

AFRICAN SOCIAL FORUM DEBT WORKSHOP

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TABLE OF CONTENTS

I.	Debt Analysis.	1
A)	The illegitimacy of debt:	1
B)	The racist dimension of debt:	2
C)	The Gender dimension of debt:	2
D)	HIPC and PRSPs:	2
II.	Alternative Solutions:.....	3
A)	Debt cancellation:.....	3
B)	Debt repudiation:	3
C)	Repatriation of stolen wealth:.....	4
D)	Debt and neoliberalism:	4
III.	Strategies	5
A)	National level:.....	5
B)	Regional and continental level:	6
C)	International level:.....	6

The debt workshop was held on the afternoon of the 6th of January and the morning of the 7th. It was attended by more than 40 people on the 6th and more than 60 on the 7th. There was enthusiastic participation as well as a high level of consensus on the issues discussed. This reflected a renewed feeling of the importance of the issues of debt and reparations.

People identified a certain sense in which action around debt and reparations had decreased in the last year or two, due to, amongst other reasons, a conceptualisation held by some that the Jubilee campaign would only run to the year 2000 and a diversion of the energies of many involved in debt issues into participation in the World Bank and International Monetary Fund Poverty Reduction Strategy Papers (PRSPs).

There was agreement that we need to make every effort in putting debt and reparations firmly back on the agenda. Central to this is the need to build the movement against debt and for reparations from the grassroots up. It is only on the basis of the strength of the movement on the ground that we will be able to generate the pressure to attain our demands.

The workshop adopted a methodology of building on the debt workshop held in Bamako, Mali, in 2002 and, as such, this report should be read in conjunction with the 2002 report.

It was structured as follows:

- An update on the current situation, particularly developments since the Bamako workshop
- Discussion on our alternatives and consideration of proposals put forward by other debt groups
- Strategies to implement our alternatives at the national, regional, continental and international levels

I. Debt Analysis.

The workshop endorsed the analysis of debt and the call for unconditional cancellation and reparations developed in Bamako (Mali), last year.

A) The illegitimacy of debt:

The general consensus is that the external debt of Third World countries is odious, illegitimate and immoral. The illegitimacy of debt is based on its historical roots and its structural causes. It is also based on its use by the World Bank, the International Monetary Fund (IMF) and G8 countries as an instrument to perpetuate their control and domination of the economies and countries of the South. The debt is a tool they are not prepared to relinquish.

B) The racist dimension of debt:

In addition, several participants spoke to the racist dimension of debt. Its impact on the people of Africa and the South more generally is of such a devastating nature that every day an estimated 19,000 children die of preventable diseases. This is a direct consequence of the deterioration of the health systems for lack of public investments crowded out by debt service. A catastrophe of such proportions would never be tolerated in Europe or North America, but the lives of people in Africa and the South are clearly considered to be less important than those in the North.

C) The Gender dimension of debt:

The debt burden has particularly harsh consequences for women. Debt repayments and the implementation of conditionalities attached to loans have a severe impact on the provision of government services so desperately needed by women and their households. In addition, structural adjustment programs have destroyed the African agricultural sector, with a devastating impact on women, who are the majority of African farmers. This has led to what many call the “feminization of poverty” in Africa.

Women suffer not only from national debt, but also from individual and household debt. Microcredit models imposed by financial and other institutions from the North have had significant impacts on women in the South. They have contributed to the collapse of traditional forms of credit, entailed the handing over of personal possessions as collateral for credit and resulted in women and their households becoming increasingly trapped in a vicious circle of indebtedness and poverty.

Given the severe impact of the debt on women, it was agreed that much more work needs to be done to integrate gender into our alternatives and strategies.

D) HIPC and PRSPs:

The workshop reiterated the decision taken in Bamako to reject the Heavily Indebted Poor Countries (HIPC) Initiative and the Poverty Reduction Strategy Papers (PRSPs) in that they represent a perpetuation of indebtedness and structural adjustment. The HIPC Initiative has already failed, despite claims to the contrary by the IMF and the World Bank. As for PRSPs, they are the disastrous SAPs under a new name.

