

Chapter 2

Campaigns and activities

by Lis Füglistner

The demand for comprehensive debt cancellation is one of the central concerns articulated by activists in the context of increasing worldwide resistance movements against neo-liberal, free-market globalisation and for humane development. New intercontinental resistance and protest activities, which take place during the G7/G8 states' summit meetings of world economic leaders, have enabled regular meetings of civil society organisations, groups active in the movement and committed individuals since the beginning of the 1990s. The mass protests tend to focus above all on demonstrating solidarity and on exchanging experiences on forms of activities, and the numerous intercontinental forums and alternative meetings enable a constant debate on the contents, forms and strategies of global campaigns and the search for common forms of resistance. The analyses have been refined, the demands specified and the field of activities expanded during discussions and workshops held in Chiapas, Prague, Porto Alegre, Genoa, Paris, Mumbai, Bangkok, Québec, Dakar, Kinshasa and London. Establishing an international network between the various organisations and groups fighting for the cancellation of illegitimate debts and for a transparent, democratically-controlled system for granting loans enables a degree of international coordination of the protest activities.

A large part of the work of spreading information and putting up resistance continues to be carried out in the numerous local committees of individual organisations, however. It will be impossible to inform readers of all the activities taking place at national and regional levels in the framework of this brochure. This chapter will thus simply highlight some of the significant steps in the debate concerning the issue of debt relief and introduce some of the players in the global campaigns and activities.

In July 1989 the first counter summit of seven poor, highly-indebted countries took place in Paris as a counter event to the G7 summit (group of the seven most important industrialised states). Representatives from Bangladesh, Brazil, Burkina Faso, Haiti, Mozambique, the Philippines and Zaire called for the complete cancellation of Third World debts in the 'Appell de la Bastille'. The French 'Comité pour l'Annulation des Dettes du Tiers Monde' (CADTM, committee for the cancellation of Third World debts) was created in the wake of this event. To this day CADTM remains at the forefront of the struggle for comprehensive debt cancellation for Third World countries and for the recognition of the principle of illegitimate debt.¹

¹ www.cadtm.ch

In 1991 a book appeared which generated renewed interest in the legal principle of odious debt, which had been largely forgotten. The book, by Canadian economist Patricia Adams, entitled "Odious Debts. Loose Lending, Corruption, and the Third World's Environmental Legacy", describes the negative social and ecological effects of loans on 'developing countries'. The book became a classic on illegitimate debt and triggered new debates at civil society level both north and south of the equator. Today Patricia Adams, who heads the Canadian NGO Probe International, is recognised worldwide as a leading expert in the field of illegitimate debt.

When the odious debt debate was once again launched internationally in the 1990s the desire arose to exchange information on a global level and to broadly link campaigns and activities. The website www.odiousdebts.org, which was subsequently established and operated by Probe International, has in the meantime grown into a comprehensive and very broad information platform on the subject of illegitimate debt. The site is a forum for the publication of data and studies on illegitimate debts in specific countries as well as a channel through which to spread information on publications, activities and initiatives.

1994 was a significant year for international social movements. The worldwide echo to the uprising of the Zapatistas in Mexico and extensive international participation in the counter demonstration to the 50th anniversary celebrations of the Bretton Woods institutions in Chiapas put fresh wind into movements' sails. In the closing declaration of the alternative summit 'Les Autres Voix de la Planète' (the planet's other voices) in Brussels, the participants made it clear in their demands, amongst other things, that "the cancellation of Third World debt remains our starting point. But this debt cancellation has to be accompanied by the freezing of dictators' and corrupt regimes' stolen funds, which are frequently also transferred abroad. The aim is to restore these funds to the local population concerned, in order for it to be able to use them for the development of its country."²

An alternative summit against neo-liberal, free-market globalisation, for humanity took place in Brussels in January 1997, in solidarity with the Zapatista movement and the protest activities against the G7 summit in Lyon. Questions concerning Argentina's and Rwanda's debts were at the centre of the debate at this event. Argentina was represented by Alejandro Olmos, who had already taken his country's dictatorship to court for illegal debts in 1982. Rwandan representatives held private banks, governments and international financial institutions jointly responsible for the genocide which had taken place in their country, as they had contributed to the impoverishment of the people through structural adjustment programmes and had supported the war economy.

