

Contributions and demands from the global Debt movement

Numerous networks, movements, campaigns and organizations, working on the issue of South country debt nationally, regionally, and globally, many of which collaborate regularly in the “South-North International Campaign on Illegitimate Debt”, have joined together to manifest the following contributions and demands to the governments participating in the UN Conference on the World Financial and Economic Crisis and its Impact on Development (New York, June 2009). They build on the concerns and demands expressed earlier, in the context of the UN Financing for Development Follow-up Conference (Doha, November 2008), as well as the South-North Platform on Sovereign, Democratic, and Responsible Financing and other relevant joint statements in response to the present crises and the action of the G20.

1. International financial institutions and global economic and financial governance must be democratic and accountable.

The present crisis is global and systemic and requires systemic, global responses. Its origins are to be found in the workings of a fundamentally flawed system that is driven by capital accumulation and is based on the exploitation of peoples and nature. Non-democratic and non-transparent global actors such as the the IMF and the World Bank Group, the Financial Stability Forum, WTO, the G7, G8, share primary responsibility for the policies that have contributed to the current crises; they should be held accountable for their actions rather than entrusted with the crafting of solutions. The United Nations must be used as the principal forum for advancing global debate and governance over the international financial and monetary system; its strengthening, including through a much greater participation of civil society, will enable it to better fulfill its responsibilities in this regard.

2. Measures to address the present crises should not be financed through new lending.

The financial, economic, food, energy, and climate crises render governments and peoples throughout the South, and in particular women who dominate the food sector and are largely responsible for social reproduction, more vulnerable to the accumulation of new loans and debt servicing that come at the cost of health, food, education, and housing of the world’s population most in need, as well as their control over fundamental policies and resources. Yet they have not been responsible for the decisions, policies, and actions that have provoked these global crises. Thus, to saddle them now with new debt, in response to these situations of crisis, is unacceptable and illegitimate. Responses to these crises should not come in the form of new lending but rather, the governments, international financial institutions and private interests responsible for the crises should provide suitable compensation for the damages wrought, including also restitution and reparations for the accumulation of ecological, historical, social, and economic debt that the North owes the South.

3. Debt cancellation and the repudiation of illegitimate debt are needed to free-up resources for crises responses.

Resources are clearly needed to implement policies focused on preventing and responding to the impacts and consequences of the current crises and ensuring the necessary resources for development. South countries and peoples must be respected and strengthened in their capacity to maintain and use for the sovereign promotion and protection of their basic rights and those of the environment, the resources and wealth they now have and produce. Debt cancellation, non-payment, and repudiation are essential steps in this direction, recognizing the obligation of governments everywhere to give primacy to fulfilling their human rights obligations over any commercial agreements. The undertaking of comprehensive and participatory Debt Audits would be a complementary step enabling governments together with the social movements and organizations of their countries, to establish clearly who really owes who and to initiate appropriate actions to secure justice and compensation for illegitimate and odious debt that has been repaid unjustly.

4. New mechanisms for the resolution of debt disputes should be established.

It is clear that the problem of debt accumulation and re-accumulation – including in particular the issue of illegitimate and odious debt - must be tackled in a forward-looking way that looks comprehensively at lending and borrowing and locates these processes in the broader context of the international financial system with due regard to the historic relations of inequality and exploitation that shape present financial flows and concentrations. The capacity of borrowing governments to undertake unilateral action in defense of the rights and needs of their citizens, including the repudiation of illegitimate debt, must be strengthened, and new mechanisms created for the settlement of debt disputes whereby the sovereign rights of borrowing countries are respected and judgements are based on transparent and impartial evaluation of cases. Existing arenas for addressing debt disputes are dominated by lenders, where they serve as both interested parties and judges, and their inadequacy has been clearly established. The UN should also initiate work toward the development of a common platform or code on sovereign, democratic, and responsible financing, involving not only Member States but also civil society organizations.

5. The UN must address the linkages between debt, trade, and other issues and support the development of alternatives.

Other problems that cause the huge flow of resources OUT of South countries must also be addressed in order to strengthen the capacity of South countries to respond to the current crises, ensure compliance with universally accepted human and environmental rights and standards, and support the development of alternative financial and economic systems. These include tax havens and holidays for multinational corporations, unregulated profit remittances and capital flows, the mercantilization and denationalization of basic human rights and services such as land, territorial rights, water, and electricity, and unfair trade agreements and investment protection treaties that now impede countries and peoples from exercising their sovereignty over their resources. The negotiation of new free-trade agreements should be stopped and existing agreements reviewed and countries urged to withdraw from quasi-jurisdictional fora such as the World Bank Group's International Center for the Settlement of Investment Disputes (ICSID).

It is not too late

Many of the above policies we call for as civil society organizations and movements from all regions concerned with the well-being of the peoples of the world are reflected in the *Draft Outcome Document on the World Financial and Economic Crisis and its Impacts on Development* initially presented by the President of the General Assembly. We have however witnessed with the utmost concern how this Conference has been boycotted and most of these proposals blocked or replaced with more “business as usual” recommendations. It is not too late for this situation to be corrected. We therefore call upon on all nations, and in particular those rich and powerful countries of the North and those who have chosen to cast their lot with the G20 instead of the G192, to adopt these and other necessary policies and measures now, as a contribution to the ensuring of a more equitable, stable, and peaceful future for the majority of the world's peoples and our common home, the planet earth.

Initial Endorsements: International South-North Campaign on Illegitimate Debt-International Facilitating Team, Jubilee South, Eurodad, Afrodad, Latindadd, SLUG-Norway, Jubilee Holland, CAFRA-Sta. Lucia, ANEEJ Nigeria...