

# 2012 WORLD DEBT FIGURES

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Damien Millet, Daniel Munevar & Éric Toussaint  
CADTM - Committee for the Abolition of Third World Debt



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# INTRODUCTION

To facilitate our understanding of the complexity of the current crisis, Damien Millet, Eric Toussaint, and Daniel Munevar (CADTM) present a range of statistics on the debt and its repercussions.

The economic, financial, debt, and food crises, and how they are interconnected, become clear on reading the tables and graphics that illustrate this brochure.

Starting with an analysis of the 1982 debt crisis in the South right up to the current European crisis, via odious debt round the globe, and IMF and World Bank figures, the real issues are identified.

The authors take a critical look at the world economy and the mechanics of domination that are at play. They shine the spotlights on the real figures of a vacillating world.


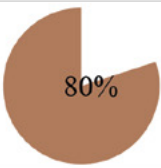


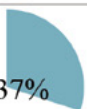
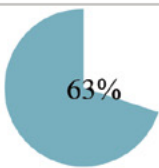

Inequalities are blatant everywhere, and continue to develop. The 2012 debt figures speak for themselves, and show how necessary and urgent it is to radically change the system.

It is in the light of this understanding that a horizon of collective resistance may develop, in which the excluded, wherever they are, will become conscious that their sufferings all originate from the same evils, mechanisms, and culprits, and they will identify with the same struggle for solidarity, as the 99%.

# 1. Inequalities in the world

## 1.1 Population and wealth

Table 1 / Population and wealth (2011)<sup>1</sup>

	Third World	Developed countries	World
 Population	 80%	 20%	6.97 billion inhabitants
 GDP	 37%	 63%	69971 billion USD
 GDP per capita (USD)	1208	41144	10033

## 1.2 Inequality and under-development<sup>2</sup>

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Table 2 / Revenue share of the wealthiest 10% (2011)<sup>3</sup>

	1980	2009
Canada	33.5	40.1
France	30.6	32.8
Ireland	31.5	36.9
Italy	27.1	33.8
Portugal	18.7	38.2
Spain	32.6	32.3
United Kingdom	31	40.4
United States	32.8	46.2

In 2008, the income of the 500 richest individuals on the planet was more than the combined revenues of the 416 million poorest people.

In 2008, the number of people living on less than \$2 a day was 2.47 billion and 1.29 billion were living on less than \$1.25.

In the regions where adolescents are the most numerous (South Asia or sub-Saharan Africa), approximately 70% of the population live on less than \$2 a day.

1 : World Bank 2011. The developed countries are all high income members of the OECD as defined by the World Bank. The ratio GDP/population for the developing countries is given as: the pondered average of the population of the low and intermediate income groups of countries as defined by the World Bank. 2 : Source: "An update to the World Bank's estimates of consumption poverty in the developing world", World Bank (2012), disponible en: [http://siteresources.worldbank.org/INTPOVCALNET/Resources/Global\\_Poverty\\_Update\\_2012\\_02-29-12.pdf](http://siteresources.worldbank.org/INTPOVCALNET/Resources/Global_Poverty_Update_2012_02-29-12.pdf)

2 : Source: "An update to the World Bank's estimates of consumption poverty in the developing world", World Bank (2012), available at: [http://siteresources.worldbank.org/INTPOVCALNET/Resources/Global\\_Poverty\\_Update\\_2012\\_02-29-12.pdf](http://siteresources.worldbank.org/INTPOVCALNET/Resources/Global_Poverty_Update_2012_02-29-12.pdf)

3 : Source: The World Top Incomes Database, <http://gmond.parisschoolofeconomics.eu/topincomes/#> Database statistics for Canada, 1982-2009. Statistics for France, 1980-2006. Statistics for Portugal, 1980 - 2005. Statistics for Spain, 1981-2009. Statistics for the United Kingdom 1981-2009.


The worldwide financial crisis was precipitated by the bursting of the real estate bubble and the collapse of the banks in the US in 2007-2008, which rapidly spread to affect a large part of the world. There has not been such a far-reaching financial crisis since the Great Depression of the 1930's, at least in the developed countries.

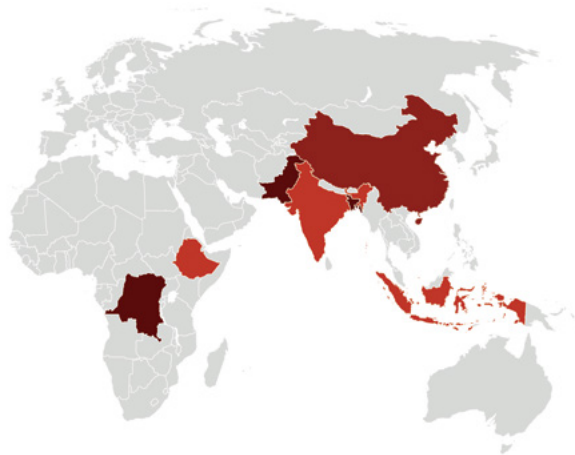
In 2008-2009, unemployment and poverty were brutally aggravated: across the world, 34 million people lost their jobs and 64 million more individuals were living below the poverty line of \$1.25 a day. To this must be added the 160 to 200 million people who fell into poverty after the previous years' food price increases (UNDP 2010). Between 2009 and 2012, the situation has worsened, notably in Africa, but also in the most industrialised countries. In addition, the influence of climate change is being felt in the most sensitive regions.

Table 3 / World Poverty<sup>4</sup>

Number of people living on less than \$1 a day (in millions)	1981	1990	2008
Sub-Saharan Africa	214	299	303
Latin America and the Caribbean	42	43	28
South Asia	548	579	315

Table 4 / World hunger<sup>5</sup>

<i>In millions</i>	2005	2007	2009	2010	2011
 Number of people struck by hunger	848	923	1023	925	868



The largest numbers of hungry people are still in sub-Saharan Africa (30%). In 2010, two thirds of the 925 million under-nourished were to be found in only seven countries: **Bangladesh, China, the Democratic Republic of Congo, Ethiopia, India, Indonesia, and Pakistan.**

On average, 7 out of 10 were women or girls.

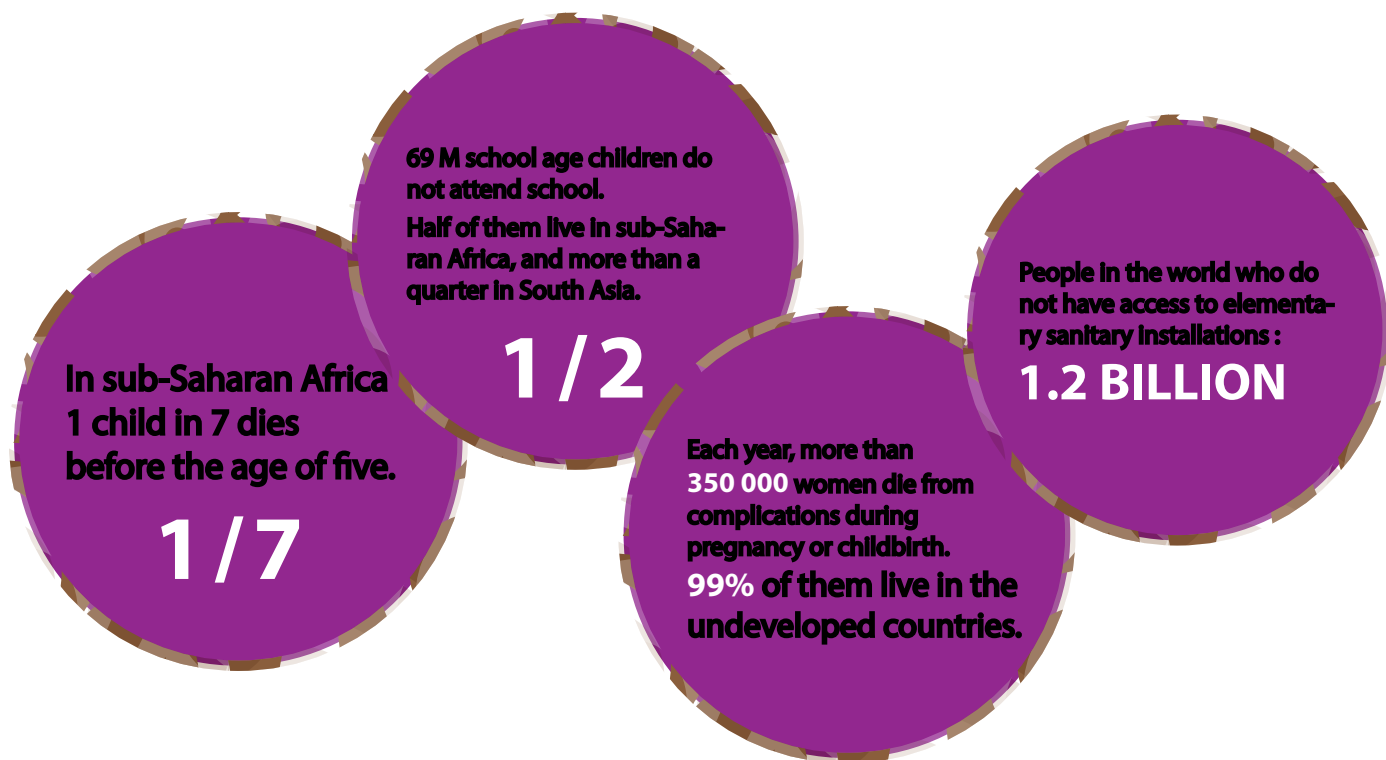
There are several reasons why these figures continue to be so high<sup>6</sup>:

