

**CANADIAN COUNCIL FOR INTERNATIONAL COOPERATION**

**CCIC ANNUAL GENERAL MEETING**

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**CONTRIBUTION BY SUSAN GEORGE**

Dear Friends and Colleagues,

First of all many thanks to Gerry Barr for asking me to contribute to this important event, it's a great honour and I also feel I've been blessed by a kind of vast economy of scale because in reality the CCIC has offered me the opportunity to speak to about a hundred organisations at once. Most of these organisations as I understand it are Anglophone but I will make some remarks in French as well: je ferai une partie de mes remarques en français et pendant la discussion je serais heureuse de répondre aux questions et aux commentaires en français.

The title of this session is Poverty, Human Rights and the Global Economic Crisis: What Should Civil Society Be Doing? I'm pretty sure that everyone here recognises that we are in the midst of a systemic crisis that touches every aspect of human existence and creates, as usual, more damage to the poor and vulnerable than to others, particularly in the global South. When we say "systemic", let's try to visualise the crisis in concentric circles starting with the biggest circle of all, the biosphere and the planet. Here, climate change is taking place much faster than the UN experts of the Intergovernmental Panel on Climate Change IPCC imagined even two years ago. Just a couple of figures: the Arctic summer ice was 2.6 meters thick in 2003 and only half that in 2007—1.3 meters. The more such phenomena advance, the faster they take place—this

acceleration is called a positive feedback loop. This meltdown is affecting the permafrost in a 1500km radius around the pole which is melting as well and emitting huge quantities of methane, a greenhouse gas twenty times more potent than CO<sub>2</sub>.\*

Soon Canada can look forward to an ice-free Arctic passage during at least three months of the year and that seems to be just about the only aspect that interests governments and business. This isn't the aspect of rapid climate change that should interest civil society and the CCIC members in particular. We already know the impacts of climate change will hit the South far harder than the North; for one thing, food production will fall. Many countries, particularly China and South Korea are already leasing or buying huge tracts of fertile land in Africa and I don't think that land is intended to produce food crops for Africans. Access to water will be even further diminished. If women are already walking, say, 10 km a day to reach the nearest well, what happens when they must walk fifteen or twenty? There are limits to the conditions of life that can be borne and that means huge numbers of people are going to migrate because they have no choice. When sea levels rise and half of Bangladesh is underwater, then what?

What are northern governments going to do then? Line up their armies at the borders with machine guns and mow down the innumerable climate refugees as they try to cross? No one seems to be planning for such emergencies although they lie just a few miles down the road. Diseases are going to spread further

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\* David M. Lawrence et al., 2008. Accelerated Arctic land warming and permafrost degradation during rapid sea ice loss. *Geophysical Research Letters*, Vol. 35, 11506.  
doi:10.1029/2008GL033985.

<http://www.cgd.ucar.edu/ccr/dlawren/publications/lawrence.grl.submit.2008.pdf>

and faster, affecting the South of course but also people like us. Devastation of species which are our life-support systems is proceeding at a rate which scientists tell us is about 1000 times the normal background rate of species extinction. From the time you entered this room this morning until you leave it this evening, about 80 species will have disappeared forever.

I only mention pour mémoire the extreme weather events, the hurricanes and floods and droughts that will ravage more and more poorer communities. Let me say it in French: La sécurité et la santé personnelles, l'accès à la nourriture, à l'eau, aux médicaments, les équilibres géopolitiques et stratégiques, la cohésion sociale, la paix—tout cela est menacé par l'écroulement des systèmes planétaires qui n'en peuvent plus. And it's important enough to repeat in English : Personal safety and health, access to food, water and medicine, geopolitical and strategic balance, social cohesion and peace itself are threatened by collapse of ecological systems strained to the breaking point. And please let's stop talking about "future generations". With accelerating climate change, we are talking about our own generation, there here and now.

