

# Shout Out For Pakistan: Cancel the debts

Sunday 17 October 2010, by [Labour Relief Committee](#) (Date first published: 14 October 2010).

Over 100,000 leaflets are being distributed by a team of motivated 16 young activists in Lahore on Tangas (horse ridden carts). Today is the fourth day of this activism. It will end today alongside with thousands internationally shouting for Pakistan for cancellation of foreign debt. A rally in Islamabad will also bring hundreds in front of National parliament to demand from Pakistan People's Party government to say no to payments of foreign debts and spend it on the flood affectees.

Labour Relief Campaign is organizing four days of activism in Lahore in association with Oxfam from 11<sup>th</sup> October till 14 October against Pakistan debts on the call of several international organizations including Jubilee South - Asia/Pacific Movement on Debt and Development (JSAPMDD), Jubilee South European Network on Debt and Development (EURODAD), CADTM International, Jubilee USA Network, Jubilee Debt Campaign UK, Debt and Development Coalition Ireland, South Asia Alliance for Poverty Eradication (SAAPE), Freedom from Debt Coalition Philippines (FDC), Indian Social Action Forum (INSAF), Equity and Justice Working Group- Bangladesh (EquityBd), SUPRO Bangladesh, Koalisi Anti-Utang Indonesia (KAU), Institute for Essential Services Reform Indonesia (IESR), Monitoring Sustainability of Globalization Malaysia (MSN), Rural Reconstruction Nepal (RRN), LDC Watch and Migrant Forum Asia (MFA).

The leaflet is warmly received where ever it is been distributed in Lahore. During the last three days, almost one fourth of Lahore is been covered by 6 tangas decorated with banners and hoardings on all three sides. The Lahorities are surprised to see the revival of tanga advertisements, which was once the most popular way of promoting a specific event mainly the inauguration of the new cinema films, wrestling and political public rallies.

On 13<sup>th</sup> October, they leafleted the railway workers in Lahore and participated in one of their mass rally to demand for more wages and action against corrupt officials. The railway workshops once had over 20,000 workers, now reduced to fewer than 10,000. The Railway Workers Union is one of the affiliate of National Trade Union Federation. NTUF is one of the nine organizations that make up the Labour relief Campaign.

The leaflet explains that Pakistan must refuse to pay foreign debt and divert the amount on relief and rehabilitation of flood hit communities. Instead of begging for much-needed aid for relief and rehabilitation, Pakistan must stand up and announce unilateral suspension of repayment of foreign debts, owed to International Finance Institutions, donor countries and clubs. Currently Pakistan is paying about US \$ 3 billion on debt servicing every year. As Pakistan present foreign debt of \$ 54 billion is increasing, the debt servicing will be up by the same ratio. This act alone can bring most of the much need support for the immediate relief of the flood victims. Pakistan is paying over \$3 billion on debt servicing every year on average. As far the 2010, this amount is over \$5 billion, which Pakistan will be paying to its creditors amid 20 million people crying for most urgent basic needs; food, clothes, shelter, health and education.

The tanga march is also been taken up by the Urdu and English print and electronic media and they have published news about the distribution of the leaflets. The issue of foreign loan is been discussed by the masses in Lahore for the first time after the campaign started two months earlier. The LRC has already organized a multi party conference, two press conferences and one major rally

on the issue. However, the tanga march is bringing the message to ordinary citizens of Lahore in a powerful manner. Many are amazed to see the revival of tanga culture and also the message is also been received very well.

Today along with thousands of individuals and organization internationally shouting up for Pakistan to cancel the foreign debt, the tanga march will focus the lawyer's community of Lahore. They will leaflet the High Court, district courts and offices of the lawyers. The Lahore High Court Bar Association has already passed resolution demanding the government not to pay the foreign debt.

