



**Economic and Social  
Council**

Distr.  
GENERAL

E/CN.4/2003/10  
23 October 2002

Original: ENGLISH

---

COMMISSION ON HUMAN RIGHTS  
Fifty-ninth session  
Item 10 of the provisional agenda

**ECONOMIC, SOCIAL AND CULTURAL RIGHTS**

**Effects of structural adjustment policies and foreign debt on the full enjoyment  
of human rights, particularly economic, social and cultural rights**

**Report submitted by Mr. Bernard Mudho, independent expert  
on the effects of structural adjustment policies and foreign debt,  
in accordance with Commission resolution 2002/29**

## CONTENTS

|  | <u>Paragraphs</u> | <u>Page</u> |
|--|-------------------|-------------|
| Executive summary .....  |                   | 3           |
| List of acronyms .....   |                   | 5           |
| Introduction .....   | 1 - 10            | 6           |
| I. DEBT REDUCTION AND POVERTY ALLEVIATION:<br>AMBIGUITIES ARISING FROM THE IMPLEMENTATION<br>OF STRUCTURAL ADJUSTMENT PROGRAMMES ..... | 11 - 50           | 8           |
| A. The Bretton Woods institutions .....  | 11 - 28           | 8           |
| B. The United Nations system and related agencies .....  | 29 - 41           | 11          |
| C. The perspective of the NGO community .....  | 42 - 50           | 13          |
| II. WHY DEBT RELIEF ALONE IS INADEQUATE<br>TO REALIZE THE HUMAN RIGHTS DIMENSION<br>OF POVERTY: A CASE STUDY OF BOLIVIA .....          | 51 - 68           | 15          |
| A. National institutional arrangements to combat poverty .....   | 51 - 56           | 15          |
| B. To what extent do Bolivians enjoy economic, social<br>and cultural rights? .....  | 57 - 63           | 16          |
| C. A critical assessment of the Bolivian structural<br>adjustment programmes .....   | 64 - 68           | 18          |
| III. CONCLUSION .....  | 69 - 74           | 19          |
| IV. RECOMMENDATIONS .....  | 75 - 77           | 20          |

### **Executive summary**

The present report is submitted in accordance with Commission resolution 2002/29. In addressing the policy of the World Bank and the International Monetary Fund, it has partially been established that Poverty Reduction Strategy Papers cannot effectively address the negative impact of structural adjustment programmes (SAPs) at the global level. A few success stories have been identified but the fragile sustainability of the debt burden of concerned countries seems not to have impacted positively on poverty.

The continuously deteriorating financial situation of developing countries, despite remedies elaborated by development agencies and international financial institutions, gave rise to international pressure prompting the Bank and the Fund to devise new tools to address the debt issue while constantly adjusting to changing conditions in productivity, consumer preference and market adaptability.

Governments have tried, in adopting macroeconomic policies and structural reform, to ensure that more attention is paid to social outcomes. However, compliance with conditionality has had an asymmetrical effect as the incidence of poverty has not significantly fallen and in many cases, despite the apparent amelioration of the condition, the number of people living in poverty has increased.

Such social safety nets (SSN) as have been devised have been discredited as inadequate response to the failures of SAPs. Promoted as the answer to increasing economic and social problems in the 1980s, SSNs failed to address the fundamental causes of economic and social deterioration and never allocated anywhere close to enough resources to make even a dent in the fallout from SAPs.

Despite the magnitude of difficulties faced by the growing poorer population in Argentina, the Government has not succeeded in preventing the violation of basic human rights. Bolivia, which has implemented orthodox and rigorous neo-liberal policies for the past 16 years, has remained one of the poorest countries on the planet.

The social policies in SAPs appear disconnected from more general orientations of economic policies. In contrast to an improvement in some social indicators, there is still strong gender inequality. Like the stabilization policies which preceded them, SAPs were formulated under circumstances that may justify the contention that they were imposed. The effects of foreign debt and SAPs have had an undeniably negative impact on public spending on social and cultural programmes against the backdrop of stagnating and, in many cases, degenerating economies.

In the context of Heavily Indebted Poor Countries and least developed countries in sub-Saharan Africa, the situation remains daunting. Hence the action plan announced by the Group of eight (G-8) at their latest Summit in Canada to increase assistance to Africa must be welcomed. Nevertheless, what is required to enable both an adequate response to the HIV/AIDS pandemic and significant poverty alleviation is meeting the United Nations target of 0.7 per cent of GDP for development assistance.

A major component of SAPs required of African countries is the liberalization of capital account, which has adversely affected exchange rates in these countries. A report released by the United Nations Conference on Trade and Development in late 2001 noted that investment and productivity have been further undermined by exchange rate misalignments and instability; the exchange rate is the single most important price affecting trade performance, and it should not be left to shallow and volatile markets and to the vagaries of destabilizing capital flows.

If the ambitions of the New Partnership for Africa's Development (NEPAD) is to translate into full enjoyment of economic, social and cultural rights, the Bank, the Fund and other international actors must work in partnership with African Governments and provide the support they need to realize the region's full potential. It is only such a partnership that would render SAPs human rights friendly and thus contribute to promoting democracy and local ownership.

### **List of acronyms**

|        |  |
|--------|--|
| CAS    | Country Assistance Strategy                                      |
| CSO    | civil society organization                                       |
| ESCWA  | Economic and Social Commission for Western Asia                  |
| ESAF   | Enhanced Structural Adjustment Facility                          |
| GDP    | gross domestic product   |
| HIPC   | Heavily Indebted Poor Country Initiative                         |
| IMF    | International Monetary Fund                                      |
| IFI    | international financial institution                              |
| LDCs   | least developed countries  |
| NPV    | net present value  |
| NGO    | non-governmental organization                                    |
| ODA    | official development assistance                                  |
| PETS   | Public Expenditure Tracking Survey                               |
| PRGF   | Poverty Reduction and Growth Facility                            |
| PRS    | poverty reduction strategy                                       |
| PRSC   | Poverty Reduction Support Credit                                 |
| PRSP   | poverty reduction strategy paper                                 |
| PSIA   | Poverty and Social Impact Analysis                               |
| SAPs   | structural adjustment programmes                                 |
| SAPRI  | Structural Adjustment Participatory Review Initiative            |
| SAPRIN | Structural Adjustment Participatory Review International Network |
| SSN    | social safety net  |

## **Introduction**

1. In its resolution 2002/29, the Commission decided, to continue the consideration of the effects of structural adjustment policies and foreign debt at its fifty-ninth session. By letter of 23 September 2001, the independent expert entrusted with the mandate submitted his resignation. The Bureau of the Commission nominated Mr. Bernard Mudho (Kenya) to replace him. Mr. Mudho's appointment is effective since 30 November 2001.

