

# JPIC REPORT



A publication of the OMI Justice and Peace/Integrity of Creation Office

If you are neutral in situations of injustice, You have chosen the side of the oppressor.

If an elephant has its foot on the tail of mouse and you say that you are neutral, the mouse will not appreciate your neutrality.

- Archbishop Desmond Tutu

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## From the Director: Diversity and Interdependence

September 2010 marked the 9th anniversary of 9/11 and the second anniversary of the near collapse of the financial system on 9/15. A column that I read recently in the *Financial Times* reflected on the impact of each event and suggested that when the history of the period is written, the long-term impact of the September 15th event will be of much greater significance.

The piece argues that 9/15 marked the beginning of a transition away from the dominance of the west in financial matters. Reflecting on the furor that has erupted in the US over the planned Islamic center near Ground Zero and the attendant acrimony about burning copies of the Holy Koran and the Holy Bible, it seems difficult to agree with the columnist's conclusion.

While I was travelling in Geneva, Vienna and Rome during September as these anniversaries were marked, I found myself drawn again to the thesis of this article. I watched the different countries struggling with their policies and attitudes about immigration, integration and diversity. On the one hand, the 9/11

attacks resulted in great waves of insecurity and fear in the lives of ordinary citizens, and subsequent intrusive security measures and scrutiny, especially for those crossing borders or using airports. They also precipitated two major wars that have been tremendously costly in both lives and money.

Yet, while the US was strong and resilient enough to lead others into the wars in Iraq and Afghanistan, the inconclusive results and the costs of the wars have contributed to an increasing awareness of the limits of its political power and economic prowess. The financial crisis that came to a head on September 2008 has also clearly confirmed its economic weakening, and the faltering recovery serves to indicate the emergence of a new and long-predicted multi-polar economic system.

These reflections lead me to ponder a few pivotal themes and challenges presented by the coinciding September anniversaries. The challenge presented to us by diversity in so many dimensions of our lives remains startling. How can we, in communities across

the world, move beyond the sense of threat and fear that consume us when we encounter diversity and difference, and build bridges to promote understanding and foster community? Are the battle lines that have been drawn about immigration in many places destined primarily to impoverish us, destroying our image of a God of hospitality?

Interdependence is another theme that comes to mind as I look at the shift to a multi polar reality taking place in the global economy, with a network that is alive 24/7. Is it finally penetrating our psyches that China has moved to being the second-largest economy in the world and is on a pace to pass the US in 15 to 20 years? If the financial crisis marks the turning point of the West's dominance in economic matters and the emergence of an Asian century, are we equipped to engage this emerging face of interdependence?

Will the roots of our identity, cultures and faith be both receptive and strong enough to welcome and respond to an invitation that calls us to embrace interdependence, and to journey together into the future full of hope?

**The OMI Justice and Peace/ Integrity of Creation Office** coordinates the advocacy efforts of the Missionary Oblates of Mary Immaculate on behalf of the interests of the poor and abandoned in the U.S. and in the more than 65 countries where the Oblates are in mission. These efforts include serving as a resource for province membership, supporting the community organizing efforts of the Oblates in the United States, and coordinating the Corporate Responsibility Program to insist on just practices and policies by corporations in their worldwide operations. Our work also includes advocacy with the United States government and other international institutions on a variety of justice and peace issues.

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## News and Happenings

### Fr. Tomas Vyhnalek, OMI Appointed VIVAT Representative in Vienna

**Fr. Tomas Vyhnalek, OMI** was appointed in July as an official representative of VIVAT International at the UN headquarters in Vienna. The UN in Vienna focuses on Drugs and Crime and Fr. Vyhnalek intends to focus on Human Trafficking, Migrant Smuggling, Criminal Justice, Prison Reform and HIV-AIDS. All of these are issues that are of prime interest to the Oblates as well as to VIVAT. The mission of VIVAT is designed to provide opportunities for the "voices of the poor to be heard where decisions are taken affecting their lives" (CC.RR 9a)



### JPIC Office Visitors

A number of Oblates have visited the JPIC Office in the past several months. **P. Giuseppe Mammana, OMI (Director of Novices in Guatemala)** stopped by Washington to connect with JPIC groups. **Bishop Bejoy D'Cruze, OMI, DD, (Bishop of Khulna, Bangladesh)**, briefed JPIC staff on issues affecting Bangladesh. **Fr. Godfrey Mpundu, Fr. Freeborn Kibombwe & Fr. Evan Chinyemba (OMI Superior) from Zambia**, who were here for meetings with the Provincial Council, spoke of their support for developing a JPIC outreach to the parish level in Zambia.

**Sharif Jamil**, a member of the International Water Keepers Alliance and a leader in the environmental and indigenous peoples movements in Bangladesh, is a close collaborator of the Oblates there. JPIC staff facilitated several meetings focusing on Bangladesh water and forestry issues with the ecumenical Water Working Group and staff at the World Bank and US AID.



Seamus Finn, OMI, Christina Herman, Gordon Weynand (Senior Energy and Environment Officer, Middle East Bureau's Office of Technical Support), Carrie Mitchell (Acting Bangladesh Desk Officer) and Sharif Jamil at USAID

**Fr. Stephen Tully**, Director of the **Denis Hurley Centre** in Durban, South Africa visited in July to tell us about his work and the work of the Centre to be named for Oblate Denis Hurley, Bishop and Archbishop of Durban (1947-1992). Fr. Hurley was a major mover against apartheid in South Africa and supporter of human rights in general.

The Denis Hurley Centre, which is to replace the antiquated parish centre next to Emmanuel Cathedral in the inner city of Durban, will respond to the plight of many hungry, homeless South Africans and refugees in that area – many with HIV/AIDS. A modern facility will make this assistance to the poorest of the poor far easier and more effective.

For more information, please see [www.denishurleycentre.co.za](http://www.denishurleycentre.co.za)

Our most recent visitor was **Herman Wainggai**, a non-violent advocate for the independence of West Papua, Indonesia. Mr. Wainggai visited the US to share stories of struggle and hope for West Papuans with NGOs, faith groups and Members of Congress. Mr. Wainggai believes that independence of West Papua would be a major development for democracy in Indonesia.

