



KAIROS UPDATE

*a quarterly snapshot of kairos work
for justice and peace*

ISSUE 2 (APRIL 2005): INTERNATIONAL DEBT

Join the Call for Debt Cancellation NOW!

Five years ago, as part of the worldwide Jubilee debt campaign, the Canadian churches collected more than 640,000 signatures on a petition calling for the cancellation of low-income countries' foreign debts.

Motivated by our belief that God calls us to act with justice, we pressured our government to change its position on debt, and on the conditions that multilateral institutions such as the World Bank and International Monetary Fund (IMF) impose on the Global South when they provide debt relief through the Heavily Indebted Poor Country (HIPC) Initiative. The moment we chose for this campaign, the turn of the year 2000, was a year of Jubilee, a time when the Bible calls us to cancel debts and restore equity among peoples, an imperative that Jesus lived out in his ministry.

Today the Jubilee debt campaign is being carried forward by KAIROS. KAIROS is also uniting Canadian churches in the global *Make Poverty History* campaign calling for the unconditional cancellation of 100% of the debts owed by the poorest countries as well as more and better aid, trade justice and an end to child poverty in Canada.

We are living in a *kairos* moment, a time of grace and opportunity when God challenges us to take decisive action. In the last 5 years, some bilateral debts have been cancelled and a moratorium has been placed on collecting some debts owed by countries affected by the Asian tsunami of 2004. But only about one third of the debt relief promised at the 1999 Cologne G8 Summit has been delivered. Meanwhile multilateral debts, owed mostly to the IMF and World Bank, have increased. For every \$1 of Canadian bilateral debt relief, Sub-Saharan African countries owe another \$94 to multilateral financial institutions.

Now, as the leaders of the world's wealthiest nations prepare to meet this July in Scotland for their annual G8 Summit, their Finance Ministers have made proposals that will benefit only a few countries that adhere to IMF and World Bank conditions.

It is time for us — the 640,000 Canadians and the 24 million around the world who participated in the Jubilee campaign—to tell the G8 that we need **Debt Cancellation Now!** for all impoverished countries. This is your chance to participate!

- **Read...**Hear a story from Zambia that brings home the real costs of dithering on debt.
- **Act...**Copy the letter on page 4 and circulate it broadly. Mail signed copies free of charge to Prime Minister Paul Martin and Finance Minister Ralph Goodale
- **Pray...**Lift up the concerns of our brothers and sisters around the globe in prayer.

PRAYER

Liberating God,
We are inspired by the vision of Jubilee
to dream of a new beginning for us and our brothers
and sisters,
burdened by debt around the globe.
Make that dream real through the justice-seeking
work of our hands and through our voices raised in
partnership with others the world over.
Convert to compassion the hearts of those with
power.
Disturb, challenge, sustain and inspire us,
that we may live the Jubilee in our place and time.
Amen.

Prayers of Confession

One: For liberation from all that separates us from
God and from one another

All: Kyrie eleison

One: For our complicity in creating debilitating
debts that perpetuate poverty and engulf hope, Let
us pray

All: Kyrie eleison

One: For continually exploiting the earth's resources
in our pursuit of short-sighted goals, Let us pray

All: Kyrie eleison

One: For excluding our brothers and sisters from
God's bountiful table, Let us pray.

All: Kyrie eleison

(1999 Canadian Ecumenical Jubilee Initiative)

From Debt Relief to Debt Cancellation

Canadian Finance Minister Ralph Goodale has recognized the failure of the Heavily Indebted Poor Countries (HIPC) initiative, noting that 6 of the 11 African countries that have completed the process still have unsustainable debts. He has also observed that “debt payments (especially to the International Financial Institutions) are too high relative to servicing capacity and social needs.” He has also stressed the need to treat all poor countries “equitably,” and has admitted that the IMF and the World Bank “need to become more sensitive to local conditions, especially with respect to structural reform conditionality.”

It is time for our government to move beyond **questioning** and tinkering. It is time to **abandon** the current IMF and World Bank model which has resulted in disappointing levels of economic growth, efficiency and competitiveness, the destruction of national productive capacity, extensive environmental damage and growing poverty and inequality.

Our African partners insist that many debts contracted by repressive or despotic regimes and used contrary to the interests of people are “odi-

ous debts” that need never be repaid. They cannot be repaid without harming people and communities by denying them essential nutrition, water, health care or education.

Our government must move from offering “debt cancellation” for just 18 to 38 poor countries to full multilateral debt cancellation for all impoverished countries.



Emily Sikazwe with Gladys Jarazo of Peru and Davie Malungisa from Zimbabwe on Parliament Hill

We call on the Canadian government to recognize this “*kairos moment*” and champion the unconditional cancellation of 100% of the multilateral debts owed by impoverished countries. We also call for the provision of sufficient additional Official Development Assistance to enable them to meet the Millennium Development Goals.

International financial institutions can and must bear their share of the costs of debt cancellation. These costs can be met through the use of a variety of measures, such as through the IMF’s gold reserves and the World Bank’s loan loss provisions and retained earnings.

