

OPENING STATEMENT BY REP. JULIA CARSON (D-IN)

**SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE
HEARING ON WORLD BANK AND IMF ACTIVITIES IN AFRICA**

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- Thank you very much, Mr. Chairman. I would also like to thank today's witnesses for coming to speak on this important issue.
 - I want to thank you, Mr. Chairman, for the focus you have given to Africa so far in this Congress. Clearly, the crises facing Africa are screaming for attention and as Members of this subcommittee, we have an enormous responsibility to do whatever we can to address the situation.

Question HIPC (Heavily Indebted Poor Countries) Initiative

- Countries in sub-Saharan Africa are the poorest and most heavily indebted countries in the world, and they are getting even poorer.
- Even though many African countries have participated in the HIPC initiative, many African governments continue to spend more on debt repayment than they spend on healthcare for their people.
- Clearly, we must challenge the HIPC Initiative for debt reduction as a model program for providing debt relief to poor countries.
- Furthermore, even though the U.S. has pledged to provide full bilateral debt relief to HIPCs, the IMF and the World Bank have agreed only to reduce the debts owed to them by about half.
- We should call on the World Bank and the IMF to write off the debts of Africa's and the world's most impoverished nations.
- Some will question whether the IMF and the World Bank can afford to write off these crippling debts. I believe they can.
- The correlation between high debt burdens and high rates of HIV/AIDS is a real one. Until countries in Sub-Saharan Africa are granted full bilateral and multilateral debt relief, they will continue to be drained of the very resources they need to respond to the AIDS crisis.

WORLD BANK REFORM

- As we seek to find solutions to the global AIDS crisis, we must face the reality that certain policies of the World Bank and the IMF undermine our chances of winning this battle.
- One of the reasons many poor countries in Africa and elsewhere lack an adequate public health infrastructure to address AIDS, TB and other health crises is the legacy of twenty years of austerity measures by the International Monetary Fund and the World Bank that has devastated the public health sector.
- In particular, the World Bank continues to support the imposition of "user fees" for basic health care and education, despite the fact that this policy has been associated with decreased access to primary health care.
- Furthermore, the World Bank's support of user fees continues despite the fact that last year Congress passed legislation calling on the United States to oppose the imposition of "user fees" on primary health care by the World Bank.
- User fees and structural adjustment policies do not go hand and hand with HIV/AIDS treatment or poverty reduction in Africa. This subcommittee must ensure that this discrepancy does not continue to exist.

WORLD BANK & WATER PRIVATIZ'N

- Last year, the World Bank supported the privatization of public water in Bolivia. Following this provision, there was an uprising.
- Why? Because the privatization of basic services in developing countries results in poor people having their access to water cut off.
- Yet, the World Bank continues to aggressively promote water privatization and "full cost recovery" for water supply in many African countries such as Ghana.
- As a subcommittee, we must examine ways to curtail the World Bank's aggressive promotion of full cost-recovery for water services and water privatization, especially when it leads to poor people being cut off from access to water.
- This is especially urgent because the lack of access to clean water is a major cause of cholera and other diseases.

PUBLIC ACCESS TO BANK AND FUND INFORMATION

- Furthermore, we should all be concerned about the lack of access to IMF and World Bank meetings for the media and civil society.
- Members of the public have the right to know if the United States supported or opposed a particular loan, and what particular conditions were attached to a loan?

- This is a serious issue: U.S. taxpayers have the right to know what policies and programs their tax monies are supporting. That is at the heart of democracy.
- I look forward to hearing from our witnesses regarding the role of the World Bank and the IMF in poverty reduction, debt relief and the battle to respond to the HIV/AIDS crisis in Sub-Saharan Africa.
- Thank you, Mr. Chairman, for holding this important hearing.