- Large tracts of arable land, particularly in Africa, are seized for the production of agrofuels, the culture of exportable tropical produce, and flowers, all of which diminish the surface area available for the production of staple crops. Out of 665 international investments for specific products, 55% are related to agrofuels and 19% to wood, fibres, and flower production. The local communities who had previously cultivated their lands within frameworks of customary law no longer have access to them.
- The degradation of the soil causes poor harvests and cost increases through the need for more inputs to compensate these shortfalls.
- Climate change, because the higher temperatures cause poor harvests; increased flood destruction also has negative effects.

4 : Idem 2

5 : Through a disagreement over methodology, the FAO has not updated its figures on hunger for 2011. The most recent figures available can be found here: <http://www.fao.org/hunger/en/>

6 : Global Hunger Index 2012 : <http://www.ifpri.org/sites/default/files/publications/ghi12.pdf>



The sum necessary to guarantee essential social services to all of the population is (education, health, clean water, sanitation) :

**80 billion dollars a year for ten years<sup>7</sup>**

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**In 2010, the wealth of the richest exceeded pre-crisis levels :**

There were 497 billionaires in 2001, with a combined fortune of 1,500 billion dollars.

In 2007, there were 1,125 owning 4,400 billion dollars.

In 2008, there were 793 owning 2,400 billion dollars.

In 2009, there were 1,011 owning 3,500 billion dollars.

In 2010, there were 1,210 owning 4,500 billion dollars.

THE COMBINED WEALTH OF THESE 1,210 BILLIONAIRES  
EXCEEDS GERMANY'S GDP.

On the basis of these figures, an annual wealth tax of 2% paid by the 1,210 billionaires of 2010 would raise more than the 80 billion dollars needed to guarantee the basic needs of all inhabitants on the planet. This proposition is not restrictive, but it shows that it is perfectly feasible.

The number of millionaires in 2010 was up 8.3% to 10.9 million. Their cumulated wealth was up 9.7% to \$42,700 billion. A wealth tax of 0.2% on these fortunes would also be sufficient to produce the 80 billion dollars.

7 : World Bank, WHO, UNDP, UNESCO, UNFPA, UNICEF, Implementing the 20/20 Initiative. Achieving universal access to basic social services, 1998, [www.unicef.org/2020/2020.pdf](http://www.unicef.org/2020/2020.pdf). The above mentioned organisations estimate that a supplementary 80 billion dollars a year should be made available, on top of the current 136 billion dollars, in order to guarantee basic social services to all. The total amount necessary is between 206 and 216 billion dollars a year.

## 2. Odious debt in the world

Table 5 / Odious debt in the world<sup>8</sup>

Country	Public foreign debt 2010 (in \$ billion)	Dictatorship	Period of dictatorship	Odious debt (dictatorship)
Indonesia	91	Suharto	1965-1998	77
Brazil	97	Military Junta	1965-1985	77
Argentina	67	Military Junta	1976-1983	27
Turkey	93	Military Regime	1980-1989	23
Pakistan	43	Military Regime	1978-1988	7
		Pervez Musharraf	1999-2008	16
Philippines	45	Marcos	1965-1986	21
Morocco	21	Hassan II	1961-1999	19
Egypt	32	Moubarak	1981-2011	16
Thailand	11	Military Regime	1966-1988	14
Zaire/RDC	5	Mobutu	1965-1997	10
Chile	13	Pinochet	1973-1990	9
Tunisia	15	Ben Ali	1987-2011	9
Ethiopia	1,5	Mengistu	1977-1991	9
Peru	20	Fujimori	1990-2000	7
Sudan	14	Nimeiry	1969-1985	7
Kenya	7	arap Moi	1978-2003	5
Congo	4	Sassou	Depuis 1979	4
Bolivia	3	Military Junta	1964-1982	3
Uruguay	10	Military Junta	1973-1985	2,7
Mali	2	Traoré	1968-1991	2,5
Nigeria	5	Buhari/Abacha	1984-1998	2,3
Guatemala	6	Military Regime	1954-1985	2,3
Paraguay	2	Stroessner	1954-1989	2,1
Somalia	2	Siad Barre	1969-1991	2,1
Malawi	0,7	Banda	1966-1994	2
Gabon	2,2	Omar Bongo	1967-2009	2
Myanmar (Burma)	4,4	Military Regime	Depuis 1988	1,7
Guinée	2,8	Lansana Conté	1984-2008	1,7
Togo	1,5	Eyadema	Depuis 1967	1,6
Cambodia	4,4	Khmers Rouges	1976-1989	1,6
Chad	1,7	Déby	Depuis 1990	1,3
Liberia	0,2	Doe	1980-1990	0,9
Rwanda	0,8	Habyarimana	1973-1994	0,9
Nicaragua	2,7	Anastasio Somoza	1974-1979	0,8
Haiti	0,5	Duvalier	1957-1986	0,7
Salvador	6,4	Military Junta	1962-1980	0,5
Nepal	3,5	Gyanendra	2001-2006	0,5
Uganda	2,7	Idi Amin Dada	1971-1979	0,4
Cameroun	2,2	Paul Biya	Depuis 1982	0,2
Niger	1	Baré	1996-1999	0,2
Central African Republic	0,3	Bokassa	1966-1979	0,1

[The figures relate to odious debt incurred during the dictatorship period. This does not include new debt incurred to permit the repayment of this odious debt. The World Bank does not give details on Iranian or Iraqi debt, nor on the debt of South Africa under the apartheid regime.]

8 : Source: World Bank. The foreign public debt corresponds to government debt as such, plus other debt guaranteed by the government.

The criteria for a debt to be considered as ‘odious’ are as follows :

- Non consent of the population of the debtor state
- No advantages to the population
- The creditors were aware of these two above elements when granting the loan.

These criteria are clearly applicable to Greece since the Troika ( IMF, World Bank, and European Commission) have imposed on the population infringements of their basic economic and social rights. The Greek population did not consent to these measures and neither have they benefited from them. Greece’s creditors are well aware of this situation, particularly the Troika members, who have been dictating these policies to the Greek authorities since 2010.

In 2012, the Greek odious debt is estimated to be 150 billion euros owed to the Troika, out of a total of 340 billion euros of Greek public debt. The odious debt owed to the Troika is expected to increase over the coming years.

