

# DEBATING

## Debt and Development

### European Debt and Development Conference

The European Network on Debt and Development's conference held in Copenhagen in November enjoyed the highest attendance in many years. There were representatives from debt groups all over Europe and also from America, as well as Southern groups - from Uganda, Zambia, Ghana, India and Indonesia. The conference was divided into two strands one focusing on Debt and the other on Economic Empowerment. Caoimhe de Barra and Deirdre Keogh attended from Ireland. Below they give a flavour of the discussions.

### Economic Empowerment

***The empowerment strand was a rewarding experience, with inputs by some of the leading thinkers and activists in this area of work. Speakers included: Professor Rahman Sobhan, South Asia Centre for Policy Dialogue (Bangladesh); John Samuel, National Centre for Advocacy Studies (India); Silvia Angey, Community Development Resource Network (Uganda); Mariama Williams (International Gender and Trade Network - Caribbean); Lisa Veneklasen, Just Associates (international); Walden Bello, Focus on the Global South, Thailand; and Malcolm Damon, Economic Justice Network, South Africa.***

### Debating the issues

The aim was to explore policies and practices in empowerment for poverty eradication. While there was agreement that the structures underpinning inequality and poverty perpetuation had to be tackled, and that political analysis of power and processes is critical, there was some contention around practices. Contentious areas included using the market as a vehicle for empowerment of the poor, e.g. by increasing their commercial and economic bargaining power.

Walden Bello spoke of the power relations which can mean that even pro-poor legislation becomes effectively annulled by the powerful through non-cooperation. He used the example of the land reform laws in the Philippines. Empowerment is a zero-sum gain in his view: in order for some people to gain power, someone else has to cede control. This is what makes work in this area difficult and often dangerous.

### Role of Northern NGOs

The role of Northern NGOs in empowerment and advocacy was addressed frequently. John Samuel, of the NCAS in India, offered the view that empowerment is about getting out of extractive relationships. Northern NGOs must be mindful that their actions can be extractive - in seeking attractively-packaged case studies and testimonies, for example. However he cautioned that Southern organisations can also turn a partnership with northern NGOs to their own ends in a non-transparent manner.

Ultimately, the role for Northern NGOs is to engage in dialogue with southern NGOs and be clear on their priorities; to define relationships with Southern NGOs in terms of reciprocity, rather than extraction; and to give strategic support to Southern NGOs at key moments.

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## Debt

***The Debt strand focused primarily on how the Millennium Development Goals (MDGs), which include a commitment to halving the level of poverty and halting the spread of HIV/AIDS by 2015 can be delivered. Debt cancellation would certainly help indebted countries achieve the MDGs but the challenge is getting rich country governments, the IMF and the World Bank to agree.***

### **Millennium Development Goals: Pros and Cons**

There was a great deal of energy among the delegates and issues were hotly debated. It was pointed out the MDGs were not a new idea. Indeed a similar set of goals is featured in the Indian constitution dating back over 50 years. Many of the Southern delegates were far more concerned with challenging the imbalance of power and the role of the IMF and World Bank than with focusing on the MDGs. It was also noted that the MDGs could be used as a rationale for promoting the privatisation of services in the developing world. On the other hand it was said that the MDGs could be viewed as an accountability tool in terms of how rich country government conduct their overseas aid programs. A further concern saw the MDGs as being charity focussed whereas debt cancellation is about justice.

Charles Gore from UNCTAD the United Nations Council on Trade and Development considers the MDGs to represent a shift away from the 'catch up' approach to development. In relation to debt he spoke of how the poorest countries in the world are caught in an international poverty trap where debt plays a central role. Debt relief he said is crucial if these countries were to be given any chance of getting out of that trap and meeting the Millennium Development Goals.

### **Fair Procedure**

There was also considerable talk about the need for a fair and transparent procedure to deal with debt. The German debt campaign Erlassjahr are very much involved with this issue. In our last newsletter we wrote about the IMF's Sovereign Debt Restructuring Mechanism and it is believed that next Spring, the IMF will announce the introduction of such a mechanism. Conference delegates were warned that the IMF's mechanism may bear little resemblance to the fair and transparent procedure as advocated by debt campaigns and delegates were urged to start campaigning on the issue as soon as possible.

### **New Debt Campaign**

On a positive note there was great interest in the idea of promoting a new international debt campaign. There was an agreement that debt campaigns would work together to improve channels of communication and various campaign ideas were put forward including supporting the Irish governments new debt policy.

*Deirdre Keogh,  
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