

Debt and Development Coalition Ireland

Strategic Plan 2012-2015 Summary

***‘Educating and Campaigning for
International Debt Justice’***



“We remind the leaders of the world’s richest, most powerful nations that in truth, the Global North owes the Global South. The wealth of the North has been accumulated largely at the expense of the South – our land, our minerals, our forests and waters, our labour, our communities, our economies, our cultures, our governments, our freedom, our lives.”

-- Jubilee South – Network of Justice Movements in the Global South

"If you have come here to help me, then you are wasting your time. But if you have come because your liberation is bound up with mine, then let us work together."

--Lila Watson / Aboriginal activists group, Queensland

Introduction

We are living through a major international debt crisis in Europe and in the Global South. It presents historic challenges and opportunities to campaigners for achieving just solutions to the problem of illegitimate debts and unjust lending-borrowing relationships. The core challenge facing us is that the public debate and the decision-making on international debt is elite driven, largely ignoring the rights and experiences of the majority of people in the Global South and in Europe. It is time that those responsible for creating debt crises are held accountable for creating them, and pay for them.

Debt and Development Coalition Ireland's new strategic plan '*Educating and Campaigning for International Debt Justice*' sets out an exciting and challenging agenda for the next three years. We have a lot of successes to build on. Our recent organisational evaluation found that DDCI is recognised as the leading international debt justice campaigning organisation in Ireland. Our policy and advocacy work is trusted and viewed as progressive and highly credible. In this regard, we are seen as contributing a significant voice to the development sector in Ireland. Our development education training and education resources are viewed as of very high quality. And DDCI is viewed as a creative and hard-hitting campaigning organisation. Underpinning this, is a high level of awareness and strong involvement of our members in our work. During this new phase of our work, DDCI will seek to build on this positive track record, while also working to resource the organisation in a more sustainable way.

DDCI's Mission

Our Role

DDCI seeks to empower people in Ireland to take informed action for greater economic justice in Ireland and in the Global South.

What We Want

We want to challenge unjust power that perpetuates exploitation of people. Specifically, we want cancellation of unjust debts in Ireland and in the Global South where citizens are paying for debts they are not responsible for, and international tax justice so that companies and people pay their fair share of tax to society.

How We Will Achieve It

We are a public education and activism network. We will carry out strong analysis and create debate on these issues with the public and among decision makers and the media. Most importantly, we will support our members and interested people in deepening their understanding of the issues we work on, and in providing creative opportunities for members to engage in informed public activism.

DDCI Values and Approach

DDCI is guided by a core set of values and a particular approach to our work. DDCI: Challenges **unjust power** in global relationships

Works in **solidarity** with like-minded groups in the Global South

Seeks **justice and equality** between people in the North and South

Takes an **action orientated and participatory approach** in our work

Strives to be an **inclusive and diverse organisation** seeking involvement in our work of people from a variety of class, gender, Global North-Global South and urban-rural backgrounds

Recognises the **interconnected nature of local and global injustice**. We believe that working for economic justice for people in Ireland is a demand of justice that is mutually reinforcing and complementary with our Southern debt work.

DDCI 3 year Strategic Theme: *Educating and Campaigning for International Debt Justice*

Economic justice in Ireland and the Global South – The Current Context

The global financial crisis has brought the question of unjust debt to the top of the European political agenda. The reckless lending and borrowing in the 'Global North' has demonstrated closer to home how people's rights can be sacrificed to the interests of unaccountable governments and the whims of financial markets during debt crises. While media comparisons have been made on the experiences of countries of the Global South, the focus of the debate has been on elite European interests. It has not highlighted the international nature of the crisis or the impact of unjust financial practices on the most vulnerable people in the Global South and North.