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## **Four Days of activism on Global Week of Action vs Debt**

### **October 14 will be the "Shout out for Pakistan Day"**

The Tanga activism

Dear all,

Labour Relief Campaign is organizing four days of activism in Lahore in association with Oxfam from today 11<sup>th</sup> October till 14 October against Pakistan debts on the call of several international organizations including Jubilee South - Asia/Pacific Movement on Debt and Development (JSAPMDD), Jubilee South European Network on Debt and Development (EURODAD), CADTM International, Jubilee USA Network, Jubilee Debt Campaign UK, Debt and Development Coalition Ireland, South Asia Alliance for Poverty Eradication (SAAPE), Freedom from Debt Coalition Philippines (FDC), Indian Social Action Forum (INSAF), Equity and Justice Working Group-Bangladesh (EquityBd), SUPRO Bangladesh, Koalisi Anti-Utang Indonesia (KAU), Institute for Essential Services Reform Indonesia (IESR), Monitoring Sustainability of Globalization Malaysia (MSN), Rural Reconstruction Nepal (RRN), LDC Watch and Migrant Forum Asia (MFA).

At 3pm today three tangas (horse ridden carts) will move around with Lahore distributing leaflets demanding Pakistan to say no to foreign debts and asking the International financial institutions to drop Pakistan debt. Please find enclosed an appeal by LRC, Labour relief Campaign is a network of 8 social and political organization of Pakistan that include National Trade Union Federation, Women Workers Help Line, Progressive Youth Front, Labour Party Pakistan, Pakistan For Palestine, CADTM Pakistan, Labour Education Foundation and Pakistan Kissan Rabita Committee. The tangas will be decorated with banners and over 100,000 leaflets will be distributed among the ordinary citizens of Lahore. This is an effort to put pressure on the Pakistan government to change its present economic policies and do more for flood affetees.

### **Drop Pakistan Debt Now!**

Pakistan is facing the worst-ever natural disaster of its history. About 20 million people are displaced due to recent devastation caused by the angry floods. The communication infrastructure has been totally ruined; roads, bridges and railway tracks have been destroyed. The economic loss runs in billions of dollars. Flood hit people are in dire need of basic amenities; shelter, medicines, clothes, proper food and healthy environment etc. Pakistan is in real and worst human and economic crisis.

The country's already creaky economy has been pushed to the verge of ruin by this calamity. With

foreign aid only trickling in, the impoverished country has been forced to take out further loans while pleading for outstanding ones to be restructured.

The current external debt of Pakistan stands at \$ 55 billion. That figure will jump to \$73 billion in 2015-16, as debts that were rescheduled after 9/11, in exchange for Pakistan's co-operation in the "war on terror", will come back into action. Besides this, Pakistan is paying over \$ 3 billion on debt servicing every year on average. As far the FY 2010, this amount is over \$ 5 billion, which Pakistan will be paying to its creditors amid 20 million people crying for most urgent basic needs; food, clothes, shelter, health and education.

Moreover, strict conditions under SBA agreement with IMF are adversely impacting the lives of the working classes in Pakistan. These conditions include reducing budget deficits, eliminating fuel and electricity subsidies and increasing indirect taxation. The international institutional including World Bank and ADB had offered \$3 billion in new loans to Pakistan to withstand the disaster, rather than giving grant-aid. This will only add to Pakistan's enormous and unsustainable debt of \$ 55 billion debt.

Pakistan's debt repayments already amount to three times what the government spends on healthcare - in a country where 38% of under 5-year-olds are underweight, only 54% of people are literate, and 60% live below the poverty line.

Thus under the present circumstances, it is almost impossible for the government of Pakistan to meet the basic requirements of its millions of displaced people as the international response to Pakistan is far less than the Tsunami and Haiti disasters — the world community has only provided \$229 million to Pakistan so far. This translates into \$16.16 for each affected Pakistani person as compared to \$1,087 every affected person in Haiti and \$1,249 per affected person in the Indian Ocean tsunami.

The total number of people affected by the floods (20 million) exceeds the combined total in three recent mega disasters—the Haiti earthquake, the 2004 Indian Ocean tsunami and the 2005 Kashmir earthquake.

The devastating floods hit the debt-ridden Pakistan at a time when it is already facing the music of joining US-led war on terrorism. Struck by this double penalty, the country is rendered unable to cope with this horrific calamity and its long term impacts on economy.

