has proved so disastrous over the past 20 years; the EU must drop its demand that former European colonies open their markets and give more rights to big companies; we need to regulate companies – making them accountable for their social and environmental impact both here and abroad; and we must ensure that countries are able to regulate foreign investment in a way that best suits their own needs.

Despite grand statements from world leaders, the debt crisis is far over. Rich countries have not delivered on the promise they made more than six years ago to cancel unpayable poor country debts. As a result, many countries still have to spend more on debt repayments than on meeting the needs of their people.

Rich countries and the institutions they control must act **now** to cancel all the unpayable debts of the poorest countries. They should not do this by depriving poor countries of new aid, but by digging into their pockets and providing **new** money.

The task of calculating how much debt should be cancelled must no longer be left to creditors concerned mainly with minimizing their own costs. Instead, we need a fair and transparent international process to make sure that human needs take priority over debt repayments.

International institutions like the IMF and World Bank must stop asking poor countries to jump through hoops in order to qualify for debt relief. Poor countries should no longer have to privatize basic services or liberalize economies as a condition for getting the debt relief they so desperately need.

And to avoid another debt crisis hard on the heels of the first, poor countries need to be given more grants, rather than seeing their debt burden piled even higher with yet more loans.

2. More and better aid

- **Donors must now deliver at least \$50 billion more in aid and set a binding timetable for spending 0.7% of national income on aid. Aid must also be made to work more effectively for poor people.**

Poverty will not be eradicated without an immediate and major increase in international aid. Rich countries have promised to provide the extra money needed to meet internationally agreed poverty reduction targets. This amounts to at least \$50 billion per year, according to official estimates, and must be delivered now.

Rich countries have also promised to provide 0.7% of their national income in aid and they must now make good on their commitment by setting a binding timetable to reach this target.

However, without far-reaching changes in how aid is delivered, it won't achieve maximum benefits. Two key areas of reform are needed.

First, aid needs to focus better on poor people's needs. This means more aid being spent on areas such as basic healthcare and education. Aid should no longer be tied to goods and services from the donor, so ensuring that more money is spent in the poorest countries. And the World Bank and the IMF must become fully democratic in order for poor people's concern to be heard.

Second, aid should support poor countries and communities'

own plans and paths out of poverty. Aid should therefore no longer be conditional on recipients promising economic change like privatizing or deregulating their services, cutting health and education spending, or opening up their markets: these are unfair practices that have never been proven to reduce poverty. And aid needs to be made predictable, so that poor countries can plan effectively and take control of their own budgets in the fight against poverty.

Maura's Story

Maura Hassan lives in Tabata, a poor area in Dares Sallam in Tanzania. Although she has water pipes connected to her home, she is unable to get any water through them. Since the water supply to the area has been privatized, she has been receiving bills for water she hasn't used. Her last bill was for \$400.

Maura is forced to buy water from a well dug by a private individual. Although this is much more expensive than piped water and she has no guarantee that it is safe to drink, she has no choice since the water connection to her house doesn't work. Other local families can't afford to buy any kind of water, and are forced to use the local shallow wells. People who bathe in them start to itch and those who drink from them need expensive medicines to treat their subsequent illnesses.

For more information visit

www.MAKEPOVERYHISTORY.ORG

New Orleans Bread for the World

Loyola University New Orleans

Campus Box 907

New Orleans, LA 70118

U S A

Phone: 504. 861 - 5834

Fax: 504. 866 - 8451

Email: gcnfj@loyno.edu

Website: www.globalnetwork4justice.org

New: STOP PLAYING WITH THE POOR, STOP ROBBING THE PUBLIC

