

Handout 1: Keeping promises

Did we MAKEPOVERTYHISTORY?

As the leaders of the world's richest countries gathered in Scotland in July 2005, the largest ever movement against global poverty gathered as well. More than 400 development agencies, plus faith groups, trade unions, community organisations, friends and families seized the opportunity to give the heads of the rich countries a clear message. They demanded that the G8 leaders MAKEPOVERTYHISTORY. In the build-up to the July summit, white wrist bands were to be seen everywhere, showing the depth of popular feeling about a campaign that culminated in 225,000 demonstrators encircling Edinburgh carrying messages for the members of the summit.

The MAKEPOVERTYHISTORY campaign had three key demands. That the leaders of the G8 countries agree to:

- Give more and better aid
- Cancel the debts of the poorest countries
- Support trade rules which would allow the poor to benefit from global trade

When the G8 Summit was last held in Britain, in 1998, 70,000 people formed a human chain around the Birmingham venue to demand the cancellation of the debts of the world's poorest countries. The G8 leaders responded, in some measure, to this pressure. Although we didn't win a complete cancellation, some debt relief was granted and this has meant more money for free schooling, health services and clean water for many thousands of people in the poorest countries. In 2005 we achieved much more. We must now ensure that all three are delivered and 2005 is remembered as a real turning point, the year when the world made historic progress on poverty reduction.

The G8

The G8 summit is an annual meeting of the heads of government of the eight most influential countries in the world. Starting in 1975, and then called the G6, it had expanded by 2005 to include: USA, UK, Russia, Japan, Italy, Germany, France and Canada. The agenda varies between economic issues, trade and relations with developing countries. In July 2005, when the summit was hosted by the UK in Gleneagles, the issues dealt with included: debt relief and aid, world trade, climate change, conflict and peace keeping, global health, terrorism and crime.

In 2005 Britain not only hosted the G8, but also held the presidency of the European Union, which is a key player in both aid and trade. The combination of this with the UN summit to review the Millennium Development Goals, the World Trade Organisation meeting in Hong Kong and the release of the Commission for Africa Report made this a unique opportunity for people to influence British Government policy and that of other powerful countries.



**the active
learning centre**

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827



the *active*
learning centre

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827

Implementing the commitments

Natural disasters do happen but most poverty is preventable. Campaigners have convinced the G8 leaders that something must be done and they have promised to tackle the problems of debt, trade and aid. We *can* reform a trading system which punishes the poorest farmers; we *can* cancel the unpayable and illegitimate debts of the world's poorest countries; and rich countries *can* work towards giving sufficient aid and ensuring that it goes to those who need it most.

We have made progress. If we keep up the pressure we can achieve real change. Both Canada and Britain¹ have taken steps towards doubling aid to the poorest; President Chirac² has announced moves in the right direction, and Japan³ announced that its aid to Africa will double in the next three years.

Finding the political will

Solving poverty is a political question. Aid, trade and debt policy are run by international institutions of which the G8 are powerful members. Although agreements have been made, we should not underestimate the difficult political hurdles now faced in getting the international institutions and their members to comply. Historically, rich and powerful interests have a very successful lobby within the WTO and that the IMF's power and influence over poor countries is based on those countries' need to borrow money.

The World Bank has moved a little in recent years towards the language of empowering poor people to develop their own lives.⁴ But the gulf between global trading interests, the International Financial Institutions (IFIs) and the most oppressed and impoverished countries remains very wide. Campaigners argue that the only acceptable development strategy is one that its intended beneficiaries have a hand in designing. No one questions the right of people in Britain, France or the United States to discuss their government's policy and throw out ideas which are not working. Aid, trade and debt are of enormous importance to poor nations but influence over policy is beyond the reach of their governments and people alike.

The Gleneagles meeting made noises in the right direction and talked of 'empowering the poor'.⁵ This commitment was merely a footnote to a long communiqué but is at least on the agenda. The UK has gone further and spoken of 'agreed benchmarks' to monitor progress rather than 'imposed policy' and has said 'that developing countries should decide, plan and sequence their own

1 G8 research group: Interim compliance report February 2006, Canadian Federal Budget 2005 delivering on commitments, Pre-Budget Report Statement to House of Commons by Rt Hon Gordon Brown December 2005

2 Jaques Chirac to African Heads of State, December 2005

3 Draft, Japan's ODA budget December 2005

4 See World Development Report 2000, Attacking Poverty which lists 'giving voice to poor countries and poor people in global forums' as one of five key actions

5 Africa, University of Toronto G8 Information Centre: 'We agree to support a comprehensive set of actions to raise agricultural productivity, strengthen urban-rural linkages and empower the poor.'

economic policies to fit with their own development strategies'.⁶ The battle to strengthen the voice for the people in the most impoverished countries on the global stage has begun in earnest.

