

DEBT AND DEVELOPMENT COALITION IRELAND



CLEAN UP

**GLOBAL
FINANCE**

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This edition of Campaigners Update was written by Eimear Gavin and Daniel Finn. If you would like more copies posted to you or if you have any comments please email Daniel@debtireland.org.

Front page graphic courtesy of Angela King and Jubilee Debt Campaign UK

Dear Campaigners

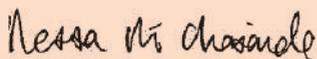
The financial crisis is on everybody's lips. In this summer edition of *Campaigners Update*, we call on you to take action to ensure that the most vulnerable people in the world are not forced to pay for the greed and irresponsibility of our political leaders and the financial elites.

It is critical at this time that our government sticks to its obligations to impoverished people. This is especially important as the Irish government makes extreme and disproportionate cuts to Ireland's Official Development Aid budget. Ireland's commitment to the poorest people in the world is being disgracefully undermined.

This *Campaigners Update* highlights that there are many ways, in addition to aid cuts, in which impoverished countries are being robbed of their own resources. This is through unjust debt repayments and global tax injustice. The poorest countries in the world pay over US\$ 100 million *per day* in debt repayments. An estimated US\$ 160 billion *each year* is lost to impoverished countries through tax dodging by multi-national corporations. These are not only urgently needed resources in the Global South, they are resources that belong there in the first place.

We urge you to ensure that impoverished people DO NOT pay for this crisis created by a rich, privileged minority. Please TAKE ACTION NOW by contacting your TDs and MEPs using the resources enclosed – and take a stand for debt cancellation and tax justice.

In Solidarity,



Nessa Ni Chasaide
Co-ordinator

A New Debt Crisis on the Horizon

The financial crisis is setting off alarm bells that people of the Global South will face a new debt crisis. This latest crisis will worsen the difficulties of the poorest people in the world due to losses in aid, migrant remittances, demand for exports, and increases in unemployment.

The impoverished world is already paying over US\$ 100 million *per day* in debt repayments.

Much of the existing debt was unjustly lent, with unfair terms and policy conditions attached, and has been repaid many times over due to continuous re-scheduling of debt repayments. The global debt cancellation movement is therefore renewing its call for the cancellation of debts; for justice between lenders and borrowers; and for the creation of a social and economic system that cherishes people and the environment over profit.

A New Debt Crisis.....

- Zambia, which has already received debt cancellation once, could soon face another unsustainable debt burden due to the slump in copper prices
- The Philippines looks as if it will not be able to re-finance US\$ 8 billion of its short-term debt
- Bangladesh, which depends heavily on exporting garments to Europe and North America, will suffer a major fall in demand which could lead to a debt-to-export ratio of almost 170% - a ratio too high to sustain.

[source Jubilee Debt Campaign UK]

And to make matters worse....

As the international climate negotiations approach in Copenhagen this December, rich countries are refusing to acknowledge their enormous climate debt to the Global South.



A Critical Moment: A New, Just, Irish Debt Policy

We need to influence Ireland's new debt policy!

The campaign for cancellation of illegitimate debts reached a new milestone after the Dáil lobby which DDCI organised in October 2008. Many TDs attended

the event and several followed up by putting parliamentary questions on debt to the Minister of State for Overseas Development, Peter Power T.D. Minister Power responded to one of these questions with a statement that Ireland will update its debt policy in 2009.



This shows that people power works.... And now we need to keep up the pressure! It is a critical moment for us to influence Ireland's new debt policy.



DDCI campaigners influence their parliamentarian

Fight for a New, Just Debt Policy



Join us in calling on your TDs and the ministers for a new Irish debt policy that supports:



- Greatly expanded debt cancellation, free from conditions, for all Southern countries that need it
- Recognition by Ireland, the EU, the World Bank and International Monetary Fund of the co-responsibility of lenders in the creation of unjust debts
- The establishment of debt audits in the Global South
- The establishment of an international taskforce on tackling historic, illegitimate debts
- Recognition of the climate debt owed to countries of the Global South and the need for grant based support (not loans) to Southern countries to cope with climate change



Act Now!

