

ORAL QUESTION O-0063/00

pursuant to Rule 42 of the Rules of Procedure

by Joaquim Miranda, Yasmine Boudjenah, Luisa Morgantini, Marianne Eriksson, Andre Brie and Alain Krivine, on behalf of the GUE/NGL Group to the Council

Subject: Third World debt

According to an Economist leader in December 1999, the 50 or so poorest countries in the world, taken as a group, spend twice as much servicing their debt as they receive in aid, which makes no sense. Two-thirds of sub-Saharan debt since 1988 has been generated by interest payments associated with earlier lending. This is also the part of the world in which the number of those suffering from malnutrition has more than doubled in 25 years.

The G7 summit announced with a great fanfare a major debt-reduction programme for HIPC's (heavily indebted poor countries), but we have seen that this programme has such conditions attached that it has so far only been possible to introduce it for three countries, covering only 35% of their debt, which accounts for 0.25% of Third World debt. Debt reduction is also accompanied by conditions regarding structural adjustment which are such as to cancel out the positive effects that such debt reduction might have on public well-being.

Various countries, such as the United States, Canada, the United Kingdom, France and Belgium, have made great play of announcing 100% forgiveness for Third World debt, yet the amounts set aside in national budgets to do this are scandalously small, and have generally been earmarked at the expense of development cooperation budgets and to the benefit of export credit bodies.

- What steps has the Council taken, or does it intend to take, to launch a substantial debt-forgiveness programme for poor countries, covering all the 50 poorest countries?
- Does the Council have targets for including Third World debt reduction in national and Community budgets, if possible by using the budgets of bodies which have benefited from copious interest payments, and without eating away at development cooperation budgets?
- Have the positions adopted by the EU countries represented within multilateral bodies (the IMF, the World Bank, etc.) changed as a result of the many studies revealing the disastrous effects on public well-being of the structural adjustment policies imposed by those bodies?

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Forwarded: 11.05.2000

Deadline for reply: 01.06.2000