### 3. Foreign public and private debt in developing countries since 1980

*Debt servicing refers to the total of loan capital and interest repayments over a given period.*

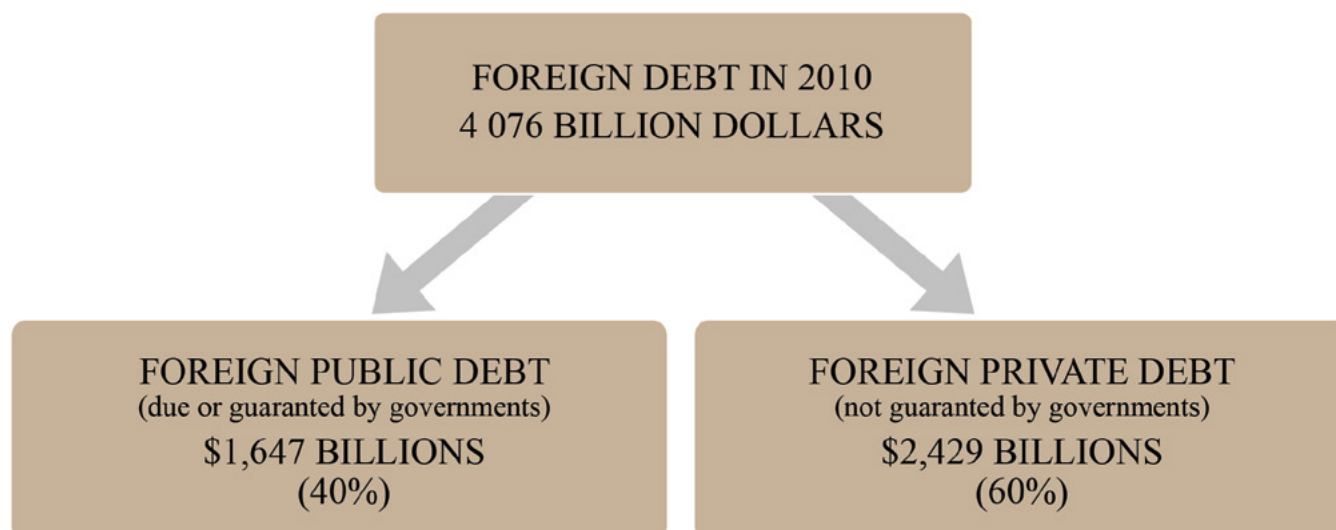
Table 6 – Foreign debt of the developing countries<sup>9</sup>

	Stock (\$ billions)	Service (\$ billions)	Of which :	
			Public part	Private part
1980	516	80	50	30
1990	870	140	119	21
1995	1 860	206	154	52
2000	2 122	345	201	144
2005	2 489	438	253	185
2010	4 076	583	180	403

8

The current distribution of debt among the developing countries:

#### 3.1 By debtor<sup>10</sup>

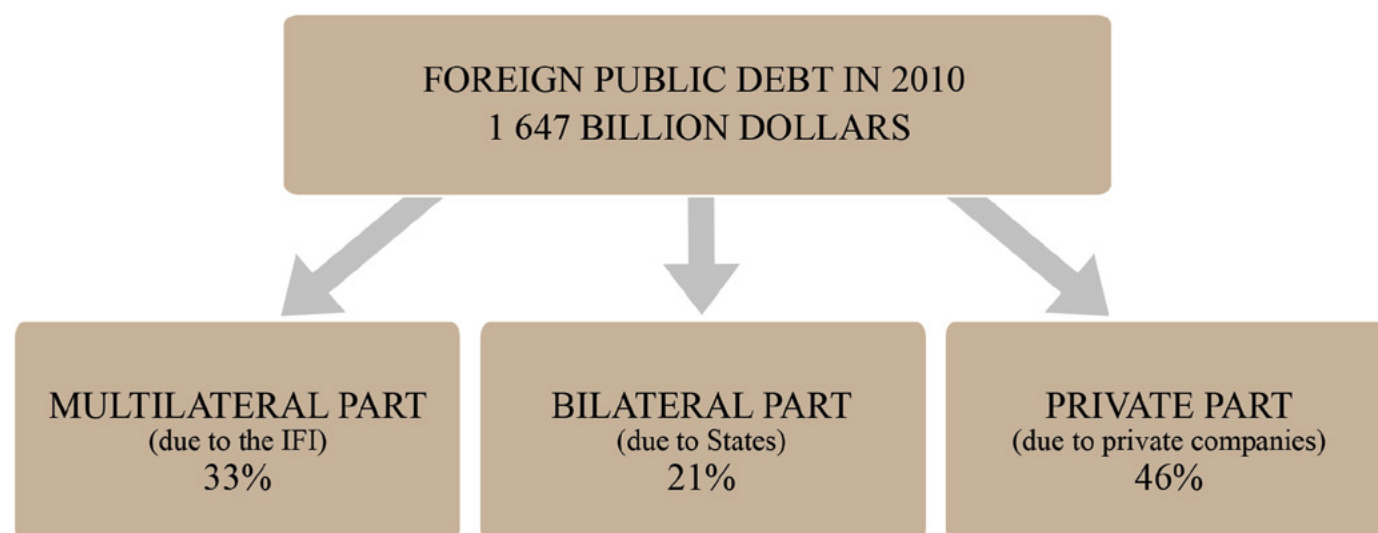


<sup>9</sup> : Source: World Bank, for low and average income countries as defined by the World Bank.

<sup>10</sup> : Source: World Bank. Data concerns the foreign private debt, which includes foreign short-term debt.



### 3.2 The creditors of foreign public debt<sup>11</sup>



[IFI = International Financial Institutions]

### 3.3 Foreign public debt by region

Table 7 / Foreign public debt by region 2010<sup>12</sup>

In \$ billion	Stock	Service
Latin America	460	64
Sub-Saharan Africa	149	9
Middle East and North Africa	114	14
South Asia	205	12
Far East	307	37
East and Central Europe, Turkey and Central Asia	412	48
<b>Total</b>	<b>1 647</b>	<b>184</b>

9

## 4. Debt flow analysis

### 4.1 Balance of payments of foreign public debt since 1985

#### Net transfers on debt

The term 'Net transfers on debt' refers to the difference between total loans received and the total amount repaid (capital and interest) over a given period of time. The net transfer is said to be positive when a country or continent receives more in loans than it pays out in repayments, and negative in the opposite situation. Globally, since 1985, southern populations have transferred colossal amounts in debt reimbursements to their foreign creditors.

<sup>11</sup> : Source: World Bank. Data for low and average income countries as defined by the World Bank.

<sup>12</sup> : Source: World Bank.

## 4.2 Several ‘Marshall plans’ transferred from the South to the North

Table 8 / Foreign public debt transfers and the Marshall plan

Marshall plan for Europe after WW2 <sup>13</sup>	\$100 Billion
Net transfers in public foreign debt for the period 1985-2010 <sup>14</sup>	- \$530 Billion
Number of “Marshall plans” transferred to the rich countries between 1985 and 2010	5.3

## 4.3 Comparison between several incoming and outgoing amounts for developing countries in 2010 (in billions of dollars)

Table 9 / Comparison of incoming and outgoing financial flows 2010<sup>15</sup>

Official Development Assistance (ODA)	+ \$130 Billion
Emigrant Remittances	+ \$325 Billion
Foreign public debt services	- \$180 Billion
Repatriation of profits by multinationals	- \$647 Billion

### OFFICIAL DEVELOPMENT ASSISTANCE

For various reasons, a large part of ODA does not get to the populations in the countries concerned: debt relief is often counted as ODA without any corresponding transfer of funds; the costs of ‘harbouring’ refugees from the South in the Northern countries, including their imprisonment in retention centres, are also counted as ODA by some countries as well as any schooling costs; most of the medicine, food, and equipment sent to developing countries is directly purchased from and transported by Northern companies.

13 : 1 dollar in 1948 = 7.73 2003 dollars; The Marshall plan in 1948 = 13 billion dollars x 7.76 = 100 billion 2003 dollars

14 : Source: World Bank. Data for low and average income countries as defined by the World Bank.