There were two significant additions made with regard to PRSPs. First, the promise of some “debt relief” on the completion of PRSPs is being used as a further tool of control in that the “debt relief” is made contingent on countries agreeing to additional conditions.

Secondly, despite the rejection of PRSPs by Jubilee South, the African Social Forum and other social movements in the South, many Northern donors and NGOs have continued to make funding available to organizations in the South on condition that they use these funds to

participate in PRSPs. The workshop resolved to inform Northern donors and NGOs of the decision to reject PRSPs and to encourage them to respect this decision.

Moreover, it was stressed that the solutions to the African debt crisis are to be developed in Africa and that donors should support efforts in this regard.

II. *Alternative Solutions:*

The Workshop stressed the fact that the solutions to the African debt crisis are in Africa and Northern partners should support this view. The workshop stressed that the building of the debt and reparations movement from the grassroots up entails an intensification of our efforts at circulating information and educating people on debt and reparations. It also requires further research and the continual development of our analysis.

A) Debt cancellation:

The Workshop reiterated the call for debt cancellation without conditions imposed by the World Bank, the IMF or G8 countries. This call is based on the historical origins of debt and the need to address its structural causes. In addition, cancellation is the only solution that addresses debt from a human development perspective, contrary to failed conventional “solutions”, including the HIPC Initiative, that tend to focus on narrow economic and financial criteria, such as “debt sustainability”.

However, we need to ensure that resources released by any such cancellation are used to address people’s needs and not misused by the governments in our countries.

B) Debt repudiation:

Given that the G 8 countries, the World Bank and the IMF are not going to relinquish debt as an instrument of domination of their own accord, the Workshop recommended that we increase our efforts to persuade our countries to move toward a collective repudiation Africa’s debt.

This entails taking the necessary steps toward getting the governments of our countries to stop debt service payments. Repudiation will only be successful if it is done collectively. We must therefore develop the momentum toward repudiation across the continent and together with our partners in the Global South (Latin America, the Caribbean, Asia, etc.)

However, caution was expressed that we should take care that our approach to governments to repudiate debt does not get misused by undemocratic governments as a means to gain false legitimacy.

Reparations:

The workshop forcefully reiterated the position expressed in the Bamako Declaration that the debt represents a Crime Against Humanity and argued that the “creditors” be taken to task for their crimes. We must step up our demand for reparations for all the past and present damages caused by debt. In addition, we must fight for reparations for damage caused by structural adjustment policies and megaprojects, such as large dams, mining activity and oil extraction. We must also demand reparations for the plundering of our natural resources and the destruction of our environment.

We need to look at the option of suing the “creditors” for this damage. In this regard, it was agreed to support the court case in which Jubilee South Africa and the Khulumani Support Group are demanding reparations from Northern banks and corporations for their support for the Apartheid regime.

C) Repatriation of stolen wealth:

The Workshop emphasized that the return of wealth stolen from our countries by corrupt leaders and stashed in Northern banks is an important aspect of the overall solution to the debt crisis. Another recommendation was that we should call on the people of our continent who have developed skills and expertise and settled in the North to return and avail their skills to the development of our continent.

D) Debt and neoliberalism:

The workshop stressed the importance of locating our approach to debt and reparations within a broader challenge to values, policies and institutions of the neoliberal paradigm.

It was noted that the World Bank, IMF and World Trade Organisation (WTO) have adopted a policy of coherence between their activities. We should also develop increased coordination in our struggles against these institutions. This entails working more closely with organizations and networks focusing either on broad trade issues or exclusively on the WTO. In our opinion, these three institutions, especially the IMF and the WTO, are illegitimate and should be abolished.

It was noted that one reason that the governments of our countries continue to repay the debt is that they want to be seen as being “responsible” and pursuing “sound policies” so as to attract foreign direct investment (FDI). We need to enhance awareness of the dangers associated with FDI and insist that solutions to Africa’s indebtedness should not be held hostage by misguided attempts to attract FDI.

We need to ensure that our information and education activities include critiques of the neoliberal paradigm. The Workshop recommended supporting campaigns and efforts to introduce taxes on wealth, increase aid flows from the North to the South, with no strings

attached, renationalize privatized assets and reverse the negative terms of trade and financial flows that are crippling the African continent.

