

BANK BOYCOTT

JOIN THE WORLD BANK BONDS BOYCOTT

What is the World Bank Bonds Boycott?

The World Bank Bonds Boycott is a growing campaign in which people of faith, students, union members and taxpayers are putting political and financial pressure on the World Bank for change, and also building the global justice movement. It is modeled after the South African anti-apartheid divestment movement.

What is wrong with the World Bank?

The World Bank is one of the most powerful financial institutions in the world. People in the global South (or the so-called "Third World") struggle every day with harmful structural adjustment programs imposed upon them by the World Bank and the International Monetary Fund (IMF). Among other things, these programs require governments to increase fees for health care and sell public water utilities to profit-seeking multinationals, putting clean water out of reach for the people who need it most. Moreover, because governments of impoverished countries must prioritize debt repayments to the World Bank and IMF over social needs, poor people go without education, AIDS prevention and treatment, and clean water. The UN has estimated that 19,000 children die every day from preventable diseases because of the debt burden – and much of the debt is owed to these institutions.

How does the campaign work?

The World Bank (International Bank for Reconstruction and Development) raises roughly \$20 billion on the bond market every year. Investors, including parishes, religious communities, and dioceses; city and state government pension funds; universities; mutual fund investors; and union pension funds are among the buyers of World Bank bonds. Through the World Bank Bonds Boycott, people of faith, taxpayers, working people, and students build political pressure to end harmful World Bank policies. Their churches, religious communities, municipalities, etc. commit not to buy World Bank bonds in the future.

Who has already adopted the boycott?

More than a dozen religious communities have joined the campaign in the U.S., including the Conference of Major Superiors of Men, the Sisters of St. Joseph, the School Sisters of Notre Dame Cooperative Investment Fund, the Sisters of the Holy Cross, the Sisters of Saint Francis of Tiffin (Ohio), the Sisters of Loretto and the Marianist Brothers and Priests/New York Province. Pax Christi USA and the Jubilee USA Network endorse the campaign. The Unitarian Universalist General Assembly adopted the boycott at their annual meeting in June 2001.

The cities of Cambridge, Milwaukee, San Francisco, Oakland, Berkeley, Takoma Park, and Boulder passed resolutions against buying World Bank bonds. More than a dozen unions, including the Service Employees International Union, the American Postal Workers Union, the American Federation of Government Employees, the Communications Workers of America, the United Electrical Radio and Machine Workers of America, and the International Longshore and Warehouse Union adopted the boycott. Moreover, ten of the largest socially responsible investment firms pledged not to buy World Bank bonds. Dozens of resolutions are currently pending in city councils, unions, religious communities, and on campuses across the country.

Who launched the World Bank Bonds Boycott campaign?

The World Bank Bonds Boycott was launched in April 2000 by representatives of economic and environmental justice groups from over 35 countries in the global South and the United States. Some of the main co-initiators of the World Bank Bonds Boycott include Jubilee coalitions in Haiti, Ecuador, and South Africa. Jubilee South has since also endorsed the campaign. The campaign is directed by an International Coordinating Committee with representatives from 15 countries.

What are the campaign's demands of the World Bank?

The World Bank Bonds Boycott has three demands of the World Bank: 100% debt cancellation for impoverished countries from the World Bank's own resources; an end to "structural adjustment" policies such as the imposition of user fees on health care and education, increasing rates on poor people to access clean drinking water, and labor law changes that undermine unions; and an end to lending for oil, gas, mining and dams. The boycott is educating students, people of faith, union members, and others across the US and around the world about the impacts of World Bank policies and projects. By generating discussion and action in local communities about the policies of the World Bank, the campaign also builds political support for efforts to achieve World Bank reforms through parliamentary or Congressional action.

What impact is the boycott having on the World Bank?

The boycott is already helping to promote reforms within the Bank. For example, World Bank staff has referenced the boycott as a reason to quickly develop a more "green" procurement policy. Moreover, recently, high-level World Bank staff lobbied members of the Boulder, Colorado city council against passing a resolution in which the city would commit not to invest in World Bank bonds in the future. This generated a rich debate in Boulder and compelled the World Bank to defend its policies in a very public city council debate that was widely reported in Boulder media.

Would the boycott affect the Bank's current lending?

The boycott is primarily an educational and organizing tool. For the foreseeable future, it is unlikely that the boycott will affect the Bank's ability to borrow on private capital markets because this borrowing is backed by informal guarantees from the G-7 governments. In addition, the Bank's ability to borrow does not affect the Bank's concessional lending arm, the International Development Association (IDA). The IDA which lends at very low interest rates to poor countries that don't already have access to private capital markets. This lending is entirely financed by contributions from G-7 member governments.

What can I do get involved or get more information?

Work with your congregation, religious community, city council or university campus to pass a resolution or adopt a policy against buying World Bank bonds.

Organizing packets which include background materials on the campaign and copies of resolutions passed by other religious communities, municipalities and institutions are available from the World Bank Bonds Boycott campaign office.

To receive an organizing packet, contact us at (202) 393-6665, by e-mail at bankboycott@econjustice.net or write to World Bank Bonds Boycott, c/o Center for Economic Justice, 733 15th St., NW, Suite 928, Washington, DC, 20005.