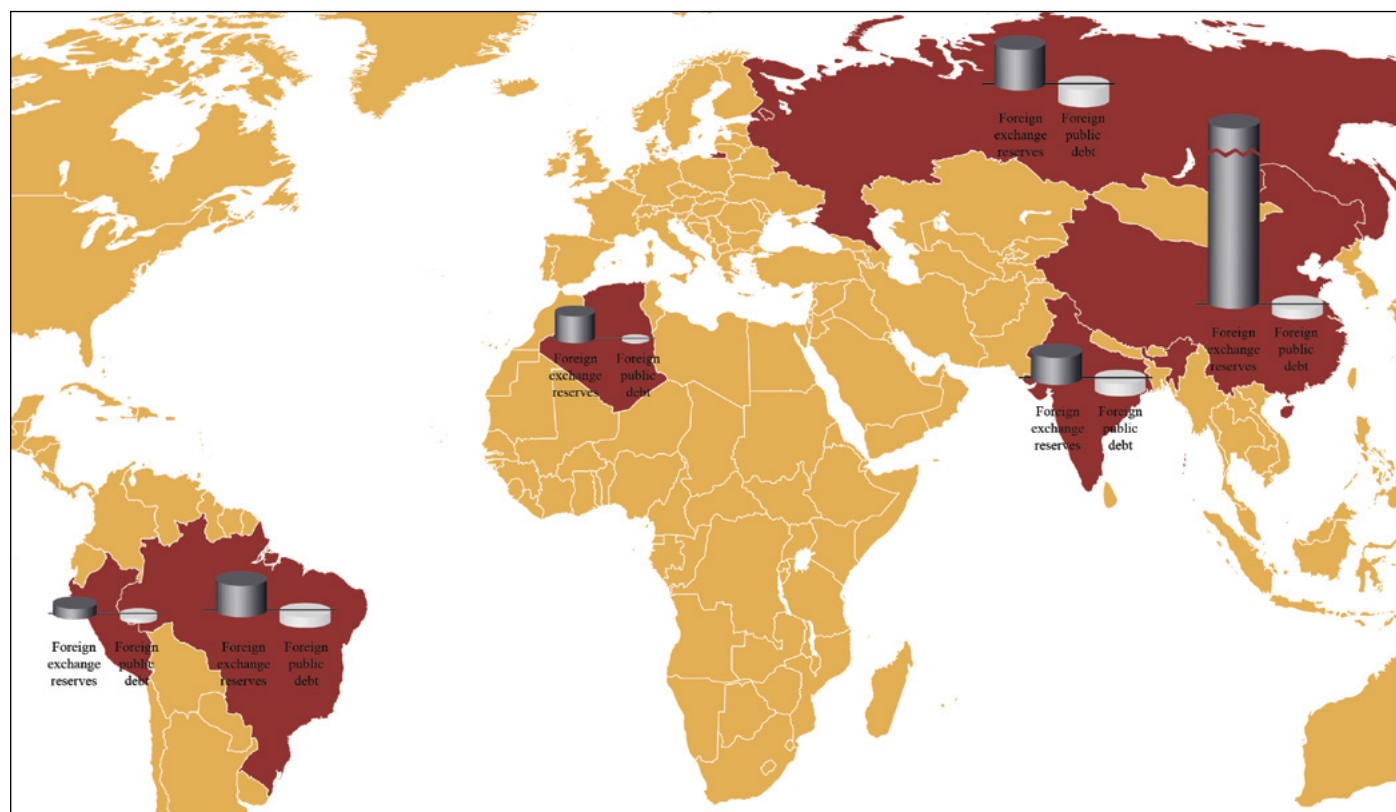
15 : Source: World Bank. Development aid figures take into account official aid transfers. The figures for profit repatriation by multinationals refer to the Payments column by way of current account revenues.

#### 4.4 Developing countries are net creditors of developed countries

Total foreign exchange reserves<sup>16</sup> for the developing countries in 2011 : → \$6,309 billion  
 The foreign public debt of the same countries in 2010 : → \$1 647 billion

Table 10 / Comparison between foreign exchange reserves and foreign public debt (in \$ billion)<sup>17</sup>

Country	Foreign exchange reserves (December 2011)	Foreign public debt (December 2011)
China	3 254	90
Russia	497	163
India	299	106
Brazil	352	97
Algeria	191	3
Peru	49	20



16 : Foreign exchange held by a central bank.

17 : Source: World Bank.

## 5. Developing countries internal debt

Internal public debt in developing countries in 1997:	→	\$1,300 billion
Internal public debt in developing countries in 2005:	→	\$3,500 billion
Internal public debt service in developing countries in 2008:	→	\$600 billion

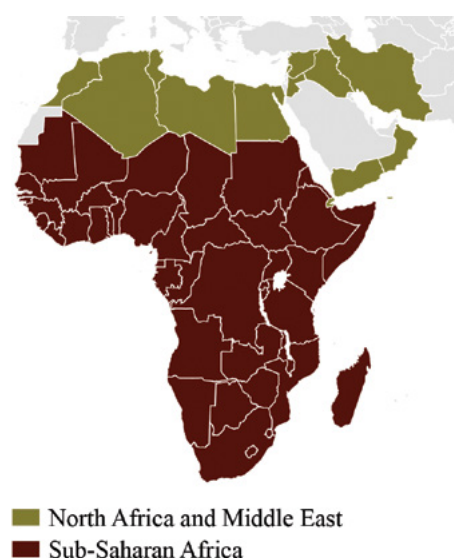
In most developing countries, except the very poorest, internal public debt has become greater than foreign public debt.

## 6. Debt figures for the developing countries in Africa and the Middle East

### 6.1 Debt repayments

Table 11 / Africa and Middle East debt repayments<sup>18</sup>

<i>In \$ billion</i>	Total foreign debt	Public foreign debt
<b>Middle East and North Africa</b>		
Debt stock in 1970	5	4
Debt stock in 2010	144	114
Repayments from 1970 to 2009	536	481
<b>Sub-Saharan Africa</b>		
Debt stock in 1970	7	6
Debt stock in 2010	205	149
Repayments from 1970 to 2009	391	313



18 : Source: World Bank. The African and Middle Eastern countries with ties to CADTM are Benin, Burkina Faso, Ivory Coast, Guinea Conakry, Mali, Mauritania, Niger, Senegal, Togo, Democratic Republic of Congo, Congo Brazzaville, Angola, Morocco, Tunisia, Syria, and Lebanon.

## 6.2 Net transfers on debt

Table 12 / Net transfers on foreign public debt: Africa and the Middle East<sup>19</sup>

Net transfers on foreign public debt 1985 - 2010	In \$ billions
Middle East and North Africa	-110
Sub-Saharan Africa	18
<b>Total 1985-2010</b>	<b>-92</b>

## 6.3 Comparison between several incoming and outgoing amounts

Table 13 / Comparison of incoming and outgoing financial flows in 2010, \$ billions<sup>20</sup>

<b>Middle East and North Africa</b>	
Official Development Assistance (ODA)	12.2
Emigrant remittances	34.6
Foreign public debt service	-14.4
Repatriation of profits by multinationals	-25.0
<b>Sub-Saharan Africa</b>	
Official Development Assistance (ODA)	44.5
Emigrant remittances	21.1
Foreign public debt service	-8.6
Repatriation of profits by multinationals	-43.1

13

## 6.4 Exports dependent on raw materials

Table 14 / Percentage of raw materials in exportations in 2010<sup>22</sup>

	Foodstuffs	Non edible agricultural products	Metals	Petroleum products	Total
Middle East and North Africa	7.8	0.6	3.3	61.0	72.7
Sub-Saharan Africa	14.9	3.4	17.0	33.3	68.6

19 : Source: World Bank.

20 : Source: World Bank. Development aid figures take into account official aid transfers. The figures for profit repatriation by multinationals refer to the Payments column by way of current account revenues.

21 : Source: World Bank. The structure of exportation of countries with one or more organisations affiliated to CADTM is taken as the average share of each export category for each country.

## 7. The Heavily Indebted Poor Countries (HIPC) programme

### What is the HIPC programme?

This initiative of debt write-down for a handful of very poor and very indebted countries was launched in 1997 by the World Bank and the International Monetary Fund within the framework of a mandate issued by the 1996 G7 summit (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) in Lyon.