## Book Nook

### Half the Sky: Turning Oppression into Opportunity for Women Worldwide



*Reviewed by: Mary O'Herron*

Authors: Nicholas D. Kristof and Sheryl WuDunn. Alfred A. Knopf, New York. 2009.

Srey Rath, a Cambodian girl, was trafficked into Thailand, forced into prostitution by most brutal means, managed to escape, spent time in a Thai prison as an illegal immigrant, and was re-sold into prostitution by the police officer in charge of her repatriation to Cambodia. She escaped again and got back to Cambodia where she was assisted by American Assistance for Cambodia, a group that helps trafficking victims. With some counseling, training and financial assistance, she now has a small business. She is one of the fortunate few who have survived such treatment, was welcomed home by her family and community and given help to start a new life. Not many trafficking victims survive; many who do are not welcomed back home for a variety of reasons, both cultural and financial.

This story opens the book. With many poignant examples, the authors of *Half the Sky* tell about the abuse, misuse and lack of respect for females in many parts of the developing world, especially in Asia and Africa. Culture, religious beliefs, attitudes and poverty keep them frighteningly unable to contribute to their societies. Attitudes and behaviors of both men

and women contribute to the idea that men should be able to do what they want with girls and women.

To balance stories of gender-based violence, the authors show that women can be freed to become vibrantly useful with the right kind of help. Stories of heroic people and organizations show how change is happening in societies across many areas of the globe.

The enormous scope of the need is gradually being understood; efforts to change things are slowly getting under way. This book sheds light on the raw wound of female oppression and the harm it does to the world, while offering some suggestions for healing.

A quote from the Introduction: "The global statistics on the abuse of girls are numbing. It appears that more girls have been killed in the past fifty years, precisely because they were girls, than men were killed in all the battles of the twentieth century. More girls are killed in this routine "gendercide" in any one decade than people were slaughtered in all the genocides of the twentieth century." (p xvii)

The authors believe that pragmatic arguments though, are more convincing than statistics like these. For example, they note that a lack of education among women leads to poverty. Many talents and resources are lost by not educating females. The authors conclude this is simply foolish economic policy for poor countries.

The book suggests three things that could make a huge difference in the

lives of women especially in Africa and Asia:

- Establish programs that encourage education of girls.
- Have a global drive for the iodization of salt. This could help prevent brain damage for tens of millions of children before they are born.
- Launch a serious campaign to eradicate obstetric fistula and maternal mortality – to learn why, read the story of Simesh Segaye from rural Ethiopia. She suffered from this type of fistula, which causes a woman to have such a stench no one can be near her. After lying in a hut for two years, her parents sold their livestock (all of their assets) to finance a journey to Addis Ababa Fistula Hospital. (pp101-102) The authors describe the heroic founders of this hospital that was able to help her. Throughout history, millions of women have suffered in this way, often in terrible isolation.

Chapters on maternal mortality, rape, and the often severe punishment meted out to girls and women are heartbreaking, but it is important also to know about the many efforts of people to bring about change.

The authors set out to increase awareness of the abuse of females in developing countries and to encourage readers to take action, and they have succeeded. Examples of ways to help are on their website: [www.halftheskymovement.org/get-involved](http://www.halftheskymovement.org/get-involved)

Highly Recommended



## Border Enforcement without Immigration Reform: Throwing Good Money after Bad

By George K. Ngolwe

**F**or more than two decades, the United States Congress has tried to stamp out undocumented immigration. They have done this largely through border enforcement efforts while failing to carry out fundamental reform of the broken U.S. immigration system that is fueling the undocumented immigration place.

Convening during the August recess in two separate special sessions, the Senate and House of Representatives passed by acclamation the Emergency Border Security Supplemental bill which provides



\$600 million dollars for emergency spending for border security. This money will fund the deployment of troops, agents and drones at the US-Mexico border. President Obama signed the new border security bill into law on August 13. Many faith groups and a number of immigrant advocacy groups are not pleased with this emergency border security funding because it fails to address the fundamental problem of undocumented workers in the United States.

President Barack Obama had urged Congress to channel more money toward border security in the midst of complaints from Members of Congress representing the border and states such as Arizona. It should also be noted that the Obama administration has been deporting undocumented immigrants at a higher rate than the last Bush administration; this, according to a new report by Syracuse University's data research project which analyzed Immigration and Customs Enforcement records.

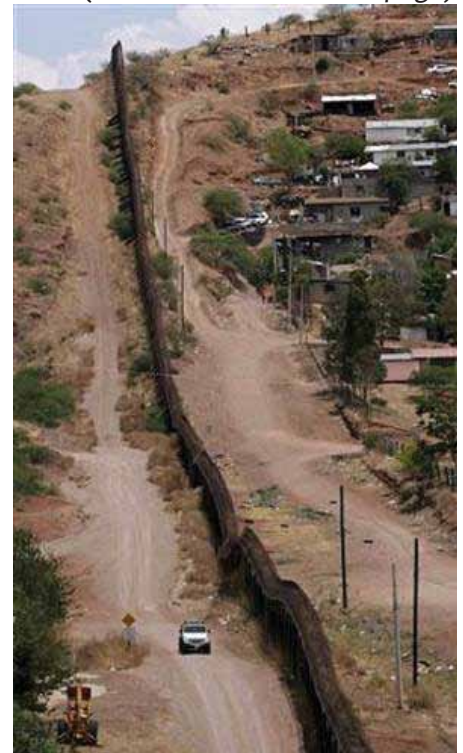
The claim asserted by some policymakers that increased border security would eliminate undocumented immigration fails the test of reality. The fact is that increased border security and the construction of border fences have only succeeded in pushing undocumented border crossers into dangerous and less-patrolled areas where they more vulnerable to smugglers and harsh desert conditions.

Most experts are saying that the decline in the number of undocumented immigrants is closely linked to the U.S. recession and not to border security programs. Historically, recessions have been found to affect undocumented workers disproportionately because they are more likely to work in industries with sensitive business cycles such as hospitality, construction and manufacturing.

Police in border communities and border research projects confirm that crime is down in border communities. A newly released poll surveying border residents on safety in border communities has people reporting that they feel their communities are as safe as most other communities in the nation.