Rising Debts in the Global South

The debt crisis is continuing in the Global South, and is worsening in some cases. Despite 36 countries having received significant debt cancellation of \$122 billion,¹ the external debt of Southern countries remains enormous, currently standing at US\$4.1 trillion.² The International Monetary Fund (IMF) estimates that one third of 'Low Income Countries' (LICs) are either in debt distress or are at high risk of debt distress.³ As the existing debt cancellation scheme – the HIPC/MDRI Initiative – comes to an end, many Southern countries still require increased debt cancellation. Recent research shows that Mozambique, Ethiopia and Niger could be spending as much on foreign debt payments in a few years time as they were before receiving debt cancellation.⁴

Over the past 5 years, increasing international attention has been paid to the responsibilities of lenders and borrowers in creating debt crises that are ultimately paid for by very vulnerable people.⁵ Despite this, lending trends are becoming even harder to monitor - including the use of bonds and export credits, and the involvement of new lenders in the South, like China and India. A new wave of publicly guaranteed debt, and new loans to address climate change needs, are putting Southern countries' debt levels at even higher risk. Domestic debt is also increasing in several Southern countries to a worrying degree.⁶ Within this context, the World Bank and IMF – the international financial institutions (IFIs) - are being re-framed and re-empowered. The IMF, has become a key manager of the global financial crisis, and the World Bank Group, is engaging in new forms of questionable lending more strongly linked to the private sector.⁷

Debt Crisis in the Global North

These worrying developments are taking place within the context of massive debt crises in Eurozone countries including in Ireland. The Irish Department of Finance forecasts Ireland's national debt as 117% of Gross Domestic Product (GDP), standing at € 186 billion for 2012.

However, an *Audit of Irish Debt* by University of Limerick researchers, found that Ireland's debt is far higher, reaching a massive € 371.1 billion by the first quarter of 2011, once 'contingent' debt is included – debt that may, or will, be drawn down due to the Irish government's guarantees of bank debt.⁸ Although Southern debts are increasing, this far surpasses the debt to GDP ratios of many Southern nations. Southern based activists are raising their voices of concern, in solidarity with people in Europe.⁹ - And highlighting the damaging impact of the European debt crisis on Southern economies, through creating even greater dependency on external debt in the Global South,¹⁰ declining trade, financial instability, and declining incomes and jobs.¹¹

DDCI Overall Goal

To ensure Ireland plays a more positive role in supporting international debt justice by challenging unjust financial practices of Northern countries and international financial institutions.

Objective 1: Organisational: Members' Leadership

Summary

Objective 1: To strengthen the organisational capacity of DDCI by: <ul style="list-style-type: none"> Increasing the ownership and leadership of the membership in DDCI's work Establishing an innovative staffing model for DDCI
Approach: <ul style="list-style-type: none"> The membership development plan will be central to increasing members' engagement with, and leadership of the work. An increase of the organisational income by 50% will be pursued. Securing multi-annual committed funding will be prioritized, governed by the DDCI finance committee.
Outcome: <ul style="list-style-type: none"> A cohort of DDCI members are leading DDCI's grassroots campaigning work A team of staff are in place
Indicators: <ul style="list-style-type: none"> New staffing model in place which engages 3 staff in DDCI's operations (either on employed or freelance basis) 50% additional funding secured through securing 1-2 significant new funding strands

To strengthen the organisational capacity of DDCI by increasing the ownership and leadership of the membership in DDCI's work and by establishing an innovative staffing model for DDCI.

Membership Development

Gladly, there is high interest among the membership in the work of DDCI. DDCI will implement a new membership development plan. We will:

- Develop a **training of trainers members programme** that will increase the skills of particularly interested and active members. The training will be accompanied by a menu of campaigning options which groups can take up in their own ways, with particular focus on increasing engagement among members outside of Dublin. Media training will also be offered to members engaging in this process.
- **Increase information flows** to the members. Members are satisfied with the information level and decision-making processes in DDCI. However, DDCI will consolidate some of these information flows through the introduction of an online quarterly newsletter and increased use of facebook and twitter.
- Members will be requested to continue to commit to provide **funding support** to DDCI, through membership fees, and to participate in helping the organisation explore new, innovative ways of sustaining itself.

Operational Model

DDCI delivers a highly productive workplan for such a small organisation. This has been achieved through the employment of 1 staff person and 1 freelance education consultant. The rest of the work is carried out on a voluntary basis with support from 3 dedicated volunteers, 2 interns, and 1 board of directors (8 members). High collaboration with organisational and individual members has also increased the level of support toward the implementation of the workplan. Members have rightly expressed concern about the sustainability of this model. DDCI will grasp the opportunity presented by the high popularity of our work to increase its annual budget by 50% in order to secure a small team of 2-3 part-time staff. This will greatly increase the quality of DDCI's work, the sustainability of the workplan and our capacity to implement the member's training of trainers programme. The DDCI board of directors has established a finance committee which has developed a funding strategy to creatively explore delivery of this objective.