That's the first circle, the planetary one—Dante if he were alive might call it the first circle of hell and it's that hell that the kind of people assembled here are professionally and humanly called upon to prevent and plan for. Let me move now to the next concentric circle, that of the international institutions that have the most influence on the fate of billions, institutions like the International Monetary Fund, the World Bank, the World Trade Organisation etc to which we should now add the G-20—an innovation brought about by the financial crisis and the finance lords themselves, the masters of the globalised financial universe. Personally I find this self-designated group no more legitimate than the G-8—what about the G-172 of all the countries left out?

The most astonishing aspect of this international system is that not a single one of these formal or informal institutions foresaw the crisis, or if they did, they didn't tell the rest of us. I wish I had a dollar for every time I have heard some official or business person say "No one saw this coming". That, I'm sorry, is rubbish. Even I saw it coming and I'm not even an economist. Every Attac summer university for several years has included lectures on the coming financial crisis. At the Transnational Institute, the other organisation I'm especially close to, we called it the casino economy and we knew it was moving towards the inevitable crash. Many others were saying the same things, but people always prefer euphoria to gloom and Cassandras are not welcome especially when markets are rising. Realists call these markets nothing but bubbles.

I wish I had time to describe to you how so-called "leverage" effect worked—leverage means the capacity to borrow up to, say, 35 dollars for every dollar you actually have in your pocket and until the bubble burst, leverage allowed speculators to make more than 250 percent annual gains on every dollar invested. The financial sector had become totally detached from the world economy.

The entire unfolding of the crisis was also accompanied by denial—first it was going to be limited to the housing sector, then it was not going to affect the real economy at all, then it would hit just the US and British banks and the global South would escape and on and on. Well, now we know. But have the international institutions proposed any real solutions? Not at all. Unfortunately the G-20 decided to give a flood of fresh cash, \$750 billion to the IMF where as we know, the South has very little power and the US has the votes to veto the most important decisions. The IMF along with its partner the World Bank is famous for its structural adjustment policies imposed for decades on poor

countries. I do not need to tell this audience about the devastation these austerity policies created, particularly for poor and vulnerable groups. The G-20 took no action on the continuing debt crisis that gave rise to structural adjustment in the first place and we have not been told whether the IMF will be imposing the same conditions as before—we do know that the World Bank continues to insist on liberalisation and privatisation. Once more, the people least responsible for the crisis and least able to cope with its effects are going to be most affected. The irony is that this time last year, the IMF itself was in profound crisis and laid off fully twenty percent of its staff.

The G-20 also placed much emphasis on resuming world trade but civil society experts have proven, at least to my satisfaction, that the Doha Round is not a “Development” round as it is touted to be but is in fact grossly unfair to developing countries. If they cut their tariffs in line with the most recent WTO negotiations, the poorest countries will lose twenty percent or more of their revenues which they get from tariff income because they can’t or won’t tax their wealthier citizens. Thus a conclusion of the Doha Round would be a threat to already meagre amounts spent on health and education.

Even worse are the Economic Partnership Agreements that Europe in particular is forcing on many poor countries, particularly the 78 ACPs, African, Caribbean and Pacific nations, many of which are among the poorest in the world. Trade agreements now concern far more than trade—they aim for deregulation of so-called “Behind Borders Barriers” and demand freedom of investment and freedom to bid for government procurement contracts. As soon as our transnational corporations are free to invest where and what they please, they quickly swallow local businesses along with thousands of jobs. As soon as our banks take over, they do not loan to small farmers and local entrepreneurs. And

as I'm sure you know, developing countries are especially threatened by our trade rules on intellectual property rights.

I suppose that in your daily work, you are most concerned with the innermost national and local concentric circles. You all remember for example the food riots in over thirty countries in the spring of last year when prices for basic staple foods doubled or tripled. Tens of millions of people were suddenly plunged back into hunger and extreme poverty. Although weather events played a part, the dizzying price increases were due mostly to two causes: a huge expansion of agro-fuel crops allocated to feeding cars, not people, and above all speculation on commodities.