Get Ten Signatures of Support! Involve your family and friends in the campaign



Ask your TDs to urge the government to include our key demands in Ireland's new debt policy! Call your TD now and let him/her know that you want these issues addressed. And collect (at least) 10 signatures of support from your friends, family and comrades and write to your TDs with your petition attached.

Don't forget to write to the Minister for Finance and Minister for Overseas Development Peter Power too. It is best to write a personal letter and attach copies of your petition to your letter.

You can find out who your TD is by checking the website www.contact.ie

Minister for Finance
Brian Lenihan TD
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2, Ireland

Phone: 01 6767571
Locall: 1890 66 101

Minister of State for Overseas
Development
Peter Power TD
Irish Aid
Irish Aid Department of Foreign Affairs
Riverstone House,
23 - 27 Henry Street, Limerick

Telephone: 01 408 2000



Tax Dodging Costs Lives – It's Time for a Giant TAX RETURN Tax Justice Campaign



This year, DDCI has taken the lead in raising the issue of **tax injustice**. Every year, countries in the global South lose at least US\$ 160 billion because of tax evasion and tax avoidance by multi-national corporations. If this immoral transfer of wealth from the Global South to the North was ended, the lives of 350,000 children under the age of 5 could be saved each year.

A just tax system where everybody pays their fair share is essential for real democracy and equality. But companies and rich individuals hire teams of lawyers and accountants to exploit loopholes and make use of tax havens like Bermuda, Switzerland or Ireland so they can avoid paying their fair share of tax.

Southern countries like Zambia and Tanzania are drained of huge sums of money that undermines their financial independence and robs them of money that could be used to fund social development every year. Global inequality will never be adequately tackled unless tax injustice is put on the political agenda and firm action taken to solve the problem.

It will take co-ordinated action by governments North and South to establish a fair tax system at a global level. DDCI is urging the Irish government to take the initiative and act now for tax justice.



The Injustice of Tax Dodging



Injustice:

Southern governments robbed of cash

action:

Ask the Irish government to help Southern governments fight tax dodging – Countries in the global South should be given the freedom to design their own tax systems in a way that minimises the opportunities for tax dodging. Development aid should be made available to support their efforts.

Injustice:

Banks Keeping Tax Dodgers Secrets Safe

action:

Insist that the Irish government supports an end to banking secrecy – Tax havens like the Cayman Islands are estimated to hold between \$5 and \$7 trillion. By allowing non-residents to open accounts and withhold information from other countries, they play a vital role in the global system of tax evasion. We can no longer allow the off-shore banking sector to undermine efforts to tackle poverty.

Injustice:

Low Regulation by governments let's business off the Hook

action:

Demand that the tax industry be properly regulated – The big accountancy firms design tax avoidance schemes for companies all over the world, but they are not subject to any regulation. Governments must establish a strong regulatory body to end corrupt tax practices, and companies should be required to publish accounts that show how much profit they make and how much tax they pay in every country where they operate.

DDCI will launch a campaign to fight tax injustice in the coming weeks. Please get in touch with us if you would like to be part of this important initiative.

What's Happening at DDCI?



Funding Crisis – DDCI's future threatened

DDCI is facing a serious funding crisis due to the cuts to the aid budget. As a result of Irish Aid's disgraceful budget cuts, DDCI will lose at least 60% of our overall budget. This means that DDCI is threatened with closure. Please donate to DDCI using the attached donation form and help us save the organisation.

Bloom

The Bloom movement was officially launched in November '08. The conference featured inspiring contributions from activists working in Ireland and the Global South, a public protest to highlight the effect of the financial crisis on the South, and an evening of music and dancing. We will launch the bloom website in the coming weeks.



Eyad Burnat, Njoki Njehu and Oscar Olivera launch the Bloom movement for Global justice in November 08



Tax Justice

DDCI, with members Afri and Comhlamh, held a tax justice stunt called 'U2 must believe in tax justice' to highlight how easily companies can move around their funds in order to avoid paying tax. The stunt kicked off a national debate on the need for global tax justice.

Financial Fools

Bloom marked "Financial Fools Day" on April 1st by targeting the large commercial banks and highlighting their contribution to a global system which puts bankers first and the poor and the vulnerable last.



DDCI acknowledges the support of

TROCAIRE
Working for a Just World

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