Congressional Democrats are praising the bill as a building block for comprehensive reform. But one faith leader described the bill as Washington politicians making a \$600 million dollar investment in their political futures to show how tough they've been on enforcement. We know that this is not about border safety, but about politics, especially the upcoming mid-term elections in November.

*(continued on the next page)*



**(Border Enforcement cont.)**

To think that border enforcement alone will fix the current undocumented immigration is inaccurate. The fact is that almost half of the 12 million undocumented workers in the U.S. originally held valid visas, but over-stayed. And many have come from other parts of the world, not just Mexico. These people are largely well-educated and if legalized, could make a greater contribution to society.

The American people deserve a smart solution to the immigration problem. Such an approach requires a real conversation about dignified treatment of the millions of undocumented workers in the country, and a commitment to addressing the root causes of illegal immigration. With the exception of Congressman Luis Gutierrez's Comprehensive Immigration Reform for America's Security and Prosperity (H.R.4321) which has more than 100 co-sponsors, no other comprehensive reform legislation has yet been introduced in Congress.

An enforcement-only approach to the broken immigration problem is clearly not yielding the needed results. Unfortunately, this is a pattern that has been playing out now for years where the appetite in Congress for border resources and earmarks consistently blocks any action for comprehensive reform. It is time for Congress and the President to propose comprehensive solutions to the complex problem of the broken immigration system.

More information, visit our website:

<http://omiusajpic.org/issues/socialjustice/immigration/>



## **Congressional Updates**

### **Legislation Introduced to Promote Democracy in Zimbabwe**

In the House of Representatives, Congressman Payne introduced the Zimbabwe Renewal Act of 2010 (H.R. 5971), which has been cosponsored by over 35 Representatives. Key provisions of the Zimbabwe Renewal Act of 2010 include bilateral debt forgiveness, establishment of a multi-donor human rights trust fund, and support for the health care, education, agriculture and clean water sectors. The legislation maintains targeted sanctions against individuals who undermine democratic processes and reviews existing sanctions to reflect changing conditions on the ground.

The current U.S. policy towards Zimbabwe is characterized by the Zimbabwe Economic and Democracy Recovery Act of 2001 (ZEDERA); which is a U.S. sanctions law against certain Zimbabwe individuals and business entities. The proposed legislation is a major step toward improved relations between the U.S. and Zimbabwe, and hence is worth supporting.

To become involved or for more information, contact George Ngolwe at: [gngolwe@omiusa.org](mailto:gngolwe@omiusa.org)



## **At the United Nations**

*Report from Daniel LeBlanc, OMI*

VIVAT representation at the UN has grown in the past year. There are now three full-time representatives in New York: Sr. Zelia Cordeiro SSpS, Fr. Felix Jones SVD and myself. Fr. John Converset MCCJ and Sr. Ilaria Buouriposi CMS work part-time. Fr. Edward Flynn CSSp is now full-time at the United Nations in Geneva while Fr. Tomáš Vyhnálek OMI represents VIVAT part time at the UN offices in Vienna. All of us have taken on different aspects of the work and coordinate closely, supporting each other as needed.

In this update, I will focus only on my work, due to space limitations. For more information on the broader effort, please visit the VIVAT website or email me at [dlkomifi@yahoo.com](mailto:dlkomifi@yahoo.com)

Non-Government Organizations (NGO) Committee meetings are vital to our work. In these, we meet, network and strategize about positions and lobbying. NGO representatives do sometimes have a voice, but never a vote. So our task is to convey that which our members consider important and work to insure that member States take it into consideration. We highlight issues affecting those who live in poverty and who are the most oppressed by systems and governments. As our members number more than 30,000, and are present in more than 120 countries, our voice is respected.

*(continued on page 11)*

## Domestic Human Rights Update:

By George K. Ngolwe

### Campaign to End the Death Penalty

**I'm against the death penalty  
Look what happened to Jesus**

#### October 10: International World Day against Death Penalty

Since 2003, abolitionists have organized events around the world on this day to say No to the death penalty. The focus 2010 World Day against the Death Penalty is to strengthen the trend towards abolition in the U.S. and towards universal abolition. Find out more at [www.worldcoalition.org/worldday](http://www.worldcoalition.org/worldday)

#### November 8: Texas Judge to Hold Hearing on Death Penalty law

A Judge in Houston, Texas has a planned a hearing to listen to evidence on whether there's a substantial risk that the state's death penalty law allows for the possible execution of an innocent person. The death penalty hearing could last at least two weeks, and experts on the death penalty from across the United States are expected to testify.

#### November 30: Cities against the Death Penalty

This global action day, also known as "Cities for Life", is an action in which cities and capitals around the world light up public buildings to support an end to the death penalty.

#### Learn more at:

Catholic Mobilizing Network to end the use of the death penalty  
[www.catholicmobilizing.org](http://www.catholicmobilizing.org)



NM Governor Richardson with Archbishop Michael Sheehan of Santa Fe at the 2009 "Cities for Life – Cities against the Death Penalty" at the Colosseum in Rome

**Comments, Questions?** Email George Ngolwe at [gngolwe@omiusa.org](mailto:gngolwe@omiusa.org)



On June 7, 2010 Physicians for Human Rights (PHR) released a report providing evidence of unethical and illegal medical experiments conducted by the CIA on US-held detainees. The National Religious Coalition Against Torture (NRCAT) is campaigning for a thorough and transparent investigation of these allegations. The Office for Human Research Protections (OHRP) of Health and human Services (HHS) has declined to investigate the issue, and instead referred it to the CIA itself.

The PHR report reveals that doctors employed by the CIA analyzed the impact and effectiveness of various interrogation techniques to determine what might be legally permissible – in other words, what techniques might fall just short of torture. The Nuremberg code established a regime of protections for human subjects and set clear standards for informed consent of participants in research, an absence of coercion and a requirement for rigorous scientific procedures. Through their willing participation in monitoring and analyzing "enhanced interrogations," US medical personnel have in recent years violated these vital and long-standing ethical standards.

Oblate JPIC is a member of NRCAT and we are asking everyone to call on President Obama and Attorney General Holder to conduct a thorough investigation into the CIA medical experiments on detainees.

Visit: [www.nrcat.org](http://www.nrcat.org) for more information. You can also find a link to this action on the [OMIUSAJPIC website](http://OMIUSAJPIC.org).