The G8 agreement

"We have agreed to double aid for Africa by 2010. Aid for all developing countries will increase [...] by around \$50 billion per year by 2010, of which at least \$25 billion extra per year for Africa.

"The G8 has also agreed that all of the debts owed by eligible heavily indebted poor countries to IDA [International Development Association, a part of the World Bank], the International Monetary Fund (IMF) and the African Development Fund should be cancelled, as set out in our Finance Ministers' agreement on 11th June.

"We reaffirmed our commitment to open markets more widely to trade in agricultural goods, industrial goods and services, and in agriculture to reduce trade distorting domestic subsidies and eliminate all forms of export subsidies by a credible end date."⁷

G8 summits usually end with a fanfare of good intentions. Gleneagles was no exception. So far about half of the commitments made in 2005 show signs of being implemented, making 2005 a far better year than usual for fulfilling promises.⁸

Monitoring

Monitoring the progress of the Summit commitments will be challenging. The agreement to double aid to Africa (using 2004 as a baseline) will be slow to work its way through the approvals and transfers of funds required of each member state who have until 2010 to complete the process.

The commitments to trade justice and cancelling debt are problematic in various ways. When we turn to the questions of debt and trade, eight countries are involved and each has a range of departments and ministers responsible for carrying the G8 agreements forward to a series of international meetings. They require further negotiation between states about 'eligibility' and what constitutes a 'trade distortion'. They revive old arguments about whether the opening of global markets in services (such as the privatisation of banks, water or electricity) should be a precondition for a just agricultural trading regime. UK Ministers have announced their intention to pursue G8 policies within Europe, at the World Trade Organisation, with the World Bank and the International Monetary Fund. It is these bodies which will ultimately be responsible for translating most of the Gleneagles agenda into action.

Many would argue that the G8 is little more than a photo opportunity for world leaders, an international showcase for a domestic audience; commitments may be made but powerful

6 Statement by Hilary Benn and Gordon Brown to 72nd Meeting of IMF/World Bank Development Committee September 25th 2005

7 Chairman's summary, press conference, Gleneagles 2005

8 See Gleneagles interim compliance report revised February 9 2006, University of Toronto Research Group



the *active*
learning centre

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827



the *active*
learning centre

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827

countries leave the summit and do what they want. There is of course some truth in this. But there is also evidence that these international meetings can act as a check on the powerful. In the case of the G8, if promises are precise in committing governments to a position in other institutions of global decision making, they are often acted on.

Tracking G8 information has never been easier because it is now readily available. As a result, commitments made are much more closely watched.⁹ Tracking compliance, and campaigning around non-compliance, helps to keep up the momentum. For many years the International Financial Institutions (IFIs) were beyond popular pressure. We now live in an age when the agendas and decisions of the IMF and WTO are instantly available worldwide, making rapid, global responses possible. Concessions have been won but we can now use the IFIs' and WTO's own websites to collate information and critique their actions. The leaders of democratic countries now know that we are watching them and they all claim to be sincere in their determination to provide what they have promised and in their belief that things can change. Gleneagles was a good step forward, but we must keep up the pressure for action.

Activity 1

"The G8 is just a show case for world leaders - a good photo opportunity."

Do you think there is some truth in the statement above?

What is the role of civil society in Scotland in helping to end poverty?

Activity 2

Can you identify the main websites that could be monitored?

In what other ways could you find out more?

What can you do with your research?

Useful websites:

www.worldbank.org

www.wto.org

www.imf.org

For a critical view:

www.ifivatch.org

www.brettonwoodsproject.org

Contact the world bank at devcom@worldbank.org to let them know your views or through their feedback mechanism:

<http://lnweb18.worldbank.org/institutional/EFeedBk.nsf/MainTopic>

9 Kirton John, Explaining Compliance with G8 Financial and Development Commitments: Agency Institutionalisation and Structure, International Studies Association San Diego March 2006



**the active
learning centre**

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827



**the *active*
learning centre**

the *active* learning centre
University of Glasgow
11 Southpark Terrace
Glasgow G12 8LG
Tel. 0141 337 2777
Fax. 0141 337 2666
k.phillips@educ.gla.ac.uk
g.long@educ.gla.ac.uk
Scottish Charity number
SC022963



Jubilee Scotland
Augustine United
41 George IV Bridge
Edinburgh EH1 1EL
Tel. 0131 225 4321
mail@jubileescotland.org.uk
www.jubileescotland.org.uk
Scottish Charity number:
SC 031827