² CADTM 2004b, page 55.

Under the name Jubilee 2000, Christian churches launched a big international campaign in 1997-1999 for global debt cancellation for highly-indebted countries. Within three years the petition 'Cancel debts for the year 2000' had been signed by around 20 million people worldwide. The text of the petition made a direct reference to creditor countries' unjustified demands, stating that "it is unjust to demand the repayment of a debt from those who were not consulted in the process of granting the loan and who additionally did not benefit from the loan. Whoever negotiated the loan contract is at least equally responsible for a country's indebtedness as the government which took receipt of the money."³

This historically unique petition was submitted at the G8 summit in Cologne in June 1999, accompanied by a 30,000-person human chain. There were various representatives from countries of the South amongst the demonstrators who took a more radical position and who proceeded to get organised in the coalition Jubilee South. In contrast to Jubilee 2000 UK they demanded the total and unconditional cancellation of all debts of the countries of the South, not only of the poorest among them.

Jubilee representatives from Angola, Lesotho, Malawi, Mozambique, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe as well as Latin America and the Philippines had already met in Johannesburg in March 1999 and, in a joint declaration, demanded the immediate, complete and unconditional cancellation of all illegitimate debts, the payment of reparations for crimes committed and the repudiation of the neo-liberal, free-market model of the countries of the North.

With the dawn of the 21st century the Jubilee 2000 campaign drew to a close. It became necessary to find new forms in which to continue the struggle for fair debt relief and debt cancellation for the countries of the South. African networks increasingly centred the debate on the question of debts stemming from colonialism. The Amsterdam Appeal for debt cancellation, issued in April 2000, stated, amongst other things, that "in the specific case of sub-Saharan Africa, an irrefutable historical argument in favour of unconditional cancellation is that what is owed to western 'creditors' is only a tiny portion of what European have stolen there since the 15th century. From slavery that robbed the continent of 60 to 100 millions of its inhabitants forcibly taken to the Americas, to colonisation followed by the current re-colonisation, Africa has already paid more than enough."⁴

During preparations for the alternative summit held in Dakar (Senegal) in December 2000 it was decided to launch a new campaign for 2000-2004 under the title 'Abolir la Dette pour libérer le Développement' (abolish the debt to liberate development). The aim

³ *ibid.*, page 73 ff

⁴ *ibid.*, page 94 ff

of the alternative summit held in Dakar in December 2000 was to bring as many social movements as possible together to develop alternative strategies to creditors' current repressive policies. This initiative, which was particularly important for the development of just debt relief mechanisms, came primarily from movements and organisations from the countries of the South. The Dakar manifesto contained clear formulations concerning the demand for debt relief and debt cancellation for countries of the South - African countries in particular - vis-à-vis countries of the North, as well as the development of strategies for the transparent and democratically-controlled granting of loans. Besides the charges against the countries of the North, solidarity between countries of the South was also one of the foci of the manifesto. The Dakar manifesto states, inter alia, that the "total and unconditional cancellation of the African debt is a demand based on undisputed economic, social, moral, legal and historical arguments. Because the debt problem is not a financial or technical issue as the World Bank and the International Monetary Fund IMF are tempted to demonstrate. It is fundamentally a human, social and political problem. [...] In addition, most of Africa's debt is odious, fraudulent and immoral. In fact, in most cases, debt has been contracted by not representative regimes that have used the amount received for purposes that have not served the interests of their peoples. Often, this debt served to consolidate and even legitimise dictatorships that used it to oppress their own people or to make war, with the benevolence and complicity of Western countries. Debt has also been contracted to undertake mega projects designed to stimulate exportations at the expense of the satisfaction of people's fundamental needs. [...] The historic debt that the West has incurred from Africa is immeasurable. Accordingly, we demand both the restitution of what has been taken from Africa for centuries by sheer force and reparations for all the crimes and damages inflicted upon its people."⁵

The Dakar summit meeting introduced a new, exciting dynamic into the organisation of alternative forums in the southern hemisphere. The most significant and thematically most comprehensive event at the global level is the World Social Forum that took place for the first time in the Brazilian city of Porto Alegre in 2001. Civil society's alternative forum has been held in a city of a country of the South at the same time as the World Economic Forum in Davos every year since then, and in the meantime draws around 100,000 committed individuals from every continent. Diverse themes and strategies for resistance against the neo-liberal, free-market world order are discussed, information exchanged and networks formed at events and in workshops.