Objective 2: Policy and Advocacy

Summary 2.1

To build Irish Government and parliamentary support for fairer international finance through increased debt cancellation for Southern countries including the cancellation of illegitimate debts of the Global South.

Approach:

- DDCI will publish credible, evidence based research to underpin its advocacy work, including 1 public scorecard per year on Ireland's policy decision-making.
- Research will be accessible and easy to understand by the general public.
- DDCI will lobby parliamentarians, ministers and public officials on an ongoing basis in order to win support for these objectives.

Outcome:

- A new justice centred Irish debt policy is in place
- Ireland showing leadership on more just debt solutions for a targeted group of specific countries

Indicator:

- The Irish government publicly supports increased debt cancellation for Southern countries that need it through publishing a revised, justice-centered international debt policy.
- Ireland champions debt cancellation for 1 specific Southern country per year, including in countries in Africa and in the Caribbean region.
- The Irish government clarifies its position on loan policy conditionality and supports fairer lending practices.

Objective 2.1 To build Irish Government and parliamentary support for fairer finance through increased debt cancellation for Southern countries including the cancellation of illegitimate debts of the Global South.

The international Jubilee 2000 Campaign built great momentum for significant debt cancellation for Southern countries, resulting in governments wiping out almost \$122 billion as of end-2010.¹² However, many countries in need of debt cancellation have been excluded, and some have suffered greatly as a result of policy conditions attached to loans and debt cancellation schemes. More indebted countries must be included in debt cancellation programmes if they are to have a chance of getting out of poverty. Moreover, many of the loans extended by the IFIs are unjust and illegitimate in the first instance, as they have supported the interests of creditors and, in some cases, political and economic elites in the borrowing countries.

The Irish Government is a supporter of debt cancellation for the most impoverished countries in the world. However, it has not clearly set out its view of the impact of existing debt cancellation schemes. This is a major weakness in Ireland's development cooperation policy. DDCI has succeeded in persuading the Irish Government to review its international debt policy. However, this process has not been completed. DDCI will focus on mobilising parliamentary engagement for a justice-centered international debt policy in order to move it up the ministerial agenda.

The promotion of policy conditions by the World Bank and IMF has led to an erosion of sovereignty over key areas such as public expenditure, macroeconomic strategies and poverty reduction. These policy reforms are often more clearly aligned to the goals of the IMF and World Bank, than to specific country needs. Despite some progress in reducing the number of conditions applied by these institutions, this remains a major challenge.

The **IMF**: Recent research in relation to the IMF in 13 low-income countries shows that while there was an initially more flexible approach to managing the crisis, there has been very little fundamental change in the IMF's long term approach.¹³ The IMF's damage is obviously not only restricted to the global South. Its policy conditions in Baltic countries, especially in Latvia, have resulted in a lost decade of development there.¹⁴ And its severe austerity approach to Ireland is placing us on a similar path which ignores the urgent need for stimulus of the economy to create jobs and support recovery.¹⁵ DDCI will work with group monitoring IMF practices across these regions, including in Ireland and European countries, in order to challenge its undue influence and 'one size fits all' approach.

The **World Bank** also continues to hurt poor people through its practice of policy conditionality. Recent research revealed that a massive 57 conditions were attached to three loans given by the World Bank to Ghana in 2009.¹⁶ The World Bank is also causing huge concerns in the global South due to its powerful role in climate finance. This is because of the World Bank's damaging environmental track record and its application of policy conditions as part of its climate loans. The growing focus of World Bank lending on the private sector is also a serious concern. The IFC, and arm of the World Bank Group, is channeling large amounts of its loans through companies based in the global North, failing to support smaller Southern based companies. DDCI is concerned that Ireland's untied aid policy may be under threat through the Irish Government's encouragement of the Irish private sector to work with the IFC. This needs very close monitoring to ensure that Ireland does not confuse its domestic economic interests with its international development responsibilities.