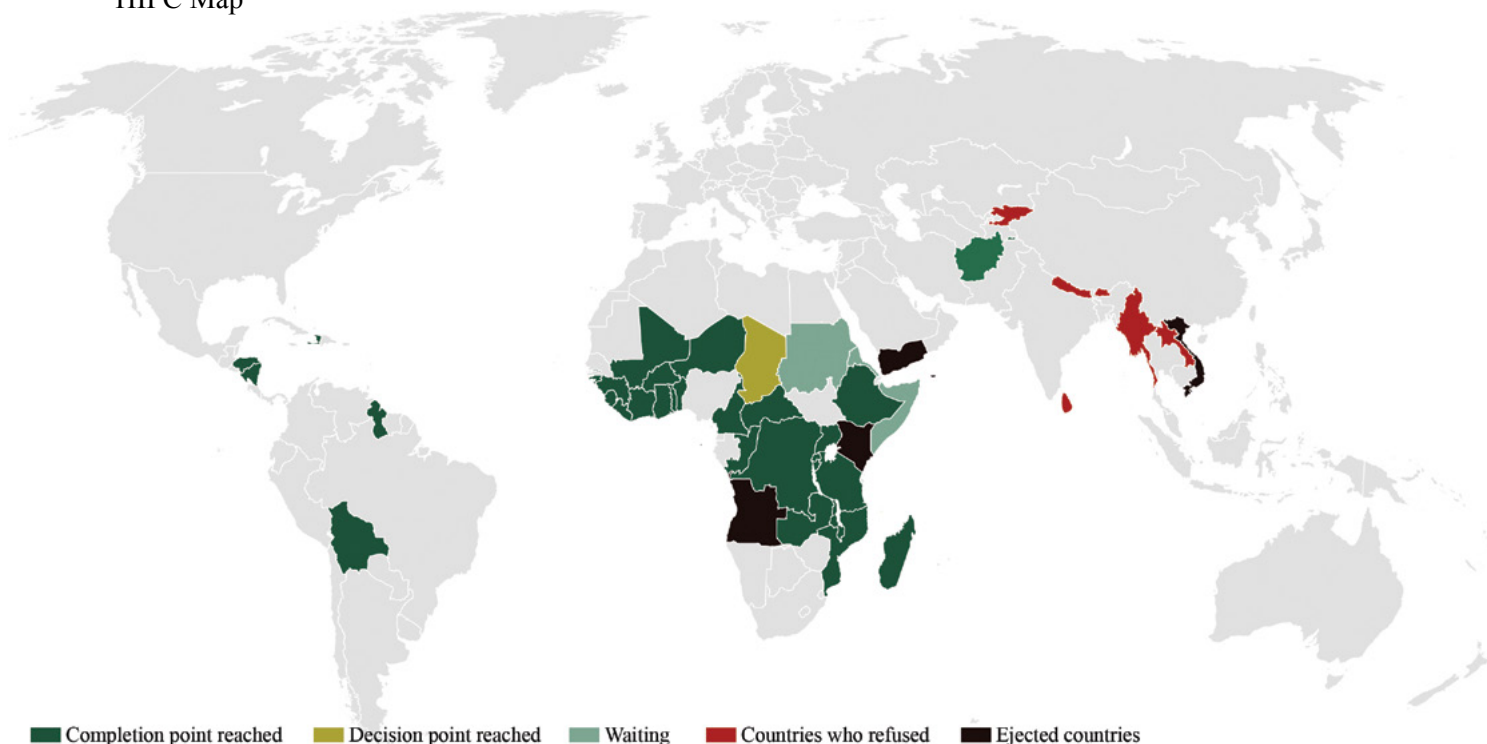
Although originally set up for six years, it was still not finished in 2012, nearly fifteen years later, a global fiasco! This programme is only concerned that the poorest countries pay their foreign debt without interruptions or defaults, to the maximum of their financial capacity. In fact, the creditors want continued repayments without any sudden interruptions from one country or another. To this end, the entry threshold set by the HIPC programme corresponds to an estimated threshold above which the HIPC would be unable to honour its repayment schedules. It thus corresponds to the maximum debt a country could possibly sustain, without requesting a restructuring plan. The HIPC programme does no more than reduce the burden of the debt to this maximum sustainable level – and we have seen that in fact, it rarely succeeds! The HIPC programme simply cancels the unpayable debts which could lead the countries to default. Worse still, all debt ‘forgiveness’ is conditional upon the application of a whole range of neoliberal economic measures that deteriorate the living conditions of a great part of the population, infringe upon their rights to development, and weaken the economies of the countries concerned by forcing them to open their markets to international competition that local producers are unable to match.

### 7.1 Only a few countries are concerned

Table 15

HIPC Programme	
Number of countries concerned	49
Population of HIPC countries compared to all developing countries	11 %
HIPCs whose debt was judged sustainable	4
HIPCs that refused to participate	6
HIPCs potentially eligible for participation	39
HIPCs included by September 2012	36
HIPCs having reached completion point in September 2012	34

HIPC Map



## 7.2 HIPC programme criticized by the United Nations

### Extracts from the UN Human Rights Council resolution<sup>22</sup> concerning the HIPC programme and related adjustment policies :

« The initiative is not intended to offer a comprehensive solution to the long-term debt burden »

« Structural adjustment reform programmes and policy conditionalities limit public expenditure, impose fixed expenditure ceilings, and give inadequate attention to the provision of social services, and only a few countries manage to achieve sustainable higher growth under these programmes »

« To date, little headway has been made in redressing the unfairness of the current system of debt resolution, which continues to place the interests of the lenders above those of indebted countries and the poor in those countries »

« The exercise of the basic rights of the people of debtor countries to food, housing, clothing, employment, education, health services, and a healthy environment cannot be subordinated to the implementation of structural adjustment policies, growth programmes, and economic reforms arising from debt »

Table 16 (countries not originally part of the programme but incorporated from 2006 are in italics)

Completion point reached		Decision point reached	
Uganda	May 2000	Chad	May 2010
Bolivia	June 2001	Comores	June 2010
Mozambique	sept 2001		
Tanzania	nov 2001		
Burkina Faso	Apr 2002		
Mauritania	June 2002		
Mali	Mar 2003		
Benin	Mar 2003		<b>Countries that refused</b>
Guyana	Dec 2003		Laos
Nicaragua	Jan 2004		Myanmar
Niger	Apr 2004		<i>Sri Lanka</i>
Senegal	Apr 2004		<i>Bhoutan</i>
Ethiopia	Apr 2004		<i>Nepal</i>
Ghana	July 2004		<i>Kirghiz Rep.</i>
Madagascar	Oct 2004		
Honduras	Apr 2005		<b>Ejected countries</b>
Zambia	Apr 2005		Angola
Rwanda	Apr 2005		Kenya
Cameroon	Apr 2006		Vietnam
Malawi	Sept 2006		Yemen
Sierra Leone	Dec 2006		
Sao Tomé et Principe	Mar 2007		
Gambia	Dec 2007		
Burundi	Jan 2009		
<i>Haiti</i>	June 2009		
Central African Republic	June 2009		
<i>Afghanistan</i>	Jan 2010		
Congo	Jan 2010		
Liberia	June 2010		
DR Congo	July 2010		
Guinea-Bissau	Dec 2010		
Togo	Dec 2010		
Ivory Coast	June 2012		
Guinea	Sept 2010		

22 : UN Human Rights Council: Resolution 20/10. The effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social, and cultural rights (adopted 5 July 2012). For full text, see: [http://search.un.org/search?q=Human%20rights%20res%2020/10&ie=utf8&oe=utf8&output=xml\\_no\\_dtd&site=ods\\_un\\_org&filter=p&proxystylesheet=UN\\_ODS\\_test&client=UN\\_ODS\\_test&getfields=DocumentSymbol.Title.Size.PublicationDate&ProxyReload=1&as\\_q=&as\\_epq=&as\\_oq=&as\\_eq=&lr=&num=10&metaTitle=&ie=utf8&oe=utf8&output=xml\\_no\\_dtd&site=ods\\_un\\_org&filter=0&q=&proxystylesheet=UN\\_ODS\\_test&client=UN\\_ODS\\_test&getfields=DocumentSymbol.Title.Size.PublicationDate&ProxyReload=1&partialfields=DocumentSymbol:A/HRC/](http://search.un.org/search?q=Human%20rights%20res%2020/10&ie=utf8&oe=utf8&output=xml_no_dtd&site=ods_un_org&filter=p&proxystylesheet=UN_ODS_test&client=UN_ODS_test&getfields=DocumentSymbol.Title.Size.PublicationDate&ProxyReload=1&as_q=&as_epq=&as_oq=&as_eq=&lr=&num=10&metaTitle=&ie=utf8&oe=utf8&output=xml_no_dtd&site=ods_un_org&filter=0&q=&proxystylesheet=UN_ODS_test&client=UN_ODS_test&getfields=DocumentSymbol.Title.Size.PublicationDate&ProxyReload=1&partialfields=DocumentSymbol:A/HRC/) Then click on: A/HRC/RES/20/10

### 7.3 The debt service of the 36 HIPC countries has not decreased

Table 17

	Debt service of the 36 eligible HIPC countries (in \$ billion)
2001	3.27
2002	3.33
2003	3.93
2004	4.14
2005	4.17
2006	3.76
2007	3.13
2008	3.41
2009	2.91

### 7.4 Phoney debt write-downs for certain poor countries

Net current debt/export ratio values, when the goal of the HIPC mechanism was to reduce this to 150%.