2. Given the current debate on the issue, it seems useful to recall in this Introduction the background of the mandate, the definition of the mandate and the methodology adopted.

## **Background**

3. Since the establishment of the mandate in 2000 studies undertaken on structural adjustment programmes (SAPs) and foreign debt have tended to dwell on the genesis of SAPs and the negative effects of foreign debt on the economic growth of developing countries. However, policies adopted by these countries to confront foreign debt and SAPs have received little attention.

4. Historically, when large unsustainable debts threatened the disruption of the international financial system, the international donors successfully responded with debt reduction schemes. While those plans addressed the debt problem of middle-income countries, the least developed countries (LDCs), most of which are in Africa, were left out. Eventually, their incomes failed to keep pace with their rising debts.

5. It is in this context that the international debate, spearheaded by the Jubilee 2000 movement, developed the idea that both foreign debt and SAPs should be considered as a responsibility shared between the debtor countries and the creditor community. Consequently, the human rights dimension of foreign debt and SAPs became a new paradigm in global development discourse.

6. Thus, the World Bank and the International Monetary Fund (IMF), recognizing the acuteness of the debt problem of LDCs, responded in 1996 by launching the Heavily Indebted Poor Countries (HIPC) Initiative. In a joint report released in April 2001 the Bank and IMF acknowledged that even countries receiving debt reductions under HIPC remained extremely vulnerable to adverse economic circumstances, including reductions in the optimistic levels of export earnings or development assistance projected under the HIPC sustainability analysis.

## **Definition of the mandate**

7. In establishing the mandate (resolution 2000/82) the Commission requested the independent expert to pay particular attention to:

(a) The effects of the foreign debt and the policies adopted to face them on the full enjoyment of all human rights, in particular economic, social and cultural rights in developing countries;

(b) Measures taken by Governments, the private sector and international financial institutions to alleviate such effects in developing countries, especially the poorest and heavily indebted countries;

(c) New developments, actions and initiatives being taken by the international financial institutions, other United Nations bodies and intergovernmental and non-governmental organizations (NGOs) with respect to structural adjustment policies and human rights

8. In paragraph 13 of the same resolution the Commission requested the independent expert to provide an advance copy of his annual report to the Open-ended working group established to elaborate policy guidelines on SAPs and economic, social and cultural rights.

### **Methodology**

9. The present report is the outcome of activities undertaken by the independent expert between February and September 2002. It is based on the following:

(a) Desk reviews of foreign debt profiles of LDCs and HIPC, the lending policies of international financial institutions (IFIs) and other international partners, and policies adopted by affected developing countries;

(b) Interviews with representatives of Governments of selected HIPC undergoing SAPs or that have adopted poverty reduction strategy papers (PRSPs);

(c) Questionnaires to solicit information on measures taken by Governments, IFIs and NGOs to alleviate the effects of SAPs and foreign debt on the full enjoyment of human rights;

(d) Questionnaires seeking information from States, IFIs and the private sector on countries particularly affected by HIV/AIDS;

(e) The outcome of consultations with the IMF and the World Bank representations in Geneva and senior officials at their headquarters, the Inter-American Development Bank and The Development Group for Alternative Policies (The Development GAP) in Washington DC, the Department of Economic and Social Affairs of the Secretariat and the New York Office of the Office of the High Commissioner for Human Rights, and international partners, government officials and representatives of civil society organizations (CSOs) in Bolivia;

(f) Contributions received from the Economic and Social Commission for Western Asia (ESCWA), and the International Federation of Human Rights Leagues (FIDH).

10. The report will address debt reduction and poverty alleviation: ambiguities arising from the implementation of SAPs (Part I), and why debt relief alone is inadequate to realize the human rights dimension of poverty: a case study of Bolivia (Part II).

## **I. DEBT REDUCTION AND POVERTY ALLEVIATION: AMBIGUITIES ARISING FROM THE IMPLEMENTATION OF STRUCTURAL ADJUSTMENT PROGRAMMES**

### **A. The Bretton Woods institutions**

11. Restoring and maintaining long-term external debt sustainability of developing countries is an important objective of the reform programmes and debt initiative supported by the World Bank. The experience with reform programmes supported by Bank policy-based lending has been assessed most recently in a comprehensive Adjustment Lending Retrospective.<sup>1</sup> Adjustment lending was introduced in 1980 to provide temporary balance-of-payments financing to member countries while stabilization and adjustment measures took effect, but has since evolved to become an important developmental instrument for supporting social, structural and sectoral reforms over the medium term. In the 1990s, the developmental orientation of adjustment lending increased with growing attention to poverty reduction, institutions and complex social and structural reforms.

12. During the 1990s, the quality, outcomes and sustainability of World Bank adjustment lending, as measured by independent Operations Evaluation Department evaluations, improved substantially. A large part of this improvement is due to improvements in borrower performance, combined with greater selectivity by the Bank in providing adjustment lending increasingly to strong performing countries that use the proceeds of adjustment loans effectively, as well as quality programmes in support of countries' own strategies for development and poverty reduction.

13. In an overall framework of poverty reduction. The principal objective of the HIPC Initiative is to bring the country's debt burden to sustainable levels. Under the Enhanced HIPC Initiative framework, countries for which existing mechanisms would not achieve debt sustainability at the decision point will receive assistance under the HIPC Initiative starting at the decision point. In contrast to the original framework, where debt reduction was calculated on projections of debt stock at the completion point, relief under the new framework will be committed based on actual data at the decision point. This modification not only adds greater certainty to the calculations, but will in most cases increase the amount of relief actually provided, as most countries will reduce their net present value (NPV) debt-to-exports and debt-to-revenues ratios between the decision and completion points.<sup>2</sup>

14. Social safety net (SSN) programmes provide a comprehensive minimum subsistence for people in low-income families. Some SSN programmes are also tied to investments in education or health to protect the basic rights of groups that are more likely to be denied them and generally excluded groups like indigenous peoples.

15. The reviews of Poverty Reduction Strategies (PRSs) prepared by HIPC in Latin America, Africa and Asia provide a sense that the implementation of these strategies is conducive to greater enjoyment of human rights. If people suffer extreme poverty, the SSNs help satisfy their basic human rights to health, education and housing.