An international debt tribunal on the question of illegitimate debt and the demand for just debt relief mechanisms was held at the second World Social Forum in Porto Alegre in January 2002. This form of civil society hearing and the condemnation of those

⁵ *ibid.*, page 114 ff

responsible for the debts is a form of public protest which has been used since the mid-20th century against the policy of impunity vis-à-vis those responsible for human rights violations in Asia, Latin America and Africa. The form of a public tribunal or hearing is particularly suited to the debate on illegitimate debt, as this framework puts both the main actors responsible for the problem, that is to say the debtors and the embezzlers of the funds, as well as those who can also be held to account, that is to say the creditors, in the dock and additionally enables the issues to be made accessible to the general public in a way that generates a lot of media attention. This form of protest had already been organised at a national level in various countries of the South such as Ecuador, Argentina and Bolivia in 2001. The first "International People's Tribunal on Debt" was staged by organisations such as Jubilee South, the American Association of Jurists, CADTM, the World Council of Churches, Kairos, the World March of Women and others, in the context of the second World Social Forum in Porto Alegre. It offered an opportunity to portray cases of illegitimate debt from various countries and thus to make the global dimension of the problem clear. The 'proclamation of the sentence' took place as a public act in the First Congregational Church in Washington on the 18th of August 2002. The comprehensive document with the reasons given for the judgement of the International People's Tribunal can be considered a synthesis of the thematically far-reaching debate on responsibility and co-responsibility for the global debt crisis and as a call to action for international civil society.⁶

This people's tribunal as a form of activism was taken up by the Norwegian campaign for the cancellation of Third World debt (SLUG). It organised the first people's tribunal on the indebtedness of the countries of the South in Norway in November 2002. The aim of staging the tribunal was to challenge the Norwegian government to take a stance on its shared responsibility for the debt crisis of the countries of the South and to take them up on their support for the legal concept of illegitimate debt in international bodies. The 'people's judges collective' consisted of representatives of the churches, the conservative youth party and of university professors from the faculties of sociology, political science and law. In their closing declaration they called upon government representatives in Norway to cancel illegitimate debts vis-à-vis Ecuador immediately and without any pre-conditions and to campaign for the recognition of the concept of illegitimate debt both at an international level and as an actionable legal fact.⁷

One of the particularly difficult issues which international debt relief coalitions have to address is the question of how to convince governments of countries of the South to jointly take a stand in the face of pressure from powerful international finance institutes.

⁶ The text can be accessed on the internet under <http://jubileesouth.org/tribunal/index.htm>

⁷ A comprehensive documentation on the Norwegian people's tribunal can be ordered from SLUG (slug@forumfor.no). In October 2006, the Norwegian government cancelled the debts of five countries, including Ecuador, as illegitimate – an international breakthrough for the concept of illegitimate debt.

For only if several countries simultaneously refuse to repay illegitimate debts will the creditor associations be forced to address the legal concept of illegitimate debt. Thus international civil society assured particular solidarity and support to those indebted countries of the South which refused to repay illegitimate debts and which did not submit to the structural adjustment measures of the international loan institutions at the third World Social Forum in 2003.

Besides the large international campaigns and the global forums, conferences on individual countries have increasingly taken place in the last few years. These involve the precise analysis of a country's external debt structure and its debt history. In order to have clear arguments for the cancellation of illegitimate debts in discussions with creditor associations, it is important that the origin of the loans and the use to which they are put can be documented comprehensively.