Oblate JPIC USA is a member of NRCAT



## Working with Aging America: Advice to the White House

By Gary Huelsmann

*Gary Huelsmann, MSW, LCSW is the Executive Director of Catholic Social Services of Southern Illinois and a member of the OMI US JPIC Committee. He writes here about a recent trip to Washington, DC.*

I visited the White House on August 20<sup>th</sup> to discuss the success of a program administered by my agency for seniors living in rural areas, called the Senior Community Service Employment Program (SCSEP). The White House maintains a consistent outreach to the faith community on issues of social and economic justice. In this case, the Office of Public Engagement was looking for ways to tell some of this program's great poverty reduction and community service stories.

SCSEP is a US Department of Labor program created by the Older Americans Act, legislation passed in 1965 to help reduce poverty among Senior Americans. This legislation is considered the major vehicle for promoting the delivery of social services to the aging population.

Its mission is broad: to help older people maintain maximum independence in their homes and communities and to promote a continuum of care for the vulnerable elderly. The legislation provides important nutrition and transportation assistance.

In the **SCSEP program**, low income seniors receive job training through employment in subsidized jobs at non-profit organizations. In return, the non-profits get free labor which enables them to serve more people.



Gary Huelsmann (far left) and the group of social service providers invited to the White House in August to discuss programs for Senior Citizens.

Senior Service America, Inc., in Silver Spring, Maryland, is one of a handful of national awardees of the SCSEP program. They, in turn, give sub-grants to local organizations, of which my organization, Catholic Social Services of Southern Illinois, is one. SSA asked us to come to the meeting to share ways the White House could get the word out about how this program has been helping both the seniors and the communities which they serve.

A group of about ten of us discussed ways in which we could engage the White House in telling the program's success stories. One idea was for the President to tell one of the stories around Grandparents Day. After the meetings, the group enjoyed a tour of the White House.

In separate sessions, the sub-grantees brainstormed about how Senior Service America could engage Foundations to get private money for

programs to help more low income seniors. Catholic Social Services (CSS) receives about \$900,000 in funding, but needs to raise roughly \$100,000 in matching cash and in-kind gifts to secure that federal money. Last fiscal year (2010) CSS subsidized the work of 140 seniors at 79 host agencies. The value of these volunteer hours to the groups and communities served was roughly \$1.5 million. CSS has done a lot with its scarce resources, scoring highest in the State of Illinois on the performance measures of the contract.

The need is great: Southern Illinois is home to some of the poorest counties in the US. By 2050, 20% of America's population will be over age 65. As people live longer and social security budgets face cuts, programs like SCSEP will be important indeed.

For more information on SCSEP, visit: <http://www.doleta.gov/seniors/>

## The Low-Down on New Consumer Protections

By Christina C. Herman

In an important victory for Main Street, the Dodd–Frank Wall Street Reform and Consumer Protection Act passed this summer will result in substantial new protections for consumers. The Consumer Financial Protection Bureau (CFPB) created by the legislation has both the independence and authority it needs, despite the legislative compromises made. It is expected to be up and running in about a year.



The idea for a CFPB originated with Elizabeth Warren, Harvard University Professor and Chair of the Congressional Oversight Panel overseeing the U.S. banking bailout. In a 2007 article in *Democracy Journal*, Warren wrote, “It is impossible to buy a toaster that has a one-in-five chance of bursting into flames and burning down your house. But it is possible to refinance an existing home with a mortgage that has the same one-in-five chance of putting the family out on the street... The difference between the two markets is regulation.”

Warren, a strong consumer protection advocate, has been appointed by President Obama to set up, but not direct, the bureau. Her appointment was fiercely opposed by Wall Street

and a difficult confirmation battle in the Senate was expected.

Supporters of the new law are now gearing up for a tough fight with industry lobbyists over the details of the regulations that will be written by the Securities and Exchange Commission (SEC), the Federal Reserve and other government agencies.

### What to expect from the CFPB

The CFPB will be independent. Its director will be appointed by the president and confirmed by the Senate, and it will be housed in the Federal Reserve but not subservient to it. The bureau’s rules could be overridden if two-thirds of the new Financial Stability Oversight Council decided the proposed rules threatened the safety, soundness or stability of the U.S. financial system.

The bureau will write and enforce consumer protection rules for most loans, including credit cards, private student loans, and mortgage. It will enforce those rules for banks and credit unions with assets greater than \$10 billion. This includes, for example, the authority to require credit-card issuers like Citigroup to reduce interest rates and fees, or mortgage lenders to give clear information to borrowers.

While the agency’s rules apply to **all** banks and lenders, enforcement of those rules for institutions with less than \$10 billion in assets will be carried out by existing regulators.

The CFPB will operate a toll-free hotline for borrowers to report problems with a loan, and it will have the power to crack down on deceptive practices and hidden fees. State

regulators will also have the right to enforce new federal rules, adding another layer of protection.

### Financial Products and Practices

**Private student loans:** Up to now, students borrowing on the private market for college tuition have been in treacherous territory. These loans have typically been made with variable rates with no cap, no deferment options, no affordable payment plans, no loan forgiveness programs, and no cancellation rights in the cases of death or disability provided by federal loans.

The CFPB will write rules that apply to all private student loans, including those made by big banks, nonbank lenders like Sallie Mae, and by career colleges that offer private loans. CFPB will enforce those rules for all private loans provided by all nonbanks and by banks with more than \$10 billion in deposits. The current regulator of small banks and credit unions will be responsible for enforcing the CFPB rules.

In addition, the bill creates a Private Student Loan Ombudsman to assist borrowers, analyze complaints and make policy recommendations to Congress and the Administration.

**Arbitration:** Increasingly in recent years, forced arbitration clauses have been hidden in the fine print of consumer and investment contracts. These strip the consumer and investor of the right to file claims against major Wall Street firms and businesses ranging from cell phone and credit card companies to home builders and nursing homes. Just by taking a job or buying a product or service,

(continued on p. 16)



## Faith Based Investors respond to the Financial Crisis

By Seamus P. Finn, OMI

**A**s faith-based investors, we have just completed our most successful year of advocacy of the last 25 years with the US Congress and financial services corporations, especially banks.