16. Analysis of the poverty and social impact of key policy measures is an important tool for ensuring that net benefits to the poor of macroeconomic, structural and sectoral reforms are maximized. There has been progress in incorporating the analysis of poverty and social impacts in the development of national PRSPs. The Gambia's PRSP contains a partial analysis of the poverty impact of past policies and of weaknesses in reforms of the groundnut sector and in service delivery. The positive effects of programmes to support SSNs are also illustrated by evaluations of the impact of conditional cash transfer programmes in Mexico, as well as programmes in Honduras, Nicaragua and Bolivia.

17. The ultimate objective of SAPs is to reduce poverty by establishing or restoring the conditions for equitable growth and sustainable development, and by preventing economic-financial crises or reversing unsustainable economic conditions that hurt the poor. The evidence of the Bank's retrospective review points to both positive and negative findings. While movements in the majority of poverty-relevant indicators on average are either the same or better in countries with adjustment lending than in those without it; the differences are not large, and the overall evidence is mixed. Similarly, while the poverty and social focus of adjustment lending has increased substantially over the last 10 years, there remains much room for improvement.<sup>3</sup>

18. A major priority for the Bank is to strengthen the analytic underpinnings of its support by helping countries undertake Poverty and Social Impact Analysis (PSIA) on a more systematic basis, including by making methods available for analysing reforms. The Bank is providing training and guidance, including through the dissemination of good practices among Bank staff, countries and partners. It is important that such analysis be owned by the country concerned. Within the context of the PRSP, Governments and their constituencies have the lead in prioritizing those reforms which warrant analysis and deciding who should conduct them, be that a national agency, NGO or donor.

19. The Bank is expected to provide significant assistance to individual countries, supporting PSIA of several major reforms over a given PRSP and/or Country Assistance Strategy (CAS) cycle. CAS would indicate the country's reform agenda and the policy areas where PSIA was planned. Where there are gaps, CAS would also identify which areas the Bank and other donors would seek to fill. The Bank would provide such assistance as part of its Economic and Sector Work, and programme and budget the relevant analytical work in CAS. In planning such support to PSIA the Bank foresees working in close collaboration with IMF and donor partners.

20. In response to changing borrower needs, new and varied approaches to adjustment lending have evolved over the past two decades. Poverty Reduction Support Credits (PRSCs) are an application of adjustment lending designed to better support the implementation of countries' PRSPs. Building on analytical underpinnings of fiduciary arrangements and social impact, the most recent PRSCs supported key social and structural reforms in Burkina Faso and Albania.

21. The Bank plans to update its operational policy guidelines for adjustment lending, and has embarked on public consultations with members, stakeholders and interested parties. As a basis for consultations, it has prepared a note with issues for discussion,<sup>4</sup> including how to treat

poverty, social and environmental aspects; strengthening country fiduciary policies and institutions; reflecting country ownership; determining adequate loan size and design; and fostering collaboration with other development institutions.

22. The Bank's mission with respect to poverty is implemented by programmes and projects focused on poor people and those who are vulnerable, marginalized, disadvantaged or socially excluded. These groups are also the main focus of the PRSPs prepared through a highly participatory process that ensures greater accountability, transparency, participation and empowerment. Practical experience has demonstrated that human rights and empowerment principles reflecting the country context are preconditions in improving the provision of basic services, access to justice, increased transparency and accountability.

23. PRSPs can contribute to the realization of human rights, the key areas of synergy being: social (education and health are prominent), political and civic (there has been clear impetus and progress with expanded participation at the local level), and governance and corruption.

24. In terms of economic rights, the Bank-funded projects and programmes in developing countries by their very nature are focused on reducing poverty and increasing social expenditures that have beneficial impact on the most vulnerable. PRSPs focus on growth and income-earning opportunities. But it is recognized that tensions exist since the focus in the PRSP approach is on the realism of targets, costing and sequencing of proposed measures, and implementation and sustainability. These have tended to inhibit placing emphasis on international human rights norms.

25. Recent PRSPs confirm that the process has contributed to greater transparency and improved policy dialogue between Governments and a broad range of stakeholders. In Albania, CSOs were invited to join working groups to deliberate on PRSP content while in Guyana, the outcomes of the CSO consultations and the Government's feedback have been documented, analysed and communicated to the public. In Malawi, the PRSP preparation process has helped to strengthen CSOs.

26. The deepening of participatory processes is particularly evident in public expenditure management. The Malawi Economic Justice Network, a CSO, analyses the national budget on a yearly basis. Similarly in Ghana, a CSO has started to analyse and track budget decisions and will carry out performance monitoring of public service delivery with "citizen report cards" as part of PRSP monitoring. Public Expenditure Tracking Surveys (PETS) offer new scope for tracking actual expenditures at the local level. CSOs in Uganda have started to adapt this methodology for ongoing input and budget tracking. Likewise, in Albania, the Government will shortly carry out a quality of service and client satisfaction survey in the context of public sector reform, using the citizen report cards methodology and with support from the International Development Association through a PRSC.

27. During the past decade, the IMF has adapted its policy orientation to keep balance between country ownership and the Fund's policy advice to the international community by strengthening policy dialogue. Country ownership works better for countries seeking debt relief where there is broad participatory process through the formulation of PRSPs. The Fund has also

experienced a paradigm shift from Enhanced Structural Adjustment Facility (ESAF) towards Poverty Reduction and Growth Facility (PRGF). The strong expression of disappointment of the 1980s SAP paradigm prompted the Fund to narrow its focus.

28. Given the present policy focus of the Fund, the Commission may wish to reconsider its decision to establish the Open-ended working group to elaborate policy guidelines on SAPs and economic, social and cultural rights and hence the relevance of such a follow-up mechanism could be questioned. IMF supports sound government policies in the context of the stabilization of the economy with available resources. In cooperation with the Bank, the Fund will only support a financial request preceded by a PSIA, partly contained in PRSP, as a precondition for accessing PRGF. Since 2000, in the implementation of PRGF, which has become the single IMF loan facility, the Fund has focused its efforts on support to pro-poor spending.

### **B. The United Nations system and related agencies**

29. In its 2002 report on the LDCs,<sup>5</sup> the United Nations Conference on Trade and Development (UNCTAD) addresses the relevance of the PRSP process in relation to a way to break out of the poverty trap. The proportion of the population living on less than US\$ 1/day increased from 56 per cent in the 1970s to 65 per cent 20 years later. UNCTAD deplores the fact that the SAPs imposed on LDCs in the 1980s and 1990s have not impacted on poverty. Any new strategy should seek to provide them more aid because the net value of official development assistance (ODA) is still 49 per cent below the 1990s figures.

