child
News
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Debt has a child's face

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Inscribed on the pinnacle of the Sun Yat-sen Memorial, in the Purple Gold Mountains overlooking Nanjing in eastern China, are the worlds: " Tien xia wei gong" (What is under heaven, is for all). Sun Yat-sen took these words from an ancient Chinese text as the guiding principle for the movement that liberated his country from feudalism.

Feudalism — part of the history of most nations, East and West, North and South — held people in permanent dependence, dividing them into powerful and powerless, haves and have nots, those who made rules and those who had to obey them.

To human society's great credit, we have moved to the systems, less unequal and unjust, in which the earth's bounty and the fruits of human toil are shared somewhat more fairly. But if the concepts of sharing and of fairness have evolved, they have done so only within States, and hardly among them.

The debt bondage that ensnares hundreds of millions of the world's poorest people, provides clear evidence. As though bound to the feudal lords, their lives and labour have been mortgaged to rich country banks and governments, often by the leaders they did not choose, to finance projects that did not benefit them.

Debt — like an oppressive political system, strips them off their rights. And its tyranny is particularly painful with sub Saharan Africa in the grip of an unprecedented calamity as AIDS spreads remorselessly.

In the cool corridors of financial power, the plight of the debt-ridden may be spoken of in terms of capital flows, debt service rations and credit ratings. In the heat and dust of real life, however, debt is about lives — people's lives and above all children's lives.

For nearly two decades, the debt crisis has had a crippling impact on some of the world's poorest countries — hobbling economic growth and draining scarce resources from health, education and other vital services. Can the campaign for debt relief be translated into effective action, ensuring that children of the new millennium are freed from the chains of debt and poverty?

Debt has a child's face. Its burden falls most heavily on the minds and bodies of children — killing some and stunting others so that they will never fully develop. It leaves them without immunization against fatal, but easily preventable diseases. It condemns them to a life without education or if they go to school, the classrooms are without roofs, desks, chairs, blackboards, books and even pencils. And, it orphans them — as hundreds of thousands of mothers die in child birth each year — die as a result of inadequacies in health care and other services that poverty perpetuates.

Debt's demands make it hard for many governments to restructure their budgets towards more child-centred priorities, even when they want to and make it well nigh impossible to succeed even if they do.

The world leaders endorsed the Convention on the Rights of the Child adopted by the United Nation General Assembly the previous year, and now ratified by all but two nations and they committed themselves to a series of goals by the end of the year 2000. These included halving malnutrition among under fives, and cutting their death rates by a third halving maternal morality rates — enabling every child to attend primary school and immunizing 90 per cent of the world's infants.

Without a solution of the debt problem, there is no chance that the right national policies can be implemented or that goals can be reached anytime in the predictable future.

Debt is not intrinsically bad: Indeed, money lent, borrowed and spent wisely spurs growth and improves people's lives. Nor is there anything new about debt crises: Ancient Greek city states defaulted after borrowing from the temple of Delos.

The seeds of crisis were sown in the early 1970s when OPEC countries dramatically raised oil prices — and deposited their increased earnings in Western banks. With interest to pay on these deposits, banks quickly embarked on a search for borrowers in developing countries. They found that the developing world wanted cash to invest in infrastructure and industry, and to pay for oil at its higher price.

In a world seemingly awash with money, private loans — often unwise — were touted around developing countries; rich countries and international financial institutions like World Bank and International Monetary Fund (IMF) also extended loans to less credit worthy low income countries.

Developing countries were tempted also unwisely by low interest rates, often below the rate of inflation. Confident that their commodities would continue to fetch high prices and that interest rates would remain low, they gambled that repayment would be easy. Much of the borrowed money went to inappropriate projects, to buy arms, or even into private overseas bank accounts. The poor, women and children, saw very little of it.

The approach now being followed is the Heavily Indebted Poor Countries (HIPC) Initiative — designed to help 41 poor countries, 33 of them in Africa. Their child mortality rates are one third higher and their maternal mortality rates nearly three times greater — than the average for developing countries. More than a third of their children have not been immunized, and about a half of their people are illiterate.

There has been a strong campaign to persuade rich country governments to make the HIPC scheme lesser rigid and to offer the relief more quickly. This year Canada, Germany, the United Kingdom and the United States called for reforms to speed the pace, calling also for debt cancellation for some severely stressed countries.

The time for a joint assault on the debt and destitution is not now — it was yesterday. For millions of children, tomorrow will be too late.