International conference on Iraq

An international seminar on Iraq's external debt and on possible forms of debt relief or debt cancellation took place in Berlin in March 2004 under the leadership of the pressure group Erlassjahr and the Friedrich Ebert Foundation. The search for new ways of dealing with the debt issue was at the centre of discussions. Participants from government circles, private enterprise and non-governmental organisations agreed that post-Saddam Iraq should be granted comprehensive debt relief or debt cancellation. The Iraqi and international non-governmental organisations showed that a substantial portion of the demands made on Iraq satisfies the illegitimate debt criteria. They demanded that an independent arbitration procedure be set up in order to clarify the claims, rather than this being left to the creditor associations. In a media release Jürgen Kaiser, Erlassjahr's coordinator, demanded that "this most comprehensive of all debt relief measures for a country of the southern hemisphere is unlikely to come about via negotiations in the Paris Club, as the Club represents only a minority of Iraq's creditors. These debt relief measures require an impartial decision-making process that involves all the debtors and all the creditors. The (German) federal government committed itself in the coalition agreement to work towards such an international insolvency proceeding. When, if not in this case, will it implement this commitment?"⁸

International conference in Kinshasa

An international seminar on Congo's illegitimate debts took place in Kinshasa (Democratic Republic of the Congo) in April 2004. Besides Congolese representatives from the various sectors of civil society (churches, trade unions, human rights groups,

⁸ www.erlassjahr.de/content/presse/presseerklaerungen_2004/20040319_irak.php
In German. For an English treatise on this matter by the same German NGO, see
www.erlassjahr.de/content/languages/englisch/dokumente/200403_iraq_paper.pdf.

truth commission, etc.) activists from Belgium, France, Norway, the United Kingdom, South Africa, Congo Brazzaville and Zimbabwe also participated in strategy discussions on how to achieve acceptance of the principle of odious debt at an international level. It was agreed that the Democratic Republic of the Congo should become one of the focal countries of the global movement for the cancellation of illegitimate debts and that within the coming years a large debt tribunal should be organised in order to analyse the former Zaire's debt history precisely and to highlight illegitimate debts.⁹

Working meeting of African Jubilee South representatives

Members of Jubilee South from the African countries Angola, Cameroon, Ivory Coast, Democratic Republic of the Congo, Kenya, Mozambique, South Africa, Swaziland, Zambia and Zimbabwe met in Cape Town (South Africa) in June 2004 to exchange ideas and information on specifically African aspects of illegitimate debt. In their closing declaration they stated that "Africa's debt is illegitimate because historical inequalities arising from slavery, slave trade wars, colonial legacy and unequal trade relations framed the structure for imperial domination and control of our economies and the resultant debt crisis. The international financial institutions and northern industrialised governments have used the deepening cycle of indebtedness as a tool of domination to create favourable conditions for predatory corporate expansion to further loot and plunder Africa's human and natural resources. In this cyclical process Africa has repaid this debt several times over and no longer do we just shout – we don't owe, we won't pay, but declare that Africa is the creditor."¹⁰

South American international Jubilee meeting

South America's Jubilee South organised an international meeting of civil society organisations in Brazil at the beginning of November 2004, in order to debate the possibility of holding a continental debt tribunal. Several organisations had already gathered experience in the staging of national debt tribunals and considered it a good form through which to represent the complex correlation between historical aspects and the current political and economic situation in a broader context. A continental debt tribunal would present an opportunity to highlight those aspects of illegitimate debt specific to South America. South American criticism of debt policies focussed particularly on the effects of International Monetary Fund and World Bank structural adjustment programmes, which in their opinion enforced mono-cultures on the agricultural sector. Relinquishing agricultural diversity has grave ecological (de-forestation and desertification) and social (impoverishment and urban decay) ramifications. Particular attention also has to be paid to the militarisation and para-militarisation of certain regions when analysing the effects of Latin American countries' external debts in detail.

⁹ CADTM 2004b, page 203

¹⁰ www.jubileesouth.org/index.php?option=com_content&task=view&id=63&Itemid=26.

Since the resumption of the legal argument concerning illegitimate debt, analyses have been refined over the course of the last ten years and demands substantiated within the movements of civil society organisations fighting for fair debt relief and debt cancellation policies. Even if sometimes large differences can be observed in the forms activism takes and in the campaign strategies within regional or continental movements, the argument that certain loans were granted illegitimately can nevertheless no longer be wished away. There is great civil society pressure on the international finance institutes. In many cases a detailed analysis of the debt history quite obviously shows the illegitimacy of certain demands. It will nevertheless still take quite a while until the main creditors will declare a country's debts officially as null and void on account of illegitimately granted loans. The case of Iraq shows clearly that the creditor associations will undertake everything in their power to avoid setting such a precedent, for they know only too well that this indisputable case will be followed by many more cases.