Table 18

Country	Year of completion point	Ratio objective for decision point	Ratio observed at completion point
Burkina Faso	2002	185.5 %	207.5 %
Ethiopia	2004	173.5 %	218.4 %
Niger	2004	184.8 %	208.7 %
Rwanda	2005	193.2 %	326.5 %
Malawi	2006	169.0 %	229.1 %
Sao Tome and Principe	2007	139.7 %	298.7 %

16

## 8. Debt figures for South and Central America and the Caribbean

### 8.1 Repayments

Table 19 / Debt repayments for South and Central America and the Caribbean<sup>23</sup>

<i>In \$ billions</i>	Total foreign debt	Foreign public debt
debt stock in 1970	32	16
debt stock in 2010	1 039	460
Repayments from 1970 to 2009	3 180	1 869

<sup>23</sup> : Source: World Bank. The regional classification is the World Bank's. The Latin American countries with ties to CADTM are Argentina, Brazil, Colombia, Ecuador, Haiti, Uruguay, and Venezuela.



## 8.2 Debt transfers

Table 20 / Net transfers on foreign public debt: South and Central America and Caribbean in \$ billion<sup>24</sup>

Net transfers on foreign public debt 1985 - 2010	
South and Central America and the Caribbean	-384



## 8.3 Comparison between several incoming and outgoing amounts

Table 21 / Comparison between several incoming and outgoing amounts in 2010, in \$ billion<sup>25</sup>

South and Central America and the Caribbean	
Official Development Assistance (ODA)	11
Emigrant remittances	57
Foreign public debt service	-63
Repatriation of profits by multinationals	-148

## 8.4 Dependence on raw material exports

Table 22 / Raw materials as a percentage of exports in 2010<sup>26</sup>

	Foodstuffs	Non food agricultural products	Metals	Petroleum products	Total
Latin America and the Caribbean	16.3	1.4	12.7	14.4	44.8

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## 8.5 Debt repayments and 2012 State budgets

Table 23 / Debt repayments and 2012 State budgets<sup>27</sup>

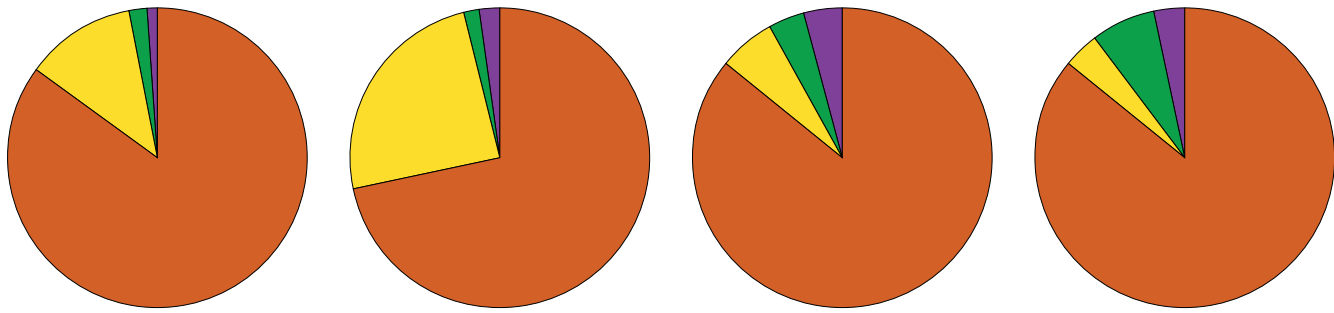
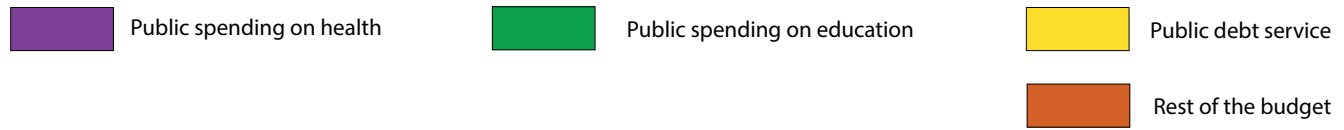
	% of GDP			% of budget		
	Public debt service	Public spending on education	Public spending on health	Public debt service	Public spending on education	Public spending on health
Argentina	12	2	1	43.8	7.4	3.6
Brazil	24.5	1.7	2.1	47.2	3.2	4
Colombia	6.2	3.8	4.1	23.2	14	15.4
Ecuador	3.7	7.1	3.1	8.3	15.9	6.8

24 / Source: World Bank.

25 / Source: World Bank. Development aid figures take into account official aid transfers. The figures for profit repatriation by multinationals refer to the Payments column by way of current account revenues.

26 : Source: World Bank. The structure of exportation of countries with one or more organisations affiliated to CADTM is taken as the average share of each export category for each country.

27 : Source: Argentina central government figures are from the nation's general budget for 2012 : the figures for the Brazilian central government are from the citizens' debt audit <http://www.mecon.gov.ar/onp/html/presupresumen/resum12.pdf> ; <http://www.auditoriacidada.org.br/wp-content/uploads/2012/04/Numerosdivida.pdf> ; Columbia central government figures are from the nations general budget for 2012 <http://www.minhacienda.gov.co/portal/page/portal/HomeMinhacienda/presupuestogeneraldelanacion/LeyPresupuestalPGN/2012/ley1485%2014%2012%202011.pdf>



Argentina

Brazil

Colombia

Ecuador

## 9. European debt figures

### 9.1 European public and private debt

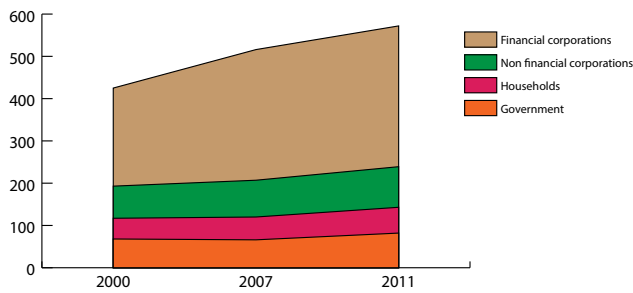
Private debts are usually higher than public debts.

18

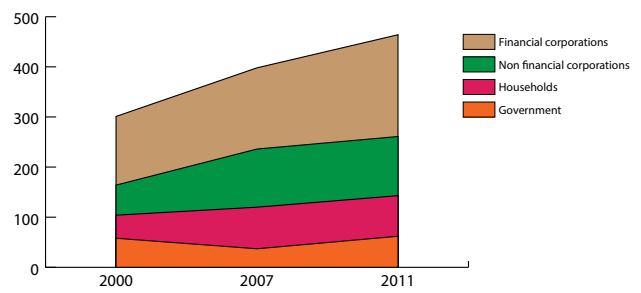
Table 24 / Debt by sector in % of GDP<sup>28</sup>

	2000	2007	2011
<b>Euro Zone</b>			
Gross government debt	68	66	82
Household debt	49	54	61
Debt of non financial corporations	76	87	96
Debt of financial corporations	232	309	333
<b>Spain</b>			
Gross government debt	58	37	62
Household debt	46	83	81
Debt of non financial corporations	60	116	118
Debt of financial corporations	137	162	203
<b>Portugal</b>			
Gross government debt	49	63	96
Household debt	59	84	93
Debt of non financial corporations	97	112	123
Debt of financial corporations	349	266	306
<b>Greece</b>			
Gross government debt	104	108	162
Household debt	14	42	56
Debt of non financial corporations	42	53	58
Debt of financial corporations	200	239	311

<sup>28</sup> : Source: Morgan Stanley research data base; [http://www.ecb.int/stats/money/aggregates/bsheets/html/outstanding\\_amounts\\_index.en.html](http://www.ecb.int/stats/money/aggregates/bsheets/html/outstanding_amounts_index.en.html) ; <http://www.bankofgreece.gr/Pages/en/Statistics/monetary/nxi.aspx>