30. The introduction of the PRSP approach being considered as “a major opportunity to achieve greater poverty reduction, but realizing this opportunity will require a real break with the policies of the past”,<sup>6</sup> it is believed that ownership should be understood as having policies that are domestically formulated and implemented through participatory processes involving CSOs, rather than being donor driven or imposed by IMF and the World Bank.

31. Whatever the outcome of the PRSP exercise, it remains the way for low- and middle-income countries to access concessional assistance and debt relief from IFIs. While the process is known to be flawed because of “self-censorship” by countries that own the technical process of policy formulation without the corresponding freedom of choice, UNCTAD believes that IFIs have partially failed to provide LDCs and other low-income countries with resources commensurate with the expectations raised by their new tools.

32. The World Summit for Social Development devoted commitment 8 of the Copenhagen Declaration on Social Development (A/CONF.166/9) to SAPs and their impact, inter alia, on social development goals, in particular eradicating poverty, promoting full and productive employment and enhancing social integration, and made a commitment to increase the quality and effectiveness of social expenditures, undertake gender-sensitive social impact assessments,<sup>7</sup> and design policies to promote more equitable and enhanced access to income and resources.

33. Economic and social programmes should aim at poverty reduction by preserving and enhancing the social capital and strengthening the social fabric of society. Information-sharing and coordination between the players should be improved with a view to promoting social development and exploring ways and means of reducing the negative effects of SAPs.

34. Seemingly, the Division for the Advancement of Women of the Secretariat stresses that heavy schedules of debt servicing and the policy adjustments required by the loans, particularly relating to cuts in basic goods and services or shifts of responsibility for these goods and services to the market, has led to increased poverty in many countries. The failure to take gender perspectives into account has also exacerbated gender disparities to the detriment of sustainable development.

35. Debt management and debt restructuring should include relevant gender perspectives as in considering social development and equity issues. The social costs of debt servicing in relation to reduced access to basic services such as health, education, water and energy supplies, and the increased burden on women's unpaid work must be taken into account.

36. The International Conference on Financing for Development held at Monterrey, Mexico, recognized debt relief as a key feature in attaining sustainable growth and development and reaffirmed, inter alia, that Governments have a critical role to play in ensuring that loans are secured on terms or conditions that do not compromise universally agreed human rights and gender equality goals. The Monterrey Consensus will contribute more effectively to the achievement of the Millennium Declaration Goals if there is gender-balanced representation of and active participation by women's groups in loan negotiations and debt relief agreements. More generally, it is a joint responsibility of creditors and debtors to ensure that, on the one hand, debt sustainability reviews include the impact of debt relief on the achievement of the Millennium Development Goals and, on the other hand, that the provision of debt relief does not detract from ODA resources.

37. Total external debt for the ESCWA region was estimated at around US\$ 280 billion in 2000. However, the debt situation differs substantially between ESCWA member countries. Significant progress was made in Egypt, Yemen and Jordan. These countries have implemented sound structural economic reform policies accompanied by SSNs to minimize the adverse effects of austerity measures.

38. The debt situation in Iraq and Lebanon continues to deteriorate. The United Nations sanctions on Iraq have hindered economic growth and development, and hence the alleviation of poverty in that country. In Lebanon, by the end of 2001, the country's total external debt exceeded US\$ 27 billion. Consequently, the Government curtailed its expenditures and implemented a tight monetary policy with relatively high interest rates. Such policies have constrained economic growth and aggravated unemployment. The share of government expenditures allotted to public health and education witnessed declines in the past several years.

39. A good indicator of the external debt burden on a country's economy is the ratio of external debt to gross domestic product (GDP). For the ESCWA region as a whole, the debt-to-earnings ratio was 36 per cent in 2000. Egypt and Jordan, through economic reform policies and inflows of foreign aid, decreased their respective external debt. Egypt decreased its debt burden ratio from 117 per cent in 1980 to 36 per cent in 1998; Jordan's fell to 112 per cent in 1998 after registering 195 per cent in 1991. In the Syrian Arab Republic, the ratio improved to 90 per cent in 1998 after deteriorating to an alarming 226 per cent in 1989 from a 21 per cent level in 1980. Lebanon's external debt burden increased after 1995 when the Government began

transferring part of its domestic debt to foreign debt. The external debt ratio in Yemen deteriorated in the early 1990s after unification. However, with an inflow of foreign aid and government economic reforms, it fell from 164 per cent in 1994 to 64 per cent in 1998.<sup>8</sup>

40. The picture of external debt would be incomplete without shedding light on debt servicing. Egypt, Jordan, Oman and the Syrian Arab Republic significantly decreased their external debt service payments. The ratio of external debt service payments to total budget expenditures decreased in Egypt from 31 per cent in 1990 to 8.5 per cent in 1998, in Jordan from 66 per cent in 1989 to 34 per cent in 1998, remaining one of the highest ratios in the region, in Oman from 46 per cent in 1989 to 13.1 per cent in 1998 and in the Syrian Arab Republic, the most significant decrease, from 24 per cent in 1990<sup>9</sup> to 2.1 per cent in 1998.

41. In Lebanon, the external debt service payments to total budget expenditures ratio increased from 4 per cent in 1993 to 10 per cent in 1998. This helps explain the sudden jump in total public debt service payments of around 47 per cent in the first half of 2002. Excluding debt service payments, Lebanon had a primary surplus of 27 per cent of total budget expenditures in the first half of 2002.<sup>10</sup>

### **C. The perspective of the NGO community**

42. According to NGOs, the foreign debt of poor countries has been used by creditor countries and IFIs as a leverage to impose specific economic policies. These structural adjustment measures have deepened the debt while destroying the productive capacity of poor countries in both the manufacturing and agricultural sectors. So did the HIPC Initiative, which generated new resources for IMF and gave it and the Bank final say on the acceptability of PRSs. Adjustment policies have affected citizens' economic rights in such areas as health care and education, access to water, food security, and viable employment and workers' rights, while related protests have met with government repression in many instances.

43. Over two decades, The Development GAP has joined organizations from Ghana and Ecuador in fighting against the imposition of SAPs. As part of this battle, alleviation measures have been rejected as an inadequate response to the problem. The global Structural Adjustment Participatory Review Initiative (SAPRI) carried out with the Bank affirmed, from a local-level perspective, the failure of these policies and their contribution to the deteriorating position of a broad range of population groups and economic and social sectors.