When the subprime crisis scared investors out of the property- and mortgage-based securities markets, they flooded the markets for contracts in wheat, corn and soya as well as other raw materials like petroleum. Since these markets are almost totally unregulated, it was no surprise that billions in bets were placed in food contracts, to the point that, at one point, the price of wheat increased by 31 percent in a single day.

Because structural adjustment policies had also forced the poor indebted countries to concentrate on export crops and because major funders like the World Bank had drastically reduced their support for local agriculture, it was no surprise either that millions of poor people were suddenly obliged to buy food at inflated world market prices. Last year was the first time in history that food riots took place simultaneously throughout the world. They were also urban riots or at least urban periphery riots—many of the rioters were undoubtedly former farmers who had lost their land or failed because of dumping of agricultural goods from rich countries like the EU, the US and perhaps Canada. This is the national or local concentric circle and we can expect more of these

unprecedented events as poor people in poor countries become more enmeshed in a globalisation over which they have no control.

Let me give some information now about employment, in French. Comme si tout cela ne suffisait pas, le Sud est victime aussi de nos erreurs et de notre indifférence en ce qui concerne le travail. D'après le Bureau International du Travail, le BIT/ILO, l'année 2009 est celui où 1,4 milliard de travailleurs vont vivre dans la pauvreté, c'est-à-dire avec moins de l'équivalent de \$2 dollars par personne et par jour. Ils vont retrouver leur niveau de 1997, un retour en arrière de plus de dix ans qui efface tous les efforts d'une décennie. Autrement dit, 45 pourcent de tous ceux qui ont la chance d'avoir un emploi vont vivre en 2009 sous le seuil de pauvreté. Pire encore, le BIT estime que 200 millions de personnes de plus vont basculer dans la catégorie dite des « travailleurs extrêmement pauvres », ceux qui vivent avec moins de \$1.25 par jour.

And still on the subject of employment, I expect that in our own countries in the North, the first to lose their jobs will be the immigrants that so many families and communities in the South rely on for remittances. No one knows exactly how much these workers send back to their families, but we do know that it is at least twice as much as formal Overseas Development Aid. Unfortunately, I fear we can also be quite sure that the crisis will cause ODA to fall as well. These are just some of the national and local calamities the systemic crisis has already provoked and will continue to spread.

So now that I've made you all thoroughly depressed, where can we go from here? I would like to recommend a few paths towards a better world, including some that may not be part of your usual working lives. I am not for a moment suggesting that you should stop hounding your own government to devote more resources to development aid: Yes, you should definitely continue pushing and

lobbying on that score. But other things could be done in the rich countries that could considerably improve the lot of the poor in the poor countries. For example, it is scandalous that ten years after the G-8 first promised that it would finally take debt cancellation seriously, this has still not happened. Sub-Saharan Africa is still paying back \$19 billion a year on its official debt, which comes to about \$33.000 every *minute* in debt service. You could save a lot of lives, grow food for a lot of people and educate a lot of children with \$33.000 a minute.

Meanwhile, two researchers from the University of Massachusetts have shown that over a 35 year period, Sub-Saharan African elites have transferred \$420 billion to Northern tax havens, which our banks have naturally been only too happy to grab. Much of this money came from loans and sixty percent of those loans left Sub-Saharan countries for private accounts the same year they arrived. With interest, the funds illegally transferred comes to over \$600 billion not invested in the real needs of Africans. The loans, however, remain on the books as if they had actually been used in Africa, which is to say that poor people have been doubly robbed and are paying back non-existent debts with their sweat and tears. Shouldn't this subject be at the top of the agenda when the next G-8 convenes in Canada? Shouldn't the Canadian government be obliged to put debt cancellation back on the table at the G-20 as well?

There is a way to do this which could make a win/win situation. I tried at the beginning of this talk to describe the urgency and the severity of climate change and how the poor will be once more be the principle victims. But the North also has much to gain from acting immediately to prevent runaway, catastrophic warming. We in the North should offer debt cancellation in exchange for forest protection, reforestation and biodiversity conservation. We should also ask for more investment in local peasant agriculture to encourage food sovereignty. Northern countries have to stop dumping subsidised food on foreign markets

which ruins local farmers. The funds freed by debt cancellation should be monitored closely by independent auditors so that more cash does not flow to our tax havens.