Summary 2.2

2.2 To advocate for Irish Government commitment to international tax justice toward countries in the South in collaboration with the tax justice movement.
Approach: <ul style="list-style-type: none">• DDCI will publish credible, evidence based research to underpin its advocacy work.• Research will be accessible and easy to understand by the general public.• DDCI will lobby parliamentarians, ministers and public officials on an ongoing basis in order to win support for these objectives.• DDCI's tax work will be contextualised within its overall goal of ending international debt injustice.
Outcome: <ul style="list-style-type: none">• Ireland has a set of progressive, published policy positions on tax justice relating to current taxation policy debates
Indicator: <ul style="list-style-type: none">• Ireland actively supports ambitious proposals for country by country reporting financial reporting standards for multi-national companies and automatic information exchange on tax between jurisdictions.

Objective 2.2 To advocate for government commitment to international tax justice toward countries in the South in collaboration with the tax justice movement.

The barriers that Southern countries face in raising tax domestically means that they continue to be disproportionately, externally debt dependent. As tax revenue is lost through tax dodging by multi-nationals and wealthy individuals, the vicious cycle of high debt dependence continues. The European Commission indicates that the tax-to-GDP ratio of most Southern countries is roughly half that of Northern countries.¹⁷ Fair international tax rules are crucial for Southern countries, as tax represents one of the few sources of independent income available to Southern governments. For example, US\$ 865 billion in illicit financial flows have left Africa between 1970 and 2008.¹⁸ Tax havens also tend to host untransparent debt 'vulture funds' which opportunistically sue vulnerable indebted countries for bad debts.

Tax and development is moving up the official multi-lateral agenda now. Some positive, although limited, steps have been taken to ensure greater financial transparency by multi-national companies such as in the US through the recently introduced Frank-Dodd Act (2010) and at EU level through the current revising of the EU Directives on Transparency and Accounting.

DDCI will advocate with other organizations in Ireland and globally on these political processes. We will monitor the behaviour of the World Bank and IMF on taxation. For example, the International Finance Corporation (IFC) of the World Bank Group channels a lot of its funds through tax havens. It uses untransparent financial intermediaries such as private equity funds, often hosted in 'offshore' locations, as delivery mechanisms for its investments. The criteria for success of these investments are not based on developmental impacts and are very questionable.¹⁹

Objective 3: Development Education

Summary

Objective 3: To strengthen critical perspectives in Ireland on debt justice by delivering high quality development education in the adult informal, formal post-primary and further education sectors
<p>Approach</p> <ul style="list-style-type: none"> • A sound pedagogical approach will be applied highlighting a range of perspectives and evidence based information • Up-to-date, topical education resources will be provided to support DE participants • Our education approach will be highly relevant by linking local and global perspectives on debt justice • Opportunities to link learning and action will be provided to all DE participants
<p>Outcomes</p> <ul style="list-style-type: none"> • A cohort of DDCI members are carrying out independent education and campaigning work on debt • A long term formal education support person is in place
<p>Indicators</p> <ul style="list-style-type: none"> • Positive real-time evaluation feedback. Participants in the workshops remain engaged with DDCI's campaigns • A strong group of DDCI member organisations engage in 'upskilling' in a training of trainers programme on debt justice and incorporate it into their workplans • Funding secured for multi-annual programme from Irish Aid

Objective 3: To strengthen critical perspectives in Ireland on debt justice by delivering high quality development education in the adult informal, formal post-primary and further education sectors

DDCI will work with: the adult informal development education sector and with formal Post-Primary and Colleges of Further Education sectors. There is a surge in demand for our education work due to interest in Ireland on debt issues. Our approach will be to share the lessons from countries in the global South including the impacts of the debt crises, the responses employed by citizens and governments, and educate people on the nature of Ireland's debt and explore what can be done.

3.1: The informal adult education sector

DDCI will act as the **'go to' organisation on debt justice** by providing education hosted by high quality education organisations. This is a strategic approach for DDCI which ensures that existing high quality education courses integrate debt justice in their programmes. DDCI will deliver high quality content to these courses, applying development education approaches that are participatory and pedagogically sound in their approach.

DDCI will carry out **specifically tailored education** with member organisations and stakeholders that have a particularly high commitment to working on debt justice themes. This will be done through the initiation of a members **'training of trainers' programme**. This programme will aim to increase the expertise of civil society organisations in Ireland on the debt issue to support civil society organisations to carry out education in this area. This

training of trainers programme will form the core part of a **DDCI membership development plan** to be rolled out over the next 3 years.

