STRUCTURAL ADJUSTMENT/ECONOMIC JUSTICE

The 50 Years Is Enough Campaign is demanding a fundamental shift in the role and efforts of the World Bank and the International Monetary Fund (IMF) in their promotion and support of economic-policy changes (known as "structural adjustment") in the countries of the Third World and Eastern Europe.

Proposals

- A halt to World Bank and IMF structural adjustment programs (SAPs) as currently constituted. Economic stabilization and structural adjustment programs imposed on client countries by the IMF and the World Bank are not working. They have failed in most countries to lead to sustained and equitable economic growth or to increased productive investment. They are also drastically increasing debt and causing great social, economic and environmental destruction, while further impoverishing poor and working people. Furthermore, the secretive process through which these programs are designed and implemented undermines democratic participation. Women and children in particular have been marginalized and impoverished by these programs. Their access to resources has been diminished while their responsibility for caring and providing for themselves and their families has increased due to cuts in jobs, wages, and social services. To limit any further damage to poor and working people and the environment, no further resources should be devoted to this set of policies.

- The reorientation of World Bank and IMF lending for economic reform to support equitable, sustainable, self-reliant and participatory development and address the root causes of poverty. The World Bank's recent increase in "poverty lending" and its compensatory and social-investment programs do not address the widespread and structural problems of poverty and inequality that are exacerbated by structural adjustment programs. In effect, the World Bank is throwing good money after bad by creating poverty with SAPs and then directing additional loans to attack the symptoms of the disease. To be effective, lending for economic reform must serve to strengthen a wide variety of productive activities of the rural and urban poor, increase rather than diminish local self-reliance and broad-based local demand, promote equity in the development process for women and other marginalized groups, enhance workers' rights, and ensure environmental sustainability. It should also enable increased investment in needed physical and social infrastructure, especially investments in women's and girls' health, education, and economic opportunities.

■ Full public openness and citizen involvement in the negotiation and design of economic-reform loans and programs so that reforms are based on local needs, conditions, priorities and perspectives. The democratization of economic-reform programs is critical to making reforms effective, as well as relevant and accountable to the needs of women and men in each country. This requires as a first step that citizens have access to the information necessary to make effective input into, and otherwise participate in, the design and evaluation of these programs, including access to all World Bank and IMF documentation. Economic-reform programs should be designed locally by all relevant sectoral ministries within governments in conjunction with representatives of a wide range of economic and social sectors serving those local populations whose lives, families and economic activities will be directly affected by these changes. In addition, citizens must be able to participate in the shaping of major national decisions without fear of reprisal or repression. Due to women's pivotal role in the economy and society, and their historic exclusion from economic policymaking at all levels, an indispensable element to making economic-reform programs effective is to ensure that women have an equal place at the policy-making table and that their analysis, priorities, and proposals are fully incorporated into the formulation, monitoring, and evaluation of World Bank and IMF economic-reform lending.

■ The reduction of non-project, policy-reform lending by the World Bank, in accordance with its original mandate, coupled with multilateral and commercial debt relief without adjustment conditionality. Over the past decade, World Bank adjustment loans have comprised a quarter of the institution's lending. Non-project lending should be limited to less than ten per cent of World Bank lending as envisioned in the World Bank's Articles of Agreement. Because structural adjustment loans supply countries with desperately needed foreign exchange, cuts in adjustment lending must be accompanied by a commensurate write-off in debt. Furthermore, given that the debt overhang in developing countries (which results from both project and non-project lending) is in large part a result of failed World Bank and IMF policy and advice and irresponsible commercial-bank lending, it is incumbent upon these institutions, if they are to fulfill their role as responsible public entities, to reduce the debt without conditionality that punishes borrower countries. ❑