The Missionary Oblates, with other members of the Interfaith Center on Corporate Responsibility (ICCR), filed Resolutions calling for greater transparency on derivatives trading with four major actors: JPMChase, Goldman Sachs, Bank of America and CITIgroup. Our resolutions were supported by more than 30% of shareholders, with a high of 39.09% with Bank of America.



ICCR members Sr. Barbara Aires, Joe La Mar, MM, Seamus Finn, OMI, Cathy Rowan and Kate Walsh heading into the Goldman Sachs AGM.

Our resolution, which focused on derivatives - specifically disclosure of bank policies on collateral and protecting their clients' capital - obviously resonated with many other shareholders. These included pension funds and institutional investors, as well as those professionals who make recommendations about which resolutions merit support.

The fact that the U.S. was experiencing the longest (2007 – 2009) and deepest recession (in terms of job losses), since WW11, coupled with the 30% plus decline in most investment portfolios, created an

almost tsunami-like climate of support for our work.

The past two years of meetings and accomplishments with these financial institutions represent a highpoint in terms of support from the investing community, attention by the media and serious engagement by the management of these corporations. Over the past 25 years, we have been asking financial companies to take seriously the social purpose of economic activity, the promotion of the common good and specifically their responsibility for ensuring a financial system that is reliable, accountable and transparent. Our engagement over time has addressed the following set of issues: lending policies and criteria; capital flight; predatory lending; credit card practices; off balance sheet liabilities; securitization models and capital adequacy ratios.

Historically, we have chosen which issues to address with these companies based on studies and personal accounts of the negative impacts of their policies and decisions on the poor and the marginalized in developing countries across the world. We have also been deeply concerned about the structure and operation of the international financial system. Income and wealth inequality between countries and within regions has continued to increase in recent decades and a fifty year-plus commitment to development by the world's governments has failed to accomplish most of its major priorities.

For us, this failure has been both a structural and systemic issue, and a direct result of the practices of major financial institutions. They have continuously claimed to have their

clients' best interests as their number one priority. Yet they have shown little appetite for addressing major development priorities, such as the Millennium Development Goals that include access to credit and capital for the poor and the underserved. Only in the past decade have banks begun to address the lack of capital for micro finance, the provision of which has proven to be important in addressing the credit needs of the poor across the world.

The intersection between the responsibility of governments and regulators to provide a framework for economic activity and a foundation for a stable financial system, on the one hand, and the business models and policies of the major corporate actors, on the other, is another urgent priority for us. The recent crisis has highlighted the tension that exists. The coming year will present numerous opportunities to affect how these dynamics play out. Because citizens rely on a stable and smooth functioning system for the numerous activities of daily life, the desire of private corporations to make a profit for their investors must be balanced by government, with its responsibility to promote the common good.

As faith based investors, customers, clients and citizens, we must continue in our efforts to shine the truth of the gospel on the ongoing process and evolving procedures by participating actively in the discussion of proposed financial rules. In this manner, we can realize our commitments to be in solidarity with the poor and the marginalized, to safeguard human dignity and to promote the global common good.

## Could the global economic crisis spur debt reform for Africa?

By Leslie Pitterson



Sub-Saharan Africa alone has over \$231 billion in external debt. (Photo Credit: UK DFID)

**W**ill the global economic crisis bring together both developed and developing nations to create oversight for foreign lending? This is the hope of many advocacy groups calling for a United Nations debt arbitration mechanism.

In a round table meeting in New York last week, advocate groups discussed the need to address Africa's worsening debt crisis. According to the most current numbers from the IMF and World Bank, sub-Saharan Africa has over \$231 billion in external debt. Though the region receives \$10 billion dollars in aid per year, it loses more than \$14 billion in debt payments annually.

Collins Magalasi, Executive Director of the African Forum and Network for Debt and Development (AFRODAD), said foreign debt was crippling African countries.

"The issue of debt is one of the biggest obstacles in development on the

continent. We know that debt can be legitimate and it can also be illegitimate."

As the Millennium Development ten-year anniversary summit approaches in September, AFRODAD will be working with Jubilee USA Network, an American organization that advocates for debt cancellation in impoverished countries in the developing world.

At present, there is no UN agency providing specific oversight of debt disputes. The United Nations Commission on Trade and Development (UNCTAD) has included in its charter principles to govern borrowing, but does not include specific framework to handle disputes that arise when a country is unable to make payments on its loans.

Magalasi stressed that the purpose is not to question whether or not countries should be borrowing. "That's not our realm," he said. "What we're asking is: if a county is unable to meet their obligations and wants to appeal their debt, is there a third-party at the international level to listen or no? Right now is the answer no."

Africa's debt crisis is illustrated most vividly in countries like Malawi, which spends 40 percent of its GDP repaying foreign creditors and 15 percent on its healthcare and education combined.

With Greece's debt woes dominating business headlines in Europe and America, AFRODAD believes there is an opportunity for developing nations

to gain support from developed nations for debt reform.

"Much of the discussion on vulture creditors has been quelled in the halls of power because it only applied to Africa and the third world," said Magalasi. "Now, with developed countries in the West feeling their wrath as well, maybe there can be political will to push this change."

While it is unclear if Greece's woes will provide enough impetus to bring Europe and America to call for a UN arbitration mechanism, some think China's increasing growth as a creditor nation may raise enough concern to help bolster efforts for reform.

Since 2004, China has pumped over \$14 billion into Africa, providing capital for many much-needed infrastructure projects. However, China's relationship with the government in Sudan despite ICC war charges against Sudanese President Omar al-Bashir has many weary of the giant's presence on the continent.

"China's move is massively scary because they have shown no regard for human rights and conditions in the countries," said Magalasi. The AFRODAD executive stressed that weaknesses of African governance also played a role in the relationship with China. "Many leaders love Chinese aid because it is easier than dealing with the responsibilities that come with Western aid."

The increased investment in Africa has provided tensions within Western creditor nations of the Paris Club of which China is not a member. The Club, an informal group of 19 creditor



nations established in 1956, meets every six weeks at France's Ministry of Economy, Finance, and Industry.

Also in attendance for last week's round table discussion was Barry Herman, Visiting Senior Fellow at the Graduate Program in International Affairs of The New School. In an interview with **MediaGlobal**, Herman explained that China's involvement in Africa was a source of concern for Paris Club: "China, as well as Gulf donors/creditors, has caused some unease among OECD official creditors, as China is not in the Paris Club of OECD government creditors and so is not bound by any debt relief decision the Paris Club creditors might take."

