

Introduction

For the last twenty years, despite their innumerable natural and human resources, the Third World countries have been milked dry. The repayment of a debt which has swollen to colossal proportions prevents the populations from satisfying their most basic needs. The debt has become a subtle mechanism of domination and a new method of colonization, hindering any sustainable human development in the South. The policies applied by the indebted governments are more often decided by the creditors than by the parliaments of the countries concerned. The limits of the so-called debt-reduction initiative, launched with great pomp by the G7, the IMF and the World Bank, were shown up by the largest petition ever known (24 million signatures collected between 1998 and 2000, co-ordinated by the Jubilee 2000 campaigns). A radically different approach needs to be adopted: purely and simply, cancelling the debt, which is immoral and often odious.

The authors provide answers to various objections. Once freed of their external debt, is there not a risk that the countries might fall back into the trap of unsustainable indebtedness? Would debt cancellation not give a second chance to corrupt and dictatorial regimes? Will it not be the tax-payers of the North who end up paying for the cancellation? The authors argue that debt cancellation is necessary but not sufficient, and must be accompanied by other measures such as the recovery of 'ill-gotten gains' and their restitution to the despoiled populations. They suggest alternative sources of finance, both local and international. They also ask: who owes what to whom? They support the demands for reparation put forward by social movements in the South.

In the answers to fifty pertinent questions, this book explains in clear, simple terms how and why the debt impasse has come about. Graphs, maps and charts are used to illustrate the responsibility of those who uphold neo-liberalism and its corporate-driven globalization – the international financial institutions, the industrialized countries and also the leaders of the South. The book gives details

of the roles of the various actors, of how the debt-machine that the developing countries get enmeshed in functions, of possible solutions to the situation, of alternatives to indebtedness ... It exposes the different moral, political, economic, legal and ecological arguments underlying the demand for total and unconditional cancellation of the external public debt of the developing countries.

Please send us your comments at one of the following addresses:

Damien Millet, 17 rue de la Bate, 45150 Jargeau, France
dmillet@citoyen.net

or

Eric Toussaint, 1 rue des Jasmins, 4000 Liège, Belgium
international@cadtm.org