DDCI will develop **accessible, topical education resources**. These will be incorporated into a toolkit to help participants link learning and action for debt justice.

3.2 The Post-primary and Further Education Sectors

DDCI will deliver **high quality development education to pre-service and in-service teachers in the post-primary and Colleges of Further Education sectors**. This will be done by provision of development education to

- a) Pre-service teachers in universities. This will be done through forming strong training partnerships with 4 universities and delivering training on development education skills on debt linked to the post-primary curricula.
- b) In-service teachers through forming direct linkages with teacher networks. DDCI will ensure that our resources are continually updated and linked to the post primary curriculum.
- c) In-service teachers in Colleges of Further Education. DDCI will form strategic partnerships with a cohort of Colleges of Further Education, institutions traditionally underserved by development education. Currently there are very few appropriate training resources available for this sector on global economic justice. DDCI will work with a strategic group of colleges in order to develop resources appropriate to a set of subjects.

Objective 4: Public Activism

Summary

Objective 4. To increase support for international debt justice through contributing to the growth of a radical global justice movement in Ireland by deepening and expanding the engagement of DDCI's organisational and individual membership with DDCI campaigns and strengthening our campaigning alliances with other groups

Approach:

- We will implement campaigns that are inclusive and encourage voluntary involvement
- Our campaigns will be creative and engaging
- Our campaign messages will be jointly developed with Southern campaign groups
- Our campaigns will be strongly media oriented
- European-wide and international campaigns will be pursued where possible
- Our emphasis will be on grassroots participation in order to build pressure on TDs.
- Campaigns will be a mix of online and offline approaches
- Regional participation and leadership in campaigns will be strongly pursued
- Solidarity partnerships will be strengthened with the Bloom Movement²⁰ and Debt Justice Action to increase the number of groups supporting debt justice campaigns.

Outcomes:

- DDCI members and allies take up local and global debt justice campaigning as part of their workplans
- Irish government publishes a new, justice centred international debt policy, supports debt cancellation for specific countries (in Ireland and the Global South), publishes a set of progressive tax justice policies.

Indicators:

- Political representatives endorse DDCI campaigns
- 1 new long term African/Latin America/Asian partnership formed per year; 1 new Caribbean partnership formed with a view to planning joint advocacy and public campaigns.
- DDCI campaigning database increases by 1,000 contacts per year
- DDCI contributes to joint work on tax justice with other Irish global justice groups
- Partner organisations take up the local and global debt justice agenda.

Objective 4: To increase support for international debt justice through contributing to the growth of a radical global justice movement in Ireland by deepening and expanding the engagement of DDCI's organisational and individual membership with DDCI campaigns and strengthening campaigning alliances with other groups

DDCI will apply an integrated approach to its education and activism work. Our focus will not be on engaging large numbers of campaigning as an end in itself, but to engage people in activism in a high quality manner so that they pursue debt justice campaigning in the long term. While this may mean working with smaller numbers of campaigners, it will hopefully ensure a deeper understanding of the importance of debt justice activism among our supporters in the long run. This means that the adults engaging with our education work and training of trainers programme will be key to our activist agenda.

A More Targeted Campaigning Approach on Southern Debt

DDCI's campaigning on Southern debt happens through working with a cohort of dedicated, voluntary campaigners and by linking up with member organisations that are interested in and committed to campaigning on debt. Members appear most engaged by specific campaigns focused on a specific company or country. DDCI will introduce an increased level of targeted, 'tangible' country-based campaigning into our campaigning priorities that link strongly with a specific country, a lender and/or company.

Irish Debt Justice Campaigning

DDCI will support campaigns for debt justice in Ireland through its partnership with Debt Justice Action where the goals are consistent and complementary with its debt work in the Global South. This approach will ensure that DDCI retains its core focus on Southern debt justice while also working for Irish debt justice. This will create opportunities to progress debt justice for Ireland and to overcome outmoded 'us' and 'them' approaches to economic justice campaigning.