Not only does China remain unrestricted by the decisions of the Paris Club, it has now become a major creditor of many of the Western countries within the Club. According to Eric LeCompte, Jubilee's Executive Director, China's rise underscored the need for debt reform.

"As China becomes a larger creditor – it illustrates that a sovereign debt work-out mechanism is necessary," LeCompte told **MediaGlobal**. "We need a transparent and open process, so that no matter which country or international financial institution a country is in dispute with, there is a mechanism where the rules are clear and any country can have its case heard fairly."

For AFRODAD and Jubilee, the roundtable was the start of a two week trip filled with meetings in New York and Washington. The groups will be working to generate support among US policymakers and NGOs in the months leading up to the

Millennium Development Goals Summit in September. As part of their work with the Obama administration, Jubilee is trying to get the issue of debt reform in the President's speech.

"We believe that the UN Millennium Development Goals Summit in September is the opportune time for the administration to state that it supports expanding debt cancellation and will work to reform the international financial system so that it serves everyone, especially the world's poorest," LeCompte stated.

So how much emphasis on debt reform is to be expected come September?

"Even a line," noted Herman. "Even a line would help."



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*The Roundtable discussion in New York was organized by Jubilee USA and co-sponsored by religious and civil society groups. OMI JPIC is a founding member of Jubilee USA.*

## At the UN (cont. from p. 5)

I work on the following issue areas: Indigenous Peoples, Financing for Development, Social Development, Sustainable Development, Extractive Industries, Human Rights, Immigration and Eradication of Poverty. Each of the above connects to more specific issues.

The Economic and Social Council (ECOSOC) Annual Ministerial Review discussed many of these issues during its July meetings. I and other NGO representatives presented information that informed their deliberations.

In addition to this work, I was recently elected to Chair the Board of Directors of the International Catholic Organizations Network (ICON). We bring together representatives of Catholic NGOs at the UN to collaborate and share information. Nearly 50 Catholic organizations, both lay and religious, are involved.

Inter-religious dialogue is another important area of work and involves representatives from most faith communities in the world. I represent the JPIC initiative of the Major Superiors of men's and women's Congregations. We are presently making a huge effort to organize a way to work with the UN and members of all faiths to achieve peace - lasting peace - in our world.

*Daniel LeBlanc, OMI represents the Missionary Oblates of Mary Immaculate and VIVAT International at the United Nations.*

VIVAT International:

<http://www.vivatinternational.org>

ICON: <http://www.icocenter.org/>

OMI USA JPIC: [www.omiusajpic.org/](http://www.omiusajpic.org/)

OMI JPIC: [www.omi-jpic.org/](http://www.omi-jpic.org/)



## Water: Taken for Granted No Longer

By Christina C. Herman

**M**ore than one billion people lack access to safe drinking water and over two billion to adequate sanitation. Millions die each year from preventable water-related diseases. Even in the US, a relatively water-rich nation, resources are diminishing. There have been severe droughts, particularly in the West and the Southeast. Even the Great Lakes, which hold a fifth of the planet's fresh water, have been hit by invasive species and polluted by toxic wastes, storm water overflows, sedimentation and runoff from sprawling shoreline development. Our ageing water infrastructure is beginning to crack. Globally, pollution, misuse, overuse and lack of infrastructure - problems now compounded by climate change - have caused an intensifying crisis.

It seems as though there should be plenty of water – this is, after all, the 'Blue Planet'. But only 3% of the earth's water is freshwater, and most of that is locked up in polar ice caps, glaciers or is deep underground - and inaccessible. Lakes, rivers, marshes, aquifers, and atmospheric vapor – in other words, available fresh water – make up **less than one per cent of the earth's total water**. People alone are now using more than half of the accessible runoff, and demand for



water continues to grow rapidly. This doesn't leave much for the rest of creation. In many areas, water use already exceeds the ability of nature



### Water in the Corporate Sector

Water, not surprisingly, is a key issue for beverage companies like Coca Cola and Pepsi Cola. Pepsi Cola last year adopted a policy recognizing **water as a human right** - a significant development that surprised and pleased socially responsible investors. The company is now determining exactly what this means in real terms.

The Interfaith Center on Corporate Responsibility (ICCR) has been in dialog with Coca Cola on water use since 2004. The Missionary Oblates currently leads this dialog with 37 faith-based and socially responsible investors. Coca Cola has decided, for now, against recognizing water as a human right, but is actively looking at ways to decrease water use in its supply chain – most of which is agricultural - think sugar cane. At the same time, the company needs to do more to respond to communities negatively affected by its operations in water-stressed and water scarce areas. Coca Cola India has run into problems where the sheer size of its operations has placed a huge demand on local water resources. Persistent complaints of rapidly dropping water tables in places like Kaladara, India - where Coke set up a bottling plant some ten years ago - raise serious questions about who gets access to limited water supplies and how to manage competing demands.

Many large companies are working to conserve their water use, it is also true that many companies are inadvertently betting on water that, in the coming decades, might no longer be available. Water is increasingly a part of our investor dialogs with companies, with ICCR members raising concerns about the impact of a corporation's water use on ordinary people.

to recharge supplies. By 2025, the demand for water around the world is expected to **exceed** the available supply by fifty-six per cent.

Groundwater is being used at unsustainable rates. Over-pumping, or extracting water faster than the underground systems are able to recharge, has led to plummeting water tables, not only in the Middle East and northern Africa, but also in China, India, Iran, Mexico, and the U.S. The Ogallala aquifer, one of the world's largest, stretches under parts of eight states in the central U.S., from South Dakota to Texas. It is truly "fossil water," having been collected there some 10,000 years ago. But the aquifer is being pumped at alarming rates. Between the early 1900s, when the Ogallala was first tapped for

irrigation, and 2005, the water table dropped by more than 150 feet in some parts of Texas, Oklahoma, and Kansas. The raising of crops has become uneconomical for some Great Plains farmers, and further depletions could have substantial ripple effects on billions of people around the world who depend on American farm products.