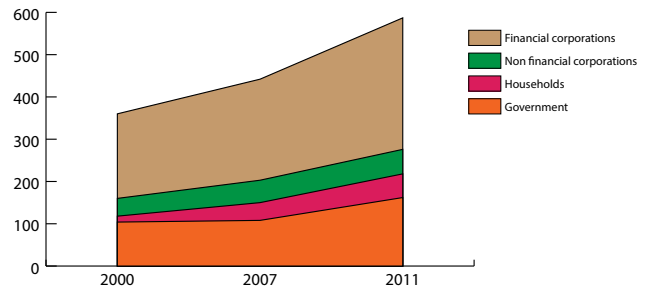
Euro Zone



Spain



Portugal



Greece

Contrary to affirmations in the mainstream media that States are over-indebted because of uncontrolled social spending, the increase in the public debt of countries like Belgium, France, Ireland, and Italy during the 2000s is due to three factors :

- Insufficient taxation of the profits of big companies and the income and wealth of the richest households. This shortfall is deliberately maintained through successive tax reforms that favour these companies and wealthy individuals to the detriment of the community, leading to an increase in public borrowing
- The bank bailouts of 2008 and 2011. Colossal private debts have been transformed into public debts.
- The effects of the bank-induced crisis of 2008 on State budgets: reduced revenues, on the one hand, and increased spending, on the other, to cover the social needs incurred by the crisis.

## 9.2 Evolution in European tax policy

Table 25 / Tax rates on highest incomes

Pays	1986	2002	2007	2012
France	65%	50,1%	40%	41%
Germany	53%	48.5%	47.5%	50%
Belgium	72%	55%	50%	50%
Spain	66%	48%	43%	43%
Italy	62%	45,5%	43%	45%
Netherlands	72%	52%	52%	52%
United Kingdom	60%	40%	40%	40%

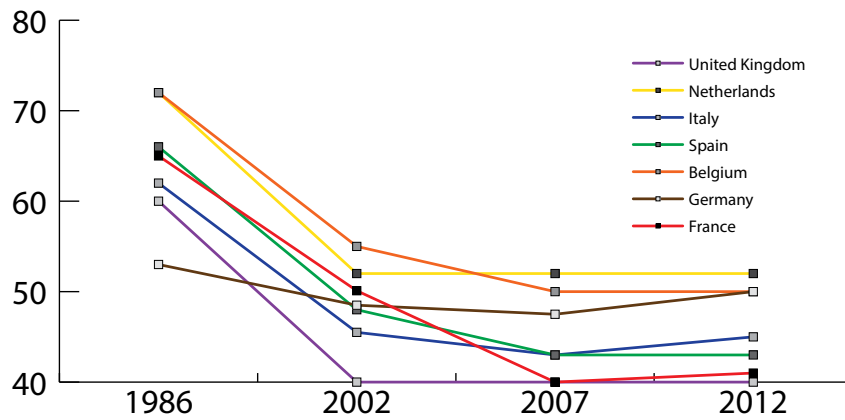
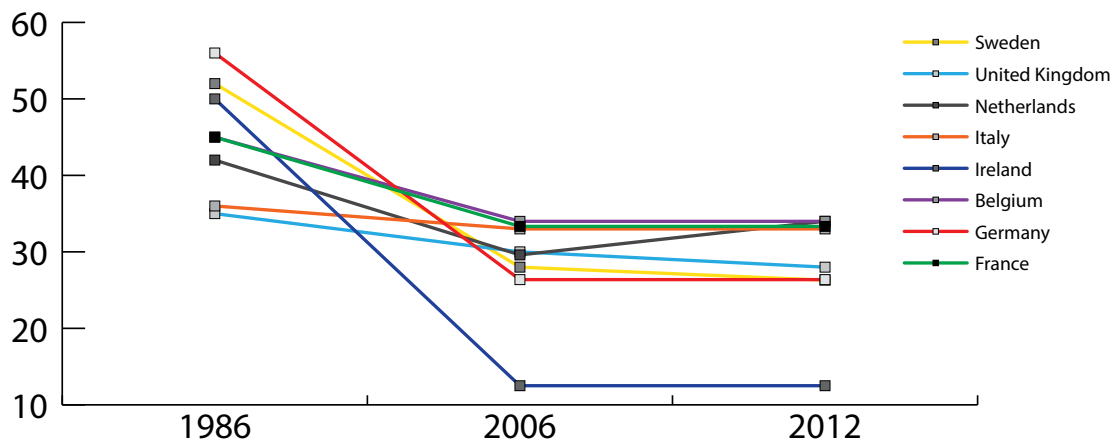


Table 26 / Tax rates on corporate profits

Country	1986	2006	2012
France	45%	33.33%	33.33%
Germany	56%	26.37%	26.37%
Belgium	45%	33.99%	33.99%
Ireland	50%	12.5%	13%
Italy	36%	33%	33%
Netherlands	42%	Between 25.5 and 29.6%	29% or 34%
United Kingdom	35%	30%	28%
Sweden	52%	28%	26.3%

20



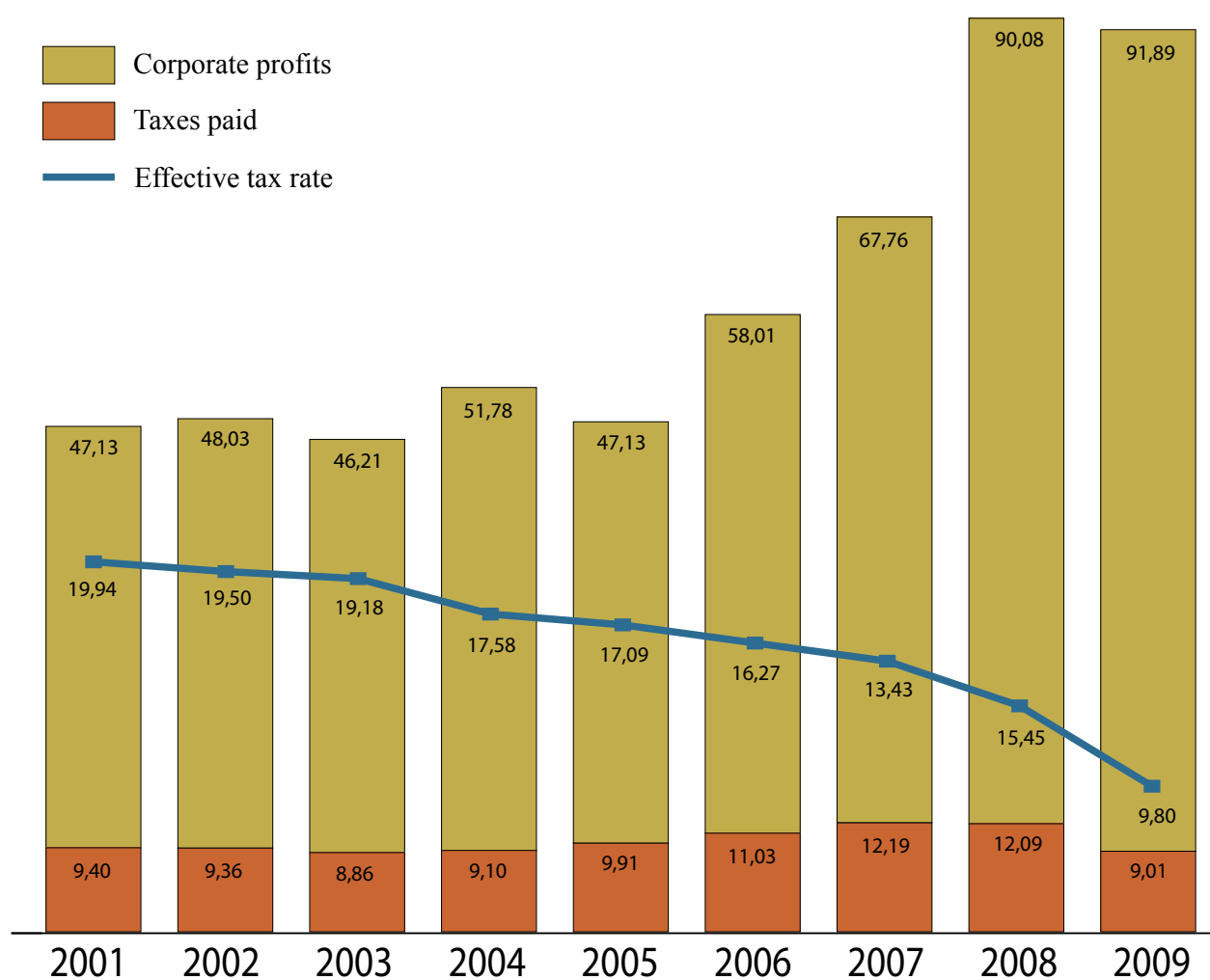
In France, corporate tax rates have dropped from 50% before 1985 to 33.3% since 1993. Worse still: real tax rates are around a mere 22%, and blue chip companies are paying closer to 8%. Thanks to the ‘consolidated worldwide profits’ mechanism, the oil company Total paid no tax in 2010, whilst making profits of 10 billion euros, and paying out half of this in shareholder dividends.