44. From the NGOs' perspective PRSs have been widely documented as failures because they have not addressed the contribution that IFI economic policies have made to growing poverty and inequality around the world. HIPC has failed even on its own terms, as the depth and breadth of debt relief in and across countries have been limited. It has also been argued that HIPC, PRSs and PRGF would not only fail but would make life more difficult for the poor, as they were designed to allow the imposition of more austerity and policies that would diminish productive economic capacity and viable and sustainable employment. If any of these tools adopted to assist in poverty alleviation do not effectively meet the criteria of transparency, participation and accountability, they will be rejected by the recipient countries.

45. In a recent publication,<sup>11</sup> the Structural Adjustment Participatory Review International Network (SAPRIN) recalls the agreement of the President of the World Bank to engage civil society in a field analysis of the effects of SAPs, in particular the impact of economic reform on poverty reduction and income differentials, with a view to facilitating the understanding of poverty creation and reduction. The report identifies four ways by which SAPs have further contributed to the impoverishment and marginalization of local populations and increased inequality: the demise of domestic manufacturing sectors and loss of gainful employment; the contribution of agricultural, trade and mining reforms in the decline of the viability and incomes of small farms and poor rural communities; the retrenchment of workers by privatizations and budget cuts and labour-market flexibilization measures; and the increase of poverty through privatization measures, the resort to user fees and other adjustment measures which affect the capacity of Governments to deliver essential services to the population.

46. Focusing on the economic crisis in Argentina, FIDH expressed its concern about the deterioration of economic, social and cultural rights for which Argentine public authorities and IFIs share equal blame. The external debt of Argentina represented as 2.5 billion pesos in 1993 and 9.5 billion pesos in 2000 and was projected to reach 11 billion pesos in 2001. The rapid increase of the nominal debt burden is due to high interest rates based on the "country-risk" tax. In seven years, the debt service increased from 8 per cent of State current expenses in 1993, to 20 per cent in 2000 and 30 per cent in 2001.

47. For Argentina to receive financial support from IFIs, it was required to adopt a zero deficit policy. As a result, the Law on Zero Deficit was adopted in 2001 which led to cuts in public expenditures, in particular in basic health care and support to HIV/AIDS patients, education and other social sectors including pensions, and unilaterally curtailed civil servants' wages.<sup>12</sup>

48. According to the Centro de Estudios Legales y Sociales (CELS),<sup>13</sup> 2002 has confirmed the trend towards continued social exclusion and systematic repression and the criminalization of demonstrations. In the absence of a vision to address the exacerbation of the economic, social and cultural situation of the poor, additional unilateral measures, including the non-revocation of the illegal<sup>14</sup> Law on Zero Deficit, and the prohibition of withdrawal of bank deposits by individual citizens, have fuelled social tension.

49. The current alarming macroeconomic indicators<sup>15</sup> are attributed to the ineffective policy of adjustment adopted by the Government. The gap between rich and poor Argentines has increased drastically in the past months, with the brutal reduction of public expenditures and essential State functions. As a result, of the 35.5 million inhabitants, 18.2 million have been below the poverty line since May 2002, representing 51.4 per cent of the population and reflecting an increase of 26 per cent over 2001 estimates. Children and teenagers account for 66.6 per cent of these poor, with a negative impact on child nutrition and an increase in child mortality.

50. Recent data from the National Institute for Statistics indicate that in May 2002, Argentina experienced a record rate of unemployment of 21.5 per cent of the economically active population, with 27.7 per cent of the working population earning less than US\$ 200/month, an amount insufficient to cover the basic needs of an adult, according to official sources. The

situation has been aggravated by the devaluation of the peso in relation to the United States dollar, which generated speculation and negatively impacted, inter alia, on the capacity of sick people, in particular transplant and oncology patients, to secure needed drugs.

## **II. WHY DEBT RELIEF ALONE IS INADEQUATE TO REALIZE THE HUMAN RIGHTS DIMENSION OF POVERTY: A CASE STUDY OF BOLIVIA**

### **A. National institutional arrangements to combat poverty**

51. In Bolivia, a milestone was the adoption of the National Dialogue Law, which promotes capitalization to raise resources from debt relief to fund the poorest municipalities and institutes a social dialogue every two years to fine-tune the mechanism to allocate resources. According to official sources, some 30 per cent of the active population is denied basic human rights despite greater democratization. Decentralization has led to the creation of 350 municipalities, the illiteracy rate remains around 8 per cent with a poor level of income distribution, while the HIPC process remains strongly linked to the Social Control Mechanism.<sup>16</sup>

52. The progress report<sup>17</sup> on the implementation of MDG in Bolivia, issued in 2001, focuses on the achievements made in the country and the challenges that lie ahead in the following areas: extreme poverty; universal primary education; gender equality; child mortality; maternal health; HIV/AIDS, malaria and other diseases; environment and sustainable development; and global society for development. Successful coverage of these areas will require a strong financial support from the international community. Such support, which falls within the priorities of assistance for development, would range from increased access to concessional lending opportunities to the design of a sustainable development strategy ... through in-depth reforms of institutions and legislation.

53. Concerning the critical issue of HIV/AIDS, the major challenge faced by the Government in reducing its incidence lies in prevention through more dynamic information and communication campaigns. These efforts fall within the Strategic Health Plan, part of the Health Reform Programme. At present, Bolivia's ability to monitor the health environment, including data collection, quality of information, statistical follow-up and analysis, and incorporation of statistical analysis in policies, plans and resource allotment mechanisms, is held to be good.

54. The Bolivian Human Development Report 2002<sup>18</sup> notes that despite institutional reforms and reasonable international financial support received from international partners, the State is impoverished. The report indicates a number of key changes that need to be initiated in the political arena if the Bolivian authorities are to avoid the persistent tension being fed by the unfavourable economic environment of the country.

55. Despite an increase in per capita GDP since the 1980s, the level of poverty has not declined, mainly due to demographic changes and the concentration of social policies on the areas of primary health care and education. A decline in the legitimacy of the State coupled with growing influence of the media in defining topics of public debate has led to the quasi-monopolization of the market and of the cultural environment by transnational companies.

Disagreement between social and political leaders regarding the present crisis can only fuel misperceptions of the political will to restore the trust of the poor majority of citizens in their leaders, a key element for a new development ethic.