Country-wide Approach

DDCI will strive to become far less Dublin-centric by working with member organisations throughout the period to build greater support for its campaigning. This will be supported by the DDCI '*training of trainers*' programme which will enable greater participation among DDCI's membership in formulating campaigns. It will also support our members around the country to meet each other and link up their work more. These campaigns can be taken up creatively by groups in their own ways and hold great possibilities for enlivening and energising our campaign work.

Communications

Most of DDCI's current campaigns take place offline, through encouraging personalised letters, offline petition signing, and media-focused street actions. During this period DDCI will increase its use of online tools. This will be done through:

- developing an online quarterly newsletter

- making Facebook and Twitter central tools to the organisation for information sharing and engaging in conversations with the public
- Contributing to online media in addition to traditional media

Debt and Development Coalition Ireland

Debt and Development Coalition Ireland (DDCI) was established in 1993 to ensure a civil society voice in Ireland on the international debt crisis. DDCI works in solidarity with justice organisations in Ireland, Europe and the Global South. The core focus for DDCI is highlighting the responsibilities of governments and financial institutions involved in the international debt crisis and advocating that the Irish government contribute to a just resolution to the crises. DDCI frames its analysis within the context of imbalanced and unjust power relations between Northern and Southern governments and Northern dominated institutions. DDCI has prioritised building links of solidarity between people living in Ireland and in the Global South by working together for debt cancellation. DDCI has 56 organisational members comprised of faith-based and development organisations, community groups, solidarity groups and trade unions.

¹ Includes cost of HIPC initiative (\$76 billion); MDRI (\$33.8 billion) and additional 'beyond HIPC' requirements of the Paris Club official bi-lateral creditors (\$11.9 billion). Source: IDA & IMF, Heavily Indebted Poor Countries Initiative (MDRI) – Status of Implementation and Proposals for the Future of the HIPC Initiative, IDA & IMF, Nov 8, 2011

² This applies to Low and Middle Income Countries for 2010. See World Bank's database: <http://databank.worldbank.org/ddp/home.do>

³ op cit, IDA & IMF

⁴ Jubilee Debt Campaign, *The State of Debt*, pg 1, Jubilee Debt Campaign, May 2012

⁵ See a summary of the debate here: Jubilee USA, *Recent Developments on Odious and Illegitimate Debt*, Sept 2008,

http://www.jubileeusa.org/fileadmin/user_upload/Resources/Policy_Archive/408briefnoteodiousilldebt.pdf

⁶ Jubilee Debt campaign, op cit, May 2012

⁷ Eurodad, *Development Diverted: How the International Finance Corporation fails to reach the poor* 2010.

⁸ Killian, Sheila et al, *An Audit of Irish Debt*, September 2011

⁹ Cibils, Alan, *Lessons from Argentina*, New York Times, 20th June 2011, <http://www.nytimes.com/roomfordebate/2011/06/19/draft-the-imf-greece-and-the-argentina-option/lessons-from-argentinass-default>

¹⁰ Jubilee Debt Campaign, op cit, May 2012

¹¹ Khor, Martin, *Crisis in Europe affects all of us*, *The Star, Malaysia*, May 21st

¹² World Bank / IMF, Nov 2011, op cit

¹³ Eurodad, *Standing in the Way of Development*, Eurodad 2010.

¹⁴ CEPR, *Latvia's Internal Devaluation*, Dec 2011, <http://www.cepr.net/documents/publications/latvia-2011-12.pdf>

¹⁵ Social Justice Ireland, *Latest unemployment and GDP data shows Government policy NOT working*, Sept 2012 <http://www.socialjustice.ie/content/latest-unemployment-and-gdp-data-shows-government-policy-not-working>

¹⁶ Eurodad, *Conditionality in World Bank Crisis Lending to Ghana*, 2010.

¹⁷ European Commission *Staff Working Document on Tax and Development*, 2010

¹⁸ *Global Integrity Index*, 2009 <http://report.globalintegrity.org/globalIndex.cfm>

¹⁹ *Bretton Woods Project Out of sight, out of mind? IFC investment through banks, private equity firms and other financial intermediaries*, 2010.

²⁰ The Bloom Movement is a coalition of global justice campaigning organisations including: the Africa Centre, Comhlámh, Debt and Development Coalition Ireland, Ireland Palestine Solidarity Campaign, Latin America Solidarity Centre