Globally, 70 percent of withdrawals from rivers and groundwater is used for agriculture, 22 percent for industry, and the remaining 8 percent for homes and municipal use. So, personal water use – even among relatively profligate US households – is relatively small. But this is deceptive. Our water footprint is actually much larger because of the water embedded in the products we consume. And, water

use around the world is uneven, with some of us using much more than others. Although a person can manage for a few days on a gallon or two a day, an adequate supply of clean water is about thirteen gallons per person per day. On average, people living in the US and Canada consume more than 150 gallons a day for domestic and municipal purposes – which doesn't include agricultural and industrial uses. In the UK, people are fine with about one-fifth as much.

Water is local, so how is the water crisis truly global? Rather, how does our liberal use of water in North America affect people living in countries with less abundant supplies? The answer to this lies in our global trade in goods. "If agriculture and industry account for more than 90 percent of water usage, our closets, cupboards, desks, and refrigerators are filled with what has been termed "virtual water": products that require water for their growth, manufacture, and packaging. Those products now come from all over the world, including from places with limited water resources."<sup>1</sup>

It takes more than fifty gallons of water to produce a single cup of milk. That's modest as virtual water content



A sprinkler sprays a field near Hoxie, Kan. Water for Great Plains irrigation comes from the Ogallala Aquifer, a vast underground lake that is being drained at an alarming rate.

goes: consider a quarter-pound hamburger (470 gallons) or a cotton T-shirt (520-700 gallons). Treasure that cup of coffee in the morning; it required 1,120 cupfuls of water to produce. Given these figures, it's no surprise that demand for water is exceeding the supply.

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A cup of coffee requires 1,120 cups of water for its production.

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Yet solutions do exist, and as with energy reduction, there is a lot of low-hanging fruit. Hydrologists estimate that as much as 60 percent of the water extracted from aquatic systems for human use is simply wasted—lost to leakage, evaporation, inefficient appliances, and human carelessness. Changes in technologies and in everyday behavior could slash that number in half. Affordable water-saving technology could reduce the amount of water used in irrigation, one of the biggest users of water, by 50 to 70 percent globally. In the US, we could begin by shifting existing subsidies for agricultural water into support for low flow or alternate irrigation.

Installing water-efficient appliances and fixtures, fixing leaks, refilling water bottles from the tap, landscaping with native plants, and generally being more conscious about water use would save a lot of water in

the home. Being aware of the impact of our consumption – and limiting it – is one of the most important things we can do. The latest WorldWatch Institute Report, *Transforming Cultures: From Consumerism to Sustainability*, is an indispensable guide to understanding how

we can shift from a society rooted in consumption by shifting our cultural assumptions. The world's religions have a vital role to play in this process.

At the societal level, there is much we can do to replenish local water systems. First, we should restore wetlands and refrain from destroying existing ones. In our cities and towns, we can install green roofs to absorb rainwater and provide needed bird habitat. The use of porous pavement would enable water to seep back into aquifers and reduce the need for expanded and expensive storm water run-off treatment systems. Water that has been treated but does not reach drinking-water standards can be, and increasingly is being, reused by industry and municipalities. Rain can be saved and used by households. Waterloo, Ontario has given out 40,000 rain barrels; the city now uses 12.7 million gallons less water a year.

Last but not least, consumers can demand that industry and agriculture conserve water through the choices we make, both in terms of what we buy, and what we don't. Our choices are many – once we stop taking water for granted.

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<sup>1</sup> "Blue planet blues: demand for freshwater threatens to outstrip supply. How can we meet the needs of all of Earth's species?"; *Natural History*, Nov. 2007 by Eleanor J. Sterling found at: [http://findarticles.com/p/articles/mi\\_m1134/is\\_9\\_116/ai\\_n21092821/?tag=content;col1](http://findarticles.com/p/articles/mi_m1134/is_9_116/ai_n21092821/?tag=content;col1)



Everybody  
is effecting  
everybody.

## Bees: Important Pollinators that Need our Help

By Mary O'Herron

About one-third of all food crops in the world depend on insect pollination. Throughout history, bees have traditionally been the major pollinators. Unhappily, the number of bees has dropped dramatically in recent years. The causes are unclear, but a combination of several factors seems to be responsible. Without bees as pollinators, crops are unable to produce their fruits, so this is a serious problem, especially if the decline continues.

Some likely factors:

- the increased use of pesticides, which kill all insects where used
- chemical fertilizers - used in place of rotation of crops, with the result that habitat is reduced
- habitat shrinkage: areas that have been denuded of plants that support bees; this is caused in part by development (land-use changes) and partly by mono-crop agriculture, especially when combined with the heavy use of pesticides and other chemicals.



Some farmers are using creative measures to encourage habitat for bees by planting flowers that attract bees near their crops. Other farms import bees when the pollination of their crops is needed.

**“We’ve identified as many as  
twenty-four pesticides  
in one sample of bees.”**

### ***Suggestions to encourage bees and other pollinators:***

1. Plant flowers known to attract bees. It is a good idea to plant a variety of flowers so that something is blooming throughout the season, insuring a constant source of nectar and pollen for bees. See [www.pollinator.org](http://www.pollinator.org) or [www.xerces.org](http://www.xerces.org) to find plants for your area as well as hints on habitats that encourage their wellbeing. A happy spin-off from encouraging bees is the increase of butterflies in the garden.
2. Watch the use of pesticides on lawns or gardens. If used, spray after dusk when bees are less active. Use chemicals that target the insects you are going after, e.g., mosquitoes rather than all insects.
3. Avoid use of weed killers and other herbicides that also harm insects.
4. Eat organic foods because organic farms tend to use methods that encourage pollinators.
5. Support local beekeepers by buying their honey or other products.



## Energy Legislation that Reduces Carbon Emissions while Benefitting the Poor

By Christina C. Herman

Legislation needed to reduce carbon emissions and slow climate change is essential to avoid climate catastrophe, but sadly is caught up in business as usual in Congress. A Bill was passed in the House last year, but a Senate version has stalled. Lacking the 60 votes needed to pass any major legislation in today's bitter political climate, Senate Majority Leader Reid decided during the summer against bringing any bill to the Senate floor that would limit greenhouse gas emissions. With mid-term elections looming and the recession hitting many hard, legislation leading to higher energy costs is just not going to happen.