56. It is also hoped that the State will strive to promote a greater sense of common good; it should:

“Submit itself to democracy and promote a competitive business culture and a higher level of integration and social cohesion in society and in the economy, especially among the poorest and the most excluded groups. ... Bolivia needs to place poverty, integration and social cohesion in the centre of the political debate. Commitments need to be promoted among parties and society regarding specific proposals for increasing the capability to act of the poorest and to form pacts and reach agreements in order to reduce poverty.”<sup>19</sup>

#### **B. To what extent do Bolivians enjoy economic, social and cultural rights?**

57. On the basis of an April 2002 poll covering the last 10 years, Gallup International<sup>20</sup> asked a representative sample of respondents to identify the most pressing problems faced by Bolivia hampering the enjoyment of human rights. The answers, in order of importance, were unemployment (identified by 87 per cent of respondents), poverty (74.8 per cent), corruption (69.3 per cent), drug trafficking (28.7 per cent), education (20.2 per cent) and health (19.7 per cent).

58. According to the Centre for Studies on Labour and Agricultural Development (Centro de Estudios para el Desarrollo Laboral y Agrario, CEDLA) based in La Paz, 17 years of uninterrupted SAPs in Bolivia, aiming mainly at stabilizing prices, have not had any major impact. GDP growth has been moderate and the social outcome poor, owing to the acceleration of social inequality, the concentration of income in the hands of a favoured minority, and precarious conditions in the workplace with no social security, low productivity, and little chance of developing individual economic activity for 70 per cent of the population living in urban areas.

59. It is well documented that 62 per cent of the urban population and 90 per cent in rural areas live below the poverty line. Despite the land reform following the revolution of 1952, land has never been equally distributed: 67 per cent of productive land belongs to 4 per cent of the population in a country where oil accounts for 18 per cent of GDP.

60. Many institutions, including CEDLA, consider SAPs to be the source of impoverishment of Bolivia. The development of PRSPs does not alter that fact but rather is an acknowledgment that SAPs have had a negative impact on the social sector in general. SAPs will not reduce poverty unless there are more investments in social programmes. Between 1990 and 1995, US\$ 900 million were spent in debt service. After the debt relief exercise, the debt burden grew between 1995 and 2001 to reach US\$ 4.5 billion, accompanied by massive unemployment and a significant drop in trade.

61. Indigenous peoples form a clear majority of the population in Bolivia, yet they constitute the most impoverished sector, and the most marginalized from political power since independence.<sup>21</sup> Most institutions established to support them have been accused of ineffectiveness and corruption to the benefit of powerful groups.

62. The major questions at stake remain access to land by indigenous peoples and territorial management. Meaningful change will occur only if the municipal system that arose from the 1996 Law on Popular Participation and the subsequent proposal for indigenous municipalities is implemented, the National Institute for Agrarian Reform is restructured and the cocoa eradication programme realized in parallel with the constitutional reform cancelled.

63. The following tables provide details of social indicators (table 1) and macroeconomic indicators (table 2), reflecting the impact of the economic and social policies adopted by the Government of Bolivia on basic economic social and cultural rights of the population:

**Table 1. Social indicators<sup>a</sup>**

| Indicators   | From <sup>b</sup> | To <sup>b</sup> |
|--|-------------------|-----------------|
| Poverty (1976-1992)  | 85.5              | 70.5            |
| Urban poverty (1976-1992) <sup>c</sup>                         | 66                | 53              |
| Rural poverty (1976-1992) <sup>c</sup>                         | 98                | 95              |
| Life expectancy at birth (1990-1999)                           | 59.3              | 62              |
| Child mortality (per 1,000 live births) (1976-1998)            | 151               | 67              |
| Maternal mortality (per 100,000 births) (1989-1994)            | 416               | 390             |
| Severe chronic malnutrition (1989-1998)                        | 14.8              | 8.9             |
| Illiteracy (1976-1999)   | 36.8              | 15.5            |
| Basic sanitation (1976-1998)                                   | 21.5              | 70              |
| Human Development Index (1993-1999)                            | Low/122           | Medium/112      |
| Consumption per capita (in US\$) (1990-1999)                   | 568               | 783             |
| GDP per capita (in US\$) (1990-2000)                           | 739               | 991             |
| Base income for a doctor (in loaves of bread) (1989-1998)      | 4 615             | 8 230           |
| Base income for a teacher (in litres of milk) (1989-1998)      | 138               | 219             |
| Base income for a teacher (in kilogrammes of meat) (1989-1998) | 37                | 52              |
| Minimum wage (Base 1989=100) (1989-1998)                       | 100               | 250             |

Source: Presidency of the Republic, La Paz, May 2002.

<sup>a</sup> In 2001, a number of indicators reflected better performance, i.e. poverty (58.6 per cent), urban poverty (38 per cent) and rural poverty (90.5 per cent).

<sup>b</sup> The columns refer to the dates indicated in brackets after each indicator.

<sup>c</sup> Poverty calculated on the basis of unsatisfied basic needs.

**Table 2. Macroeconomic indicators, 1985 and 1998-2000**

| Indicators                                 | 1985     | 1998  | 1999  | 2000  |
|--|----------|-------|-------|-------|
| Growth                                     | -1.7     | 5.2   | 0.4   | 2.4   |
| Inflation (12 months)                      | 8 170.52 | 4.39  | 3.13  | 3.41  |
| Devaluation (12 months)                    | n.a      | 5.21  | 6.19  | 6.84  |
| Fiscal deficit (% GDP)                     | 25.5     | 4.1   | 3.9   | 4.1   |
| Fiscal pressure                            | 4.0      | 19.6  | 18.4  | 18.5  |
| Gross domestic revenue (in millions US\$)  | 136      | 1 063 | 1 114 | 1 084 |
| Imports (in millions US\$)                 | 225      | 1 007 | 919   | 594   |
| Exports/non-traditional (in millions US\$) | 34       | 576.0 | 570.0 | 643.0 |
| Bank deposits (in millions US\$)           | 56       | 3 473 | 3 520 | 3 442 |
| Banks assets (in millions US\$)            | 60       | 4 218 | 4 053 | 3 590 |
| Interest rate/effective                    | 28.5     | 15.4  | 16.3  | 16.2  |
| Country risk                               | 9.4      | 3.6   | 2.8   | 1.2   |
| Investment - Total savings (% GDP)         | 7.2      | 23.9  | 19.0  | 18.4  |
| Direct foreign investment (% GDP)          | 0.2      | 10.2  | 12.2  | 8.6   |
| Public investment (% GDP)                  | 4.4      | 5.9   | 6.2   | 6.7   |

Source: Presidency of the Republic, La Paz, May 2002.