The financial crisis gives governments a perfect excuse to tell people like you that you represent admirable organisations, you have great ideas and they would love to help with your proposals, but there's no money to do so. You can reply that yes, there is, but they are not going after it where it is. For years Attac has been proposing what many people still call the Tobin Tax and we call a tax on financial transactions, including currency transactions. Such a tax would be set at a very low level, say one basis point or one per thousand. Someone who bought \$10 dollars worth of stocks or bonds would pay a penny--\$10.01, a thousand dollars would mean a tax of \$1—surely not an insupportable burden. The same would apply to currency purchases—buying a thousand Canadian dollars worth of some other currency would involve a tax of \$1 Canadian dollar.

Those opposed to such a tax will tell you that it can't work, that it has to be applied all over the world. That is wrong: such a tax is entirely feasible technically speaking. It requires a few lines of software and the Central Bank collects it. Brazil, for example, has a currency tax and Great Britain has one on purchases of securities. I am pretty sure you could get the support of Canadians for putting such a tax to use against malaria or to provide clean water or for any number of other good purposes.

If a Canadian corporation invents a good environmental technology, or some other technology useful to poor countries, why couldn't the government require that the WTO TRIPS—that is the intellectual property agreement—does not apply, or if absolutely necessary, compensate the companies itself. Otherwise, it's hard to see how, with WTO provisions of royalties for 20 years we are ever

going to transfer the necessary technical know-how fast enough. The same could apply to medicines.

I would have other recommendations but I am almost sure that you would find them too far from your usual practice—for example use the financial crisis as the catalyst to nationalise our banks and oblige them to loan to small and medium enterprises with and ecological project or to families that want to convert or build their homes to be carbon neutral. We need to make tax havens transparent and/or close them down altogether. We need a unitary profits tax on transnational corporations that use tax havens to hide their profits in low tax jurisdictions. Tax havens reliably contain at least \$12 trillion that could yield a minimum of \$250 billion in tax revenue for various governments.

Nor would I rule out some kinds of civil disobedience regarding the prevailing WTO trade rules. For instance, why not buy the goods we import from Southern countries that do their best, at their own level of development, to respect human rights, labour rights and the environment, rather than buying from countries at a similar level of development that abuse human rights, exploit workers and trash the environment.

But in closing I would like to say that the best suggestion I can make to your organisations or to any other civil society organisations is to make alliances. Even if you don't agree on every single word of someone else's mission statement or programme, there are a great many constituencies in Canada and elsewhere who would like nothing better than to eradicate poverty and make sure that the rights of individuals, families and the environment are respected.

Furthermore, it seems increasingly clear to me that single issue organisations can no longer win by themselves, at least not on the big issues. By that I mean that environmentalists *by themselves* can't win the battle against ecological

destruction; trade unionists *by themselves* can't win on decent work for all, small farmers *alone* can't prevent agribusiness takeover or the invasion of GMOs, women *by themselves* can't ensure gender equality and so on.

Development –oriented organisations can't win their fight alone either. We all need each other and on the whole, we agree on the basics. But we don't necessarily have the same culture and it may take a bit of time and effort to get used to working together. Let's make that conscious effort to build strong coalitions so that no government, not even the present Canadian government can resist without alienating the majority of Canadians.

You are already federated in the CCIC which is an enormous step in the right direction—one that not everyone in every country has yet made. I hope you will use the occasion of this AGM to talk to each other about how, all over Canada, you could build alliances with like-minded organisations, because if we don't do this, I fear we face a grim future. But look at it this way. We are already the majority, we have the numbers on our side, we have the will, the intelligence and we have the ideas. What we still lack is the organisation to make sure our ideas become policy; that our will and intelligence are put to best use.

Once more, I'm enormously grateful for this opportunity and want to thank you warmly for your kind attention.