



Beyond Jubilee

Global Economic Issues
for the New Millennium

from the Sisters of the Holy Cross
Congregation Justice Committee
& the Holy Cross
International Justice Office



An End . . . and a Beginning

During the time of Jubilee, movements for global economic justice made phenomenal progress! Over 24 million people from 166 countries and all major faiths came together to demand debt cancellation for the world's poorest countries. Together, they refashioned public opinion about third-world debt and brought about substantive change.

- ★ By December 2000, 22 countries had received debt relief. On average, 30 percent of their debts will be cancelled over the next five years.
- ★ The World Bank and International Monetary Fund agreed to become more open in their operations and more accountable for their policies.
- ★ The governments of debtor countries were made more accountable for their use of loans and grants. Civil society and NGOs now play a monitoring role, reducing corruption and the misuse of funds.

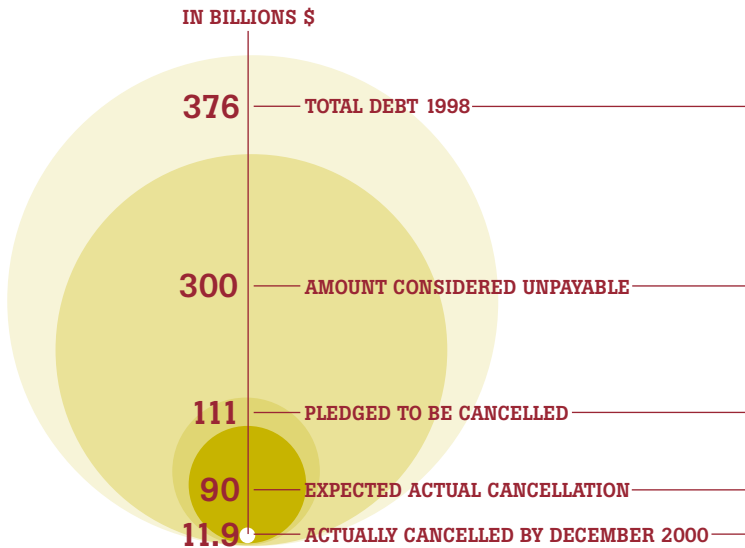
In addition, the World Trade Organization meeting in Seattle mobilized a broad coalition of debt activists, environmentalists, labor, and people of faith to oppose "free trade" and its harmful effects on people and the environment. And citizens of the global North and South found a new solidarity working for the common goal of economic justice.

We celebrate these successes; yet, we know there is still much to be done. The Jubilee Year has ended, but the challenge to create Jubilee justice remains. The struggle to right relationships, liberate captives, cancel debts, and restore the land continues into the new millennium.

«Cancelling Debt»

Debt cancellation is only in its beginning stage. Many developing countries—especially those in sub-Saharan Africa—are still forced to spend more on debt repayments than on education and health combined. Malnutrition and child mortality in debtor countries continue to increase; the U.N. estimates that 19,000 children die each day as a direct result of debt.

«Debt cancellation for Jubilee 2000's 52 countries»



To truly remedy these problems, **debt cancellation must be**

- * **faster**—creditors stop taking payments from poor countries immediately;
- * **deeper**—all creditors, including the World Bank and the IMF, cancel 100 percent of the debts of the world's poorest countries;
- * **broader**—World Bank-designated “middle income countries”—like Bangladesh, Peru, and Haiti—made eligible for debt cancellation;
- * **fairer**—debt cancellation initiatives freed from creditor control.

Cancelling poor countries' debt is essential to righting global economic relationships, but debt relief alone will not establish the justice of Jubilee. To ensure Jubilee justice, the entire global economy must be restructured—and that restructuring must include profound changes in

- * global trade policies and
- * our economic relationships with the earth.



((Taming Trade))

In this age of accelerated globalization, no country can or should remain economically isolated. However, the “free trade” approach to globalization—embodied in the *North American Free Trade Agreement* (NAFTA), *Free Trade Area of the Americas* (FTAA), and the *Africa Growth and Opportunity Act*—is neither inevitable nor acceptable from the standpoint of justice. Unregulated global trade dramatically increases competition, which in turn pressures firms to cut costs—usually by lowering standards for worker rights and human and environmental safety.

“Free trade” is anything but free. In fact, experience with NAFTA-styled treaties and rulings of the World Trade Organization (WTO)—global enforcer of trade agreements—indicates that the cost of free market economics is high indeed. Free trade takes a heavy toll—on human rights, on workers, on the health of people and the earth.