### C. A critical assessment of the Bolivian structural adjustment programmes

64. Fifty-eight per cent of Bolivia's population of 8,274,225 live below the poverty line. In the search for ways to combat poverty, Bolivia's three types of resources: co-participation resources of US\$ 175,224,363; HIPC resources of US\$ 69,650,000; and US\$ 60 million from the National Fund for Productive and Social Investment.

65. CEDLA has assessed the impact of SAPs on the Bolivian macroeconomic framework<sup>22</sup> and concluded that Bolivia is a victim of inequitable globalization caused notably by the imposition of unilateral opening up to international trade while developed countries increase their protectionist barriers; a reduction of its exports; forced privatization of part of the public sector; financial speculation which has fed capital volatility; the adoption of labour policies causing an increase in job insecurity; and the deterioration of education, health, food sanitation and other public services. Bolivia is experiencing less competitiveness and growing indebtedness as reflected in: moderate to low but unstable economic growth of under 3 per cent in the 1990s despite an increase in direct foreign investment, with fluctuations of between 4.5 and 0.5 per cent during the decade, growth of GDP per capita of 1.7 per cent below the population growth of 2.3 per cent, a constant fiscal deficit of around 4 per cent, low remuneration of savings leading to the shrinking of national resources available for investment

to 7 per cent of GDP, a recurrent trade deficit, a persistent deterioration of the terms of trade owing to the decline in income from the export of cash crops while the price of importing manufactured goods is on the rise, and a reduction of local demand and expenditure of savings which penalize the poor disproportionately.

66. With regard to the restructuring of production, it would be fallacious to assert that globalization has given impetus to productivity or competitiveness or has helped change the export profile on the basis of freed trade and stimulation of foreign investment. In the absence of access to technological innovation, Bolivia will continue to be tied to a productive structure based on exports of raw materials, a handful of industries producing basic consumption goods and a multitude of small economic units geared towards manufacture. These policies are characterized by a massive concentration of capital in the hands of foreign companies, creating conditions for generating surpluses without internal accumulation of capital and leading to serious negative effects for the sustainability of productive development.

67. For the past 20 years, a serious debt burden has been the basis of Bolivia's SAPs. In 1985, its external debt totalled US\$ 3,294 million, representing 51.3 per cent of its GDP, with an annual debt service of US\$ 248 million and a ratio of debt service to exports of 33.1 per cent. The Paris Club granted partial debt forgiveness while private banks bought back 11 per cent of the remaining debt at face value. Despite debt relief granted by many of its creditors, the debt burden of Bolivia has increased in real terms from US\$ 2,652 million to US\$ 4,337 million for the period 1981-2001. Foreign debt represents 51.2 per cent of GDP, the ratio of debt to exports has decreased to 21.5 per cent while the annual debt service hit a record of US\$ 318 million, or US\$ 70 million more than at the time of the initial SAP in the early 1980's. At present, the 99.6 per cent of the Bolivian external debt is owed to public creditors and only 0.4 per cent to the private sector, as compared to 1981 when 58 per cent was owed to public partners and as much as 42 per cent to international private banks.

68. HIPC initially provided to Bolivia in 1998 debt relief of US\$ 448 million, the equivalent of 10 per cent of its debt. Bolivia thereupon committed itself to implementing ESAF. In the face of an unsatisfactory performance in terms of reducing public debt, Bolivia's creditors agreed to fund an enhanced HIPC supported by PRGF, the new paradigm for poverty reduction which is based on three pillars: an enlarged base for foreign direct investment, investment in human capital, and creation of safety nets including measures to attenuate poverty.

### III. CONCLUSION

69. Except for highlighting the human rights dimensions of structural adjustment policies and foreign debt on the enjoyment of all human rights, the real end use of the exercise is unclear. Commission resolutions on the subject since the establishment of the mandate have made little or no acknowledgment of either the dynamism of the situation or the many significant developments, and hence the need to fine-tune the mandate.

70. The delay in the formal election of the Chairperson of the Open-ended working group and the consequent uncertainty of the working group's meeting schedules have negatively impacted on the independent expert's programme of work and the content of the report in view of the requirement to furnish the working group with an advance copy of the report. An

inflexible interpretation and application of the rules regarding disbursement of resources coupled with a lack of enthusiasm on the part of Governments to provide additional resources for this mandate pre-empted the independent expert from carrying out his functions as envisaged by the Commission.

71. Neither in its original resolution establishing the mandate nor in subsequent ones does the Commission call on the independent expert to submit any recommendations. This may be a logical consequence of the fact that the Commission, in its wisdom, also chooses to refrain from spelling out explicitly the object and purpose of the annual analyses to be submitted. This state of affairs would not seem to serve the Commission's cause of promotion and protection of human rights.

72. The effects of foreign debt and structural adjustment policies on the full enjoyment of all human rights in developing countries are now widely acknowledged and well documented. These effects, however, vary both in terms of scope and severity in HIPCs and LDCs. It is, however, common ground that heavy foreign borrowing by developing countries in the 1970s and 1980s, supposedly to finance large-scale development projects and programmes, led to unsustainably high levels of debt by these countries. Consequently, both the borrowers and lenders are jointly responsible for the present untenable levels of foreign debt of HIPCs and LDCs.

73. The World Bank posits that its mission is poverty reduction and contends that there is a language gap between human rights advocates and the Bank. Sharp divergence of opinion persists as to the link between the effects of foreign debt and structural adjustment policies and the lack of or inadequate attention to and failure to promote and protect economic, social and cultural rights in developing countries. Borrowers blame the heavy debt burden, debt service and imposed SAPs by the lenders while the latter blame poor policies, bad governance or mismanagement of public affairs, corruption and impunity in HIPCs and LDCs.

74. The President of the World Bank recently<sup>23</sup> acknowledged that the goal of cutting global poverty in half by 2015 are off track and do not stand a chance of being met unless rich countries scale up their contributions and coordinate activities better. There is still a great gap between the promises made by the Group of Eight (G-8) Summit in Canada in early 2002 and the unrealistic estimates formulated by the Bank and the Fund, justifying NGOs' allegations that the World Bank/IMF interventions in the debt-relief process have so far been miserable.