It is pertinent to mention that major portion of Pakistan foreign debts was obtained during the dictatorial regimes—the martial law regimes of General Ayub Khan, General Yahya Khan, General Ziaul Haq and Gen. Musharraf. About 80 % of the total foreign debt was contracted during dictatorial and autocratic regimes.

The people of Pakistan did not benefit from the foreign loans provided to General Ziaul Haq and which were provided by Western countries only after the Soviet invasion of Afghanistan. The loans were spent on building the 'infrastructure' for running the Afghan Jihad.

In most of the cases, these loans were spent against the wishes of the people and benefited only a specific segment of society. This debt is illegitimate and is not binding on the people of Pakistan and the current democratically elected government has legitimate right to refuse these loans.

Where debt campaigners in Pakistan are demanding its government to refuse foreign debt payment, we urge debt campaigners in North to put pressures on the Northern creditors, governments and international institutions to affect an immediate freeze on Pakistan's debt repayments. We also urge the lenders to extend Pakistan grants, rather than loans, which are essential for Pakistan to develop

the means to withstand such disasters in future.

It is nothing short of criminal that a country as poor as Pakistan is bled of resources every year to repay borrowers who extended unjust loans to that country over decades. It is vital that desperately needed emergency aid is not effectively swallowed up in debt repayments and a freeze on such payments must be called immediately.

If Pakistan is to build up the infrastructure to withstand such appalling disasters in future it must be freed from its debt trap. A debt audit is needed - and those debts found to be unjust and unbeneficial must be cancelled immediately to give the country a fresh start. Most certainly supposedly anti-poverty institutions and IFIs should not be making Pakistan's debts even worse.

### **The anti-Debt Campaign in Pakistan calls on the Northern government and IFIs to:**

1. Cancel all foreign debts of Pakistan, owed to bilateral and multilateral creditors.
  2. Immediate freeze on foreign debt repayments of Pakistan.
  3. Immediate halt to structural adjustment program and IMF-led economic reforms
  3. Ensure that emergency disaster-related assistance be in the form of grants instead of loans.
  4. Lead efforts to establish up-front funding for climate change-related disaster preparation. With early warning systems, risk analysis and preparation, Pakistan could have reduced the damage caused.
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### **Press Release**

Cancel all foreign debts of Pakistan now! Rural women of Pakistan join hands with civil society on the issue in Islamabad

ISLAMABAD (16<sup>th</sup> October 2010): "There is a visible relation between international debt politics and of IFIs and increasing poverty in Pakistan. Therefore, members of Pakistan's civil society want all foreign debts of Pakistan, owed to bilateral and multilateral creditors to be canceled, besides an immediate freeze on foreign debt repayments. The lenders shall extend Pakistan grants in this need of the hour, rather than loans, which are essential for Pakistan to develop the means to withstand such disasters in future. Pakistan continuously goes deeper in the financial crises if the debt is not dropped it will do more damage than floods. The saved money shall only be used for rehabilitation of flood affected communities and the much-ignored social sector for real and sustainable development". This was the theme of a protest by rural women protest, taken out in Islamabad on 16<sup>th</sup> Oct, Saturday, by Sungi Development Foundation.

The protest was in connection with the Global anti-Debt Week and to observe the International Day of Action for cancellation of Pakistan's foreign debts. A number of civil society organizations, activist groups, social and political activists, representatives of flood-hit communities and rural women who were celebrating the International Rural Women's Day on Oct. 15 here in Islamabad took part in the protest. Rural women from all over Pakistan came and decided to participate in the anti-debt protest against IFIs.

The protest was held at 4:30 pm at Lok Virsa in Islamabad. The protest participants were holding banners and placards with slogans in favor of foreign debt cancellation. The marchers shouted full throat slogans against IMF, World Bank and ADB throughout the way. The anti-debt week did not only mobilize Pakistani citizens, some foreigners also supported the protest.

They demanded the lenders to extend Pakistan grants in this need of the hour after the summer floods, rather than loans, which are essential for Pakistan to develop the means to withstand such disasters in future.

Released by

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