Another major recommendation is the need to step up our efforts to develop an alternative development paradigm to the neoliberal global system. In that perspective, the Lagos Plan of Action (1980); the African Alternative Framework to Structural Adjustment Programs (AAF-SAPs, 1989); the Arusha Declaration (1990) and other key documents can be the basis for developing a genuine alternative development. These documents must be enriched by the works of African researchers and institutions as well as the experiences of the African people in their struggles for debt cancellation; against the policies imposed by the IMF, the World Bank, the WTO and the G 8 countries.

III. Strategies

The workshop identified strategies towards implementing our alternative solutions to the debt crisis at each of the national, regional, continental and international levels.

A) National level:

- Build the movement against debt and for reparations on the ground
- Engage in a concerted drive to enhance literacy on economic and debt issues
- Embark on signature campaigns, pamphleteering, debt caravans and related cultural activities
- Develop alliances with other anti-neoliberal campaigns, organizations and movements
- Support national campaigns in other countries

There was extensive discussion on how we relate to the governments in our countries. The workshop characterized the governments on the continent as all too often being illiterate on debt and related issues and as being “subcontractors” for the G 8, the World Bank and the IMF.

Various approaches were identified, with each being influenced by the nature of each government:

- Find ways of working with the governments to influence their policies
- Educate them on issues of debt, reparations and the neoliberal paradigm
- Demand information from them on loans and debt
- Find ways to challenge them, protest and take other appropriate forms of action
- Change undemocratic and dictatorial leaders and governments

B) Regional and continental level:

The workshop endorsed the need for coordinated regional and continental action. It was agreed that we should work towards common action on significant days:

- the 25th of May : African Liberation Day
- the 16th of June : Youth/Childrens Day (to commemorate the Soweto Uprising, in 1976)
- the 16th of December (Zulu Victory over invading Boers, in South Africa)

In addition, each country can choose a specific Day of Action. Furthermore, recommendation was made to strengthening existing national and sub-regional debt coalitions and set up others in countries where they do not exist yet.

C) International level:

The Workshop recommended that more work be done to popularize the findings and verdict of the International Debt Tribunal, held in Porto Alegre in 2002, as a means of strengthening the campaigns in our countries. It was also agreed that we must share the conclusions from this workshop at the World Social Forum in Porto Alegre, later this month.

Particular mention was made of strengthening our relationships with our counterparts in Latin America given the depth of the debt crisis in their countries and the need to work together to implement our solutions.

There was also agreement to strengthen interaction with our counterparts in the North. Particular mention was made of our support for a drive to educate people in the United States on debt issues. The drive is initiated by the African Friends Service Committee (AFSC), whose representative exposed an action plan during the Workshop.

There was discussion on other proposals regarding solutions to the debt crisis, such as an international arbitration mechanism and an international debt/development fund. Different points of view were expressed on those proposals. The consensus was that these issues need further debate before reaching any conclusions.

It was recognized that, in the time available, it was not possible to develop a more detailed strategy, and that the commitment expressed to put debt and reparations firmly back on the agenda requires this to be done. It was agreed that we should look for the means to hold a more in-depth continental Strategy Workshop or, if this proves not to be feasible, Strategy Workshops in each of our regions.

In conclusion, the Workshop recommendations can be summarized as follows:

- In addition to being illegitimate, odious and immoral, Africa's debt has been paid many times over
- It is Africa that is owed an immense historical debt as well as a debt for failed IMF/WB projects
- Debt is used as an instrument of domination and plunder of Africa's resources
- The only solution to the debt crisis is its cancellation without external conditions
- The need to mobilize for a collective repudiation of debt
- The total rejection of the HIPC Initiative, PRSPs and all other IMF/WB policies
- The need to put the debt issue in the broader context of the neoliberal global system
- The solutions to Africa's debt and development problems are in Africa and nowhere else
- The formulation of an alternative development paradigm should rely on some key documents that should be updated and enriched by research and struggles of the past two decades
- The need to strengthen our solidarity with our partners of the South and our cooperation with Northern partners on the basis of our vision and priorities.