- * **Free market economics promotes corporate “rights” at the expense of human rights.** A Massachusetts (USA) state law imposing economic sanctions on Myanmar (Burma) for human rights violations has been challenged in the WTO by Japan and the European Union. Allegedly the law violates a WTO rule that government contracts be awarded on economic bases alone—with no regard for social or political goals. If Massachusetts loses this case, the ruling will undermine the ability of governments everywhere to promote human rights through economic sanctions.
- * **NAFTA-style trade agreements lead to job instability, depressed wages, and erosion of labor standards in both developed and developing countries.** NAFTA promised 200,000 new jobs per year in the United States; instead, the new jobs have not materialized and the U.S. Department of Labor has documented the loss of at least 263,000 jobs as a result of the agreement. NAFTA promised a higher living standard in Mexico. But since NAFTA’s implementation, the Mexican poverty rate has risen to 60 percent of the work force, wages have declined by 29 percent and maquiladora employment—with its substandard wages and working conditions—has burgeoned.
- * **Free-trade agreements subvert environmental protections and national sovereignty.** In 1997, Canada imposed a ban on the import/transport of a gasoline additive MMT whose primary ingredient is a known toxin. MMT’s producer, the Ethyl Corporation, sued the Canadian government for \$250 million under NAFTA, claiming the law would eliminate expected profits. The Canadian government settled the suit, agreeing to pay Ethyl \$13 million in damages, and repealed the law—putting public health and the environment again at risk.

REGATIONAL COMMITMENTS TO



((Safeguarding)) the Earth

It is increasingly clear that the earth cannot sustain the burden of a free market economy. In all areas of the world, agricultural lands are stressed, forests overcut, seas overfished, and land, water and air poisoned with chemicals and human waste. The very habitability of the planet is jeopardized for the sake of corporate profits.

The only way to restore and maintain the health of the earth is to reduce *human* impact on the environment. Yet champions of neoliberal economics continue to insist on maximized production and profit, and unrestrained growth—with no regard for human and non-human costs. The “free” market is creating intolerable stress for planet and people alike.

★ **Free market specialization and production for export strain the environment and disrupt local economies.**

In Andhra Pradesh, India, farmers who have traditionally grown a variety of foods for local consumption have been lured by seed companies to produce cotton for export, using expensive, non-reproducing hybrid seeds. The hybrids are extremely vulnerable and require extraordinary levels of costly pesticides to survive. Farmers have become so heavily indebted, they are now using the same pesticides to end their lives.

★ **Free market deregulation sanctions products which threaten biodiversity and public safety.** Production of genetically modified organisms (GMOs) is a multi-billion dollar industry. Yet emerging data indicate that GMOs endanger both the environment and human health. Crops engineered to resist herbicides can pass this resistance to weeds, thus increasing the demand for chemical use. And when GMOs eradicate weeds and insects, they endanger species which depend on them and upset biological balance. GMOs are also dangerous for humans with allergies who may inadvertently ingest harmful transplanted genes. Yet, the biotech industry resists even the labeling of GMO products.

★ **Corporate “biopiracy” exploits the natural resources and traditional knowledge of indigenous peoples.** People of the global South have long been denied financial compensation for the exploitation of their natural resources. The piracy and patenting of indigenous knowledge is doubly offensive. It means people must pay to use seeds and medicines they themselves have evolved. Examples of such “biopiracy” abound. A medicinal Thai plant, *Plao Noi*, has been patented by a Japanese company and Thais have lost all rights to market it. The University of Wisconsin has patented the genes of a super sweet West African plant; resulting engineered products could undercut markets of traditional sugar producers. And a U.S. company has sued Mexican bean exporters, claiming that beans grown for generations by Mexican farmers infringe upon its monopoly patent.

JUSTICE CALL US TO ACT!



((What Can We Do?))

- 1) **Add your name to a letter from the Holy Cross Congregations to the World Bank/IMF calling for immediate, expanded debt relief.** The letter is posted at the Holy Cross International Justice Office web site at www.holycrossjustice.org. Please sign by April 27 in time for the spring meetings of the World Bank and IMF.
- 2) **Join campaigns to make U.S. and Canadian corporations more accountable for their activities around the world** by contacting the International Right to Know campaign (United States) at www.irtk.org and the Canadian Catholic Organization for Development and Peace at www.devp.org (click on "current campaigns").
- 3) **Learn more about economic issues and actions you can take by signing up for the free quarterly newsletter of the Holy Cross Global Economic Justice Network.** Contact the Sisters of the Holy Cross Congregation Justice Coordinator, 400 Bertrand Annex—Saint Mary's, Notre Dame, IN 46556-5018; (219) 284-5303 or ann@cscsisters.org.
- 4) **Become part of the Earth Charter Initiative,** a global movement promoting change for an ecologically sustainable future. Discuss the Earth Charter and its implications with people in your communities and encourage friends and associates to endorse the charter at their web site (www.earthcharter.org).
- 5) **Send stories about the impact of economic globalization and free market economics on your local setting to the Holy Cross International Justice Office.** Your news will be posted on the HCIJO web site to inform other members of the Holy Cross family and friends of economic issues in your community.
- 6) **Involve your community in economic justice work.** Share this brochure with friends, co-workers, and community groups. Ask them to pass it along through their networks and contacts. Together, write letters and articles for newspapers, lobby government officials, and promote public debates about the issues described in this brochure.
- 7) **Watch for more information on these issues in the triannual HCIJO newsletter!**



((Resources))

Jubilee USA Network

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Jubilee South

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Global Trade Watch

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Ecological Debt Campaign

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Third World Network

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For more information,
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