#### **IV. RECOMMENDATIONS**

75. Accordingly, it is recommended that the Commission on Human Rights:

(a) Address the infringement of basic economic, social and cultural rights, and investigate the repression of rights by Governments in response to protests against and resistance to the imposition of such SAPs as the liberalization of trade, the privatization of public utilities, the elimination of subsidies on food and other essentials and the deregulation of mining investment;

(b) Work to foster an environment of acknowledgment by both the lenders and borrowers of shared, albeit differentiated, responsibility for the situation giving rise to foreign debt, which in turn necessitated SAPs and their concomitant effects. The Commission should move beyond adopting resolutions and be more proactive within the scope of its legislative mandate in formulating innovative frameworks and mechanisms to bring about such acknowledgement of shared responsibility;

(c) Suggest that the Economic and Social Council and the General Assembly call on Member States, IFIs and all other stakeholders to take every appropriate measure to redress and/or alleviate poverty and conditions that give rise to indebtedness and the adverse effects of measures adopted to comply with SAPs;

(d) Call for tools such as the HIPC Initiative, PRSPs and the PRGF to be underpinned by the principle of the aforementioned shared responsibility and carried out in a spirit of accountability and transparency;

(e) Establish a reporting mechanism to monitor accomplishments, problems experienced and lessons learned in the promotion and protection of human rights with regard to the implementation of the Millennium Development Goals.

76. According to IFIs, the issues and concerns affecting human rights are being adequately addressed by the variety of supported initiatives and improvements to the instruments described above. Concerning the implementation of its mandate by the open-ended working group on Structural Adjustment Programmes and economic social and cultural rights, the guidelines foreseen would have to recognize the right of people not to have a prescribed set of policies imposed upon them, especially one that has undermined their basic rights. These guidelines should explicitly recognize:

(a) That economic, social and cultural rights, particularly established and recognized rights related to health, food, employment, education and housing that have been consistently and systematically undermined by SAPs, must be respected;

(b) The right to development, meaning the right of poor countries to pursue development strategies and economic programmes in response to the needs of their own people, including the reinstatement of the needs mentioned above;

(c) Political rights. International institutions tend to make decisions, such as the imposition of polarizing SAPs, that generate social unrest. Hence, the political right of peoples to be free of resulting State repression can be meaningful only if a Government has the right to free itself from the dictates of international institutions and respond to its own people constructively rather than repressively.

77. Movement in this direction, with the prestige of the Commission behind it, would be a major contribution to the shifting global debate on SAPs and foreign debt. Moreover, guidelines that accept the imposition of adjustment measures and only call for safety nets or other mitigation measures would be out of date, a major step backward and counterproductive.

### Notes

- <sup>1</sup> For a comprehensive discussion of developments and issues related to adjustment lending, see *Adjustment Lending Retrospective, Final Report*, 15 June 2001, available at <http://www.worldbank.org>.
- <sup>2</sup> The progress in implementing the HIPC approach has been summarized in a report to the Development Committee entitled *The Challenge of Maintaining Long-Term External Debt Sustainability*, 20 April 2001. For further information on the HIPC initiative, see the HIPC web site at <http://www.worldbank.org/hipc/>.
- <sup>3</sup> See *Adjustment Lending Retrospective, Final Report*, op.cit.
- <sup>4</sup> The note *From Adjustment Lending to Development Policy Support Lending*, the schedule of consultation and the comments received are available on the Bank's web site.
- <sup>5</sup> United Nations Conference on Trade and Development, *The Least Developed Countries Report 2002: Escaping the Poverty Trap*, Geneva, 2002. In particular chapter 5, National Development Strategies, the PRSP Process and Effective Poverty Reduction.
- <sup>6</sup> Ibid., p.168.
- <sup>7</sup> See also the Beijing Platform for Action (A/CONF.177/20), in particular paragraphs 13, 16, 18, 20, 47, 58, 59, 67, 86, 91, 175 and 178. See also the outcome of the twenty-third special session of the General Assembly (June 2000).
- <sup>8</sup> Economic and Social Commission for Western Asia, *External Debt in the ESCWA Region* (E/ESCWA/ED/2001/19), United Nations, New York, 2002.
- <sup>9</sup> Ibid. p. 39.
- <sup>10</sup> Lebanon Invest Research Company, s.à.r.l., *Weekly Bulletin*, Issue 280, 15-20 July 2002.
- <sup>11</sup> Structural Adjustment Participatory Review International Network (SAPRIN), *The Policy Roots of Economic Crisis and Poverty: A Multi-Country Participatory Assessment of Structural Adjustment*, First Edition, April 2002. See in particular chapter 9 - Structural Adjustment, Poverty and Inequality.
- <sup>12</sup> See Instituto de Estudios y de Formación de la Central de Trabajadores Argentinos (CTA), *Lógica del deficit cero, presupuesto para el 2002 y perspectivas*, octubre 2001.
- <sup>13</sup> Centreo de Estudios Legales y Sociales (CELS) "Argentina: The Eruption of a Model", in *Social Watch 2002*.
- <sup>14</sup> The Supreme Court of Argentina declared the Law on Deficit Zero, including the administrative implementation rules thereto, unconstitutional.

<sup>15</sup> Instituto Nacional de Estadística y Censo (INDEC), Encuesta Permanente de Hogares (EPH). The inquiries address cases of families that cannot afford basic food and nutrition and other essential needs.

<sup>16</sup> The Social Control Mechanism as defined by article 1 of its statutes as a participatory and representative institution of a social character, composed of nine departmental control mechanisms, national institutions and organizations operating as a not-for-profit civil association protected by the State Constitution, the Civil Code and other relevant norms.

<sup>17</sup> United Nations, *Millennium Development Goals: Progress in Bolivia*, 2001.

<sup>18</sup> United Nations Development Programme (UNDP), *Bolivia Human Development Report 2002 - Summary*, La Paz, March 2002, p. 26.

<sup>19</sup> *Ibid.*, pp. 21 and 22.

<sup>20</sup> Gallup International, *Los principales problemas de Bolivia*, Walkerinformation, mayo 2002, pág. 4-6.

<sup>21</sup> Alejandro Parellada, Editorial in *Indigenous Affairs No. 2/02 - Bolivia*, Quarterly Journal of the International Work Group for Indigenous Affairs, 2002, pp. 4-5

<sup>22</sup> Silvia Escóbar de Pabón, *Condicionalidad Externa y Desarrollo - Evaluando la Estrategia Boliviana de Reducción de la Pobreza*, CEDLA, Documentos de Conjuntura No. 5, pp. 3-10.

<sup>23</sup> Statement made on 24 September 2002 to Reuters News Agency in Nashville, Tennessee, prior to the annual shareholders' meeting of the Bank and IMF.

-----