It wasn't supposed to work out this way. With significant majorities in Congress, a president promising action, evidence of global warming intensifying and favorable public opinion on their side, many environmentalists believed their political stars had finally aligned. At the height of the legislative push in 2009, pro-environmental groups spent a record \$22.4 million on federal lobbying efforts. This was twice the average expenditure between 2000 and 2008. Yet, the oil and gas industry **outspent them eight fold** - channeling \$175 million (easily an industry record) into lobbying according to an analysis by the Center for Responsive Politics.

Proponents of urgent action on climate change now realize that the only way to win over Congress is through grassroots mobilization. Industry is simply too well-funded. But groups also need to agree on the legislation.

Major environmental groups have been backing the Kerry-Lieberman

**American Power Act**, a Cap and Trade proposal. The Bill sets a cap on the amount of carbon that can be emitted and allows industry to buy and sell carbon permits - hence 'cap' and 'trade'. The price for permits rises over time, encouraging a shift to cleaner energy. Low-income groups would receive help to offset rising energy prices. But the legislation has been criticized for its numerous industry give-aways, and it would be hard to monitor. A factory in the US could continue to emit CO2 but 'offset' its emissions by funding cheaper ways to lower carbon elsewhere - say in



Brazil, through forest conservation. The problem is that what is on paper doesn't always match reality. And Wall Street traders stand to make a fortune by trading the permits, with no sure benefits in carbon reduction.

Concerned that Cap and Trade wouldn't be effective, faith groups, including the **Oblate JPIC Office**, have joined an array of organizations and individuals from across the political spectrum in backing a simpler, citizen-friendly bill introduced by Senators Maria Cantwell (Dem-Washington State) and Susan Collins (Rep-Maine).

Their proposal, called the **Carbon Limits and Energy for American Renewal (CLEAR) Act** is a **Cap and Dividend** measure that would also slowly increase the cost of greenhouse

gas emissions. But only producers and importers of oil, gas and coal would buy the auctioned permits. The legislation lets the marketplace decide what mix of conservation and renewable energy alternatives would be favored. By 2050, the bill would achieve an 83% reduction (over 2005 levels) in global warming pollution, which is what scientists say we need to target to avoid extensive and expensive climate disruptions.

The CLEAR Act is also concerned about the impact on ordinary people of this more expensive energy. **75% of the money raised from auctioning the permits would be given back to consumers directly each month on an equal per capita basis** to offset increased energy costs. 80% of the American public would incur no net costs and **the lowest income population would receive net positive benefits**. The remaining 20% percent - the highest income earners (the most profligate energy users) - would see less than a 0.3% decrease in income.

The remaining **25% of auction revenues would go into the Clean Energy Reinvestment Trust Fund** to pay for additional greenhouse gas emissions reductions, low-carbon energy investment, climate change adaptation, and related regional economic adjustment projects.

The stakes are far too high to risk not getting this right. A video on Senator Cantwell's website offers a straightforward explanation of the CLEAR Act. Learn more at <http://cantwell.senate.gov/issues/CLEARAct.cfm>. Look for opportunities to take action on this legislation through our JPIC [website](#) and monthly Action Alerts.

*(New Consumer Protections cont.)*

individuals have been forced to give up their right to go to court if they are harmed by a company. Arbitrators aren't required to take the law and legal precedent into account in making their decisions and there is no appeal or public review of decisions to ensure the arbitrator got it right. Now, the SEC and CFPB, after study, can ban forced arbitration within their respective jurisdictions.

**Auto loans:** Most car dealers make the bulk of their profit not from the sale of the cars but from **car financing** – three-quarters of new cars are financed or leased through a dealer. Much in these deals is not advantageous to the buyer. So it is unfortunate that car dealers – probably the least trusted and most complained about businesses in most states – managed to win an exemption

from oversight by the CFPB. Under the new law though, the Federal Trade Commission (which already oversees dealers) can now operate under a much quicker and simpler rule-making procedure and has beefed-up authority to look into **car-financing** complaints.

**Swipe fees:** Visa Inc. and MasterCard Inc., the world's biggest payments networks, set interchange rates and pass that money to card-issuers including Bank of America and JPMorgan. Interchange is the largest component of the fees U.S. merchants pay to accept Visa and MasterCard debit cards. The fees totaled \$19.7 billion and averaged 1.63 percent of each sale last year.



Consumers won on this issue. The Federal Reserve will get authority to limit interchange, or “swipe” fees that merchants pay for each debit-card transaction. Retailers can refuse credit cards for purchases under \$10 and offer discounts based on the form of payment. Merchants will be able to route debit-card transactions on more than one network, which will provide competition in a previously non-competitive market. But the bill exempts lenders with assets of less than \$10 billion, or 99 percent of U.S. banks. Electronic benefits transfer (EBT) and other prepaid cards are also exempted.

*Thanks to **Americans for Financial Reform** for much of the information in this article, as well as for their tireless advocacy for the rights of ordinary consumers.*

## Africa's Natural Resources

*By Seamus P. Finn, OMI*

**D**uring my brief visit to Zambia, Congo (DRC) and Malawi in the early summer of 2010, I saw and heard about the opportunities as well as the challenges presented to many countries by the blessing of natural resources. As the demand for energy and the thirst for minerals grow across the world, the African continent has attracted plenty of attention. The combination of increased demand, new technologies and greater accessibility is pushing governments and communities to craft and adopt development plans at an accelerated pace.

Countries are challenged in this context to come up with plans that take advantage of the resources within their borders while respecting both the local communities that will most immediately be affected and the need to protect

the environment for future generations. They also face the difficulty of developing plans for the prudent integration of the compensation received for these exhaustible resources into their annual budgeting process.

Finally, since the resources are not found uniformly across any nation and the impact of their extraction often falls unevenly on communities and citizens, those most directly affected are challenging

their governments to address fairly the human rights and other issues that emerge.

The engagement and participation of all stakeholders in this complex and important process of decision making



Seamus Finn, OMI with Freeport McMoRan employees Mark Hardin and Shari Knoerzer at the Tenke Fungurume Mining in Lubumbashi, Democratic Republic of Congo in June 2010

is extremely important. Governments, companies and nongovernmental organizations must continue to develop new tools and mechanisms to improve the depth and the transparency of these negotiations, while respecting local customs, traditions and culture.