KAIROS unites eleven churches and church agencies in faithful action for justice and peace. KAIROS members are: The Anglican Church of Canada, Canadian Catholic Organization for Development and Peace, Canadian Conference of Catholic Bishops, Canadian Religious Conference, Christian Reformed Church in North America (Canada Corporation), Evangelical Lutheran Church in Canada, Mennonite Central Committee of Canada, The Presbyterian Church in Canada, The Primate’s World Relief and Development Fund (PWRDF), Religious Society of Friends (Quakers), The United Church of Canada
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"It is so easy to die in Zambia..."

by Emily Sikazwe

Lately I have spent a lot of time at Zambia's University Teaching Hospital. This is the major government hospital where our citizens go in case of a major complication that the clinics or regional hospitals may not be able to deal with. My comrade and friend in the struggle for social justice is unwell. In times like these, we activists stand by each other. A small group of us has been taking turns checking on him.

Once upon a time this hospital was a symbol of national pride. Now we call it the "departure lounge" —the place where Zambians spend the last moments of their life. I have been at the hospital for an hour or two three times a day. As I park my car I see a familiar face. When I walk towards her she bursts into tears. I do not have to ask. Someone close to her has died.

As I try to comfort her, I see bodies being brought into the hospital already dead. They are from the homes of those who cannot afford to come to the hospital. They are dying because of the hospital user fees forced on our government by the International Monetary Fund and the World Bank.

At our prestigious hospital, there are no essential drugs, not even simple antibiotics, sterile cotton or disinfectants to clean properly. Each time I go to check on my colleague, I am given a prescription to buy medicine. I wonder, what about the poor people who cannot afford to buy? What happens to them?

It is so easy to die in Zambia. Life has become so cheap. I recall asking a nurse how many people die here everyday. "About 70-100 deaths," she answered. "How many are brought in dead from their homes?" "About thirty every day," she replies. "How about in the intensive care unit?" She responds, "the mortality rate is very high there too."

Many coming to the hospital are part of the HIV/AIDS pandemic which has strained the system far beyond the breaking point. HIV/AIDS in Africa has had devastating effects on our economies and the social landscape. The national budgets are overstretched; the most productive humans between 25 and 55 years of age are being wiped out. HIV/AIDS is not only a killer, it is the most dehumanising and hideous blot that has been placed on the human race.

At the University Teaching Hospital, nurses must volunteer to do more shifts just to make ends meet. Their salaries, however, cannot be reviewed because the IMF has imposed a wage freeze. Our government says they have to comply with World Bank/IMF conditions in order to get debt relief. In desperation the nurses and doctors run themselves into exhaustion. What sort of a human being can do all these jobs and still be expected to perform to the best of their abilities?

Coping with the donor imposed wage freeze and poor working conditions pose a health risk, a security risk, and an economic risk as most medical professionals, who were trained at great cost, are dying.

If my friend was an ordinary citizen he would be dead by now. But because he is a political figure the hospital moved mountains to save his life. His family is not poor. Whatever additional medicine that was needed was purchased. Ordinary Zambians don't survive. They continue to die like flies because they are poor. I wonder: Are our lives different? What is the economic difference between

the life of a European, an American and an African? What is the economic value of these lives? Can any economist from the World Bank and IMF tell me what it means in economic terms?

I now have come to understand the question of debt more clearly than ever before. We are being squeezed dry by the World Bank and IMF because at one time or the other our country borrowed money. Now we are paying and will continue paying, literally through the blood of Zambia's people now dying at home and in the care of a collapsed health care system.

The G8 leaders will meet this July in Scotland. Africa is high on the agenda. If I could speak directly to them I would tell them this: A better world is possible for Africa and its children. **Cancel our debts now: fully and unconditionally.** Let us rebuild our lives with dignity and respect.

Emily Sikazwe is Executive Director of Women for Change, a Zambian NGO committed to empowering remote rural communities towards the eradication of all forms of poverty.



Photo: Calla Evans

Mother of Mercy Hospice Chilanga, Zambia

Rt. Hon. Paul Martin, M.P., P.C.
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Martin,

I support the leadership role Canada has played in moving the G7 to accept the principle of 100% multilateral debt cancellation for the world's poorest countries. However, much more remains to be done. I call on you to take leadership in resolving the two major shortcomings in the proposal when you and the other G8 leaders meet in Scotland this July for your Summit.

First, 100% cancellation of multilateral debt must be extended beyond the 18 Heavily Indebted Poor Countries (HIPC) currently considered eligible. While 20 more countries might qualify there are 62 countries that need full debt remission to meet the Millennium Development Goals.

Secondly, countries must still apply harsh IMF and World Bank adjustment measures that may prolong rather than end poverty before they qualify for debt cancellation.

More than 130,000 Africans die every week from preventable causes, including HIV/ AIDS, malaria, tuberculosis and contaminated water. Yet Sub-Saharan African countries continue to pay about US\$12 billion a year servicing debts that are illegitimate because this money is urgently needed for health care, clean water and sanitation.

Given this ongoing human tragedy how can creditors collect even one dollar in debt service from these impoverished countries?

At the upcoming Gleneagles Summit we call on you to lead a movement to:

- EXTEND the agreement for 100% cancellation of the debts owed to multilateral financial institutions to all impoverished countries that need debt cancellation in order to meet the Millennium Development Goals.
- ENSURE that countries are free to implement their own national development strategies by ending IMF and World Bank Structural Adjustment Programs;
- GUARANTEE adequate financing for impoverished countries including through the dedication of 0.7% of Gross National Income to Official Development Assistance.

Yours sincerely,

cc
Hon. Ralph Goodale, M.P., P.C.,
Minister of Finance
Ottawa, Ontario
K1A 0A6