In Belgium, the 1000 companies declaring the highest profits in 2010 paid an average corporate tax of only 5.73%, although the official rate is 33.99%. In 2011, the 500 biggest profit-making companies paid only 5.44%. The AB inBev group (the biggest multinational brewer) declared 18.5 billion euros in profits, but paid 0% corporate tax.

Table 27 / Belgium: Evolution of declared profits and taxes actually paid by Belgian private sector companies between 2001 and 2009

	Taxes paid (in € billions)	Corporate profits (in € billions)	Effective tax rate (%)
2001	9.40	47.13	19.94
2002	9.36	48.03	19.50
2003	8.86	46.21	19.18
2004	9.10	51.78	17.58
2005	9.91	47.13	17.09
2006	11.03	58.01	16.27
2007	12.19	67.76	13.43
2008	12.09	90.08	15.45
2009	9.01	91.89	9.80

Company profits have increased yet taxes have decreased.

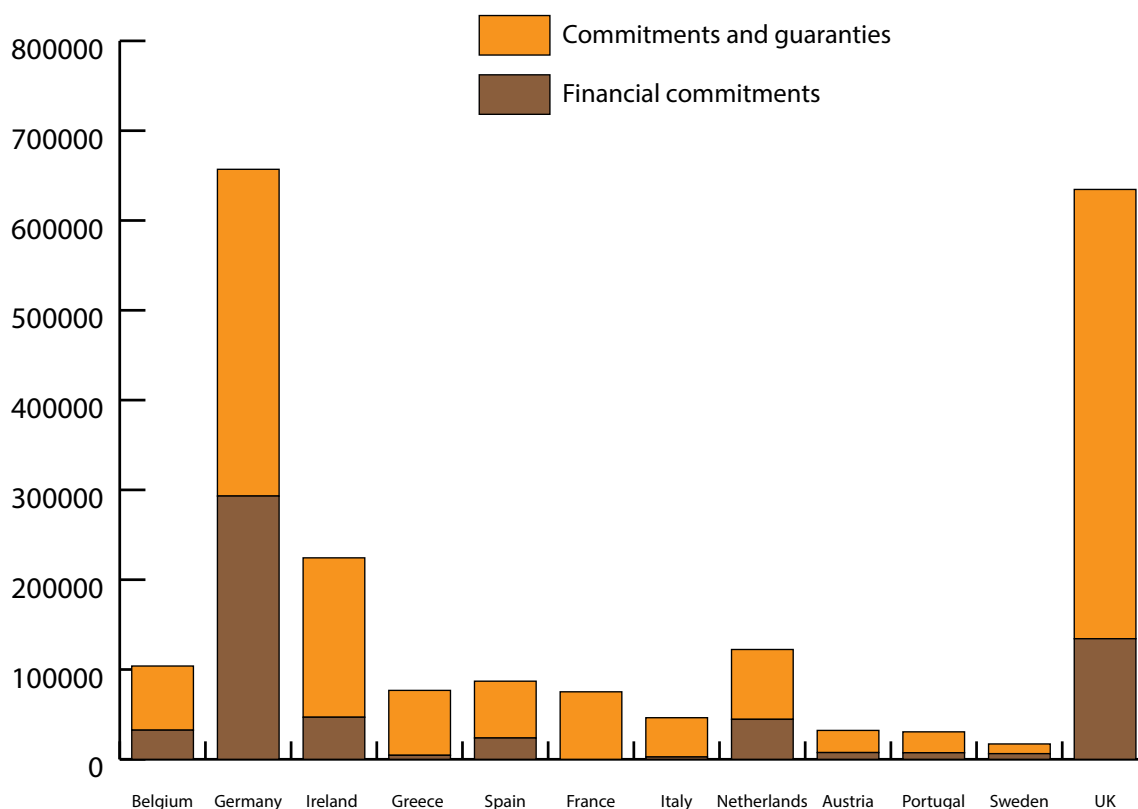


### 9.3 The cost of bank bailouts in Europe

Table 28 / Debt issued up to 2011 in billions of euros<sup>29</sup>

Country	Governments financial commitments	Commitments + guarantees
Belgium	32	71
Germany	293	364
Irelande	47	177
Greece	4	72
Spain	24	63
France	-	75
Italy	3	44
Netherlands	45	78
Austria	8	25
Portugal	7	23
Sweden	6	11
United Kingdom	134	500
<b>Total EU of 27</b>	<b>603</b>	<b>1573</b>

22



29 : Figures 2007-2011. Source: European Commission , GD of economic and financial affairs, October 2012, [http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/excessive\\_deficit/supplementary\\_tables\\_financial\\_turmoil](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/excessive_deficit/supplementary_tables_financial_turmoil). These figures do not include recovery plans nor ECB financing. They do refer to debt issued for bank and financial company bailouts, and therefore do not integrate capital increases or the buying of stocks or assets by government agencies. The data for Spain does not include the 'Fund for Orderly Bank restructuring' (FOBR).

Table 29 / Profits and losses of European Union banks<sup>30</sup>

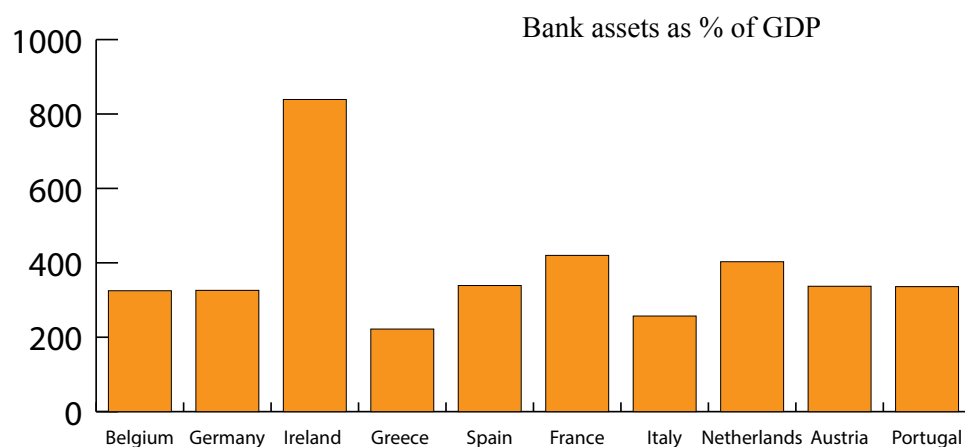
	European Union private banks (in € billions)
2011	-12.4
2010	70.7
2009	18.0
2008	-42.0
2007	54.8
Total 2007 – 2011	89.1

## 9.4 The financial system and the national economies

Table 30 / The weight of the banks in national economies, in millions of euros<sup>31</sup>

Country	Assets in 2000	Assets in 2001	Assets as % of GDP in 2000	Assets as % of GDP in 2011
Belgium	700	1 198	277	325
Germany	6 084	8 393	295	326
Ireland	418	1 313	399	839
Greece	207	477	150	222
Spain	1 153	3 643	183	339
France	3 737	8 392	259	420
Italy	1 718	4 065	150	257
Netherlands	1 149	2 429	275	403
Austria	528	1 010	253	337
Portugal	277	574	218	336
<b>Total EU of 27</b>	<b>22 600</b>	<b>46 300</b>	<b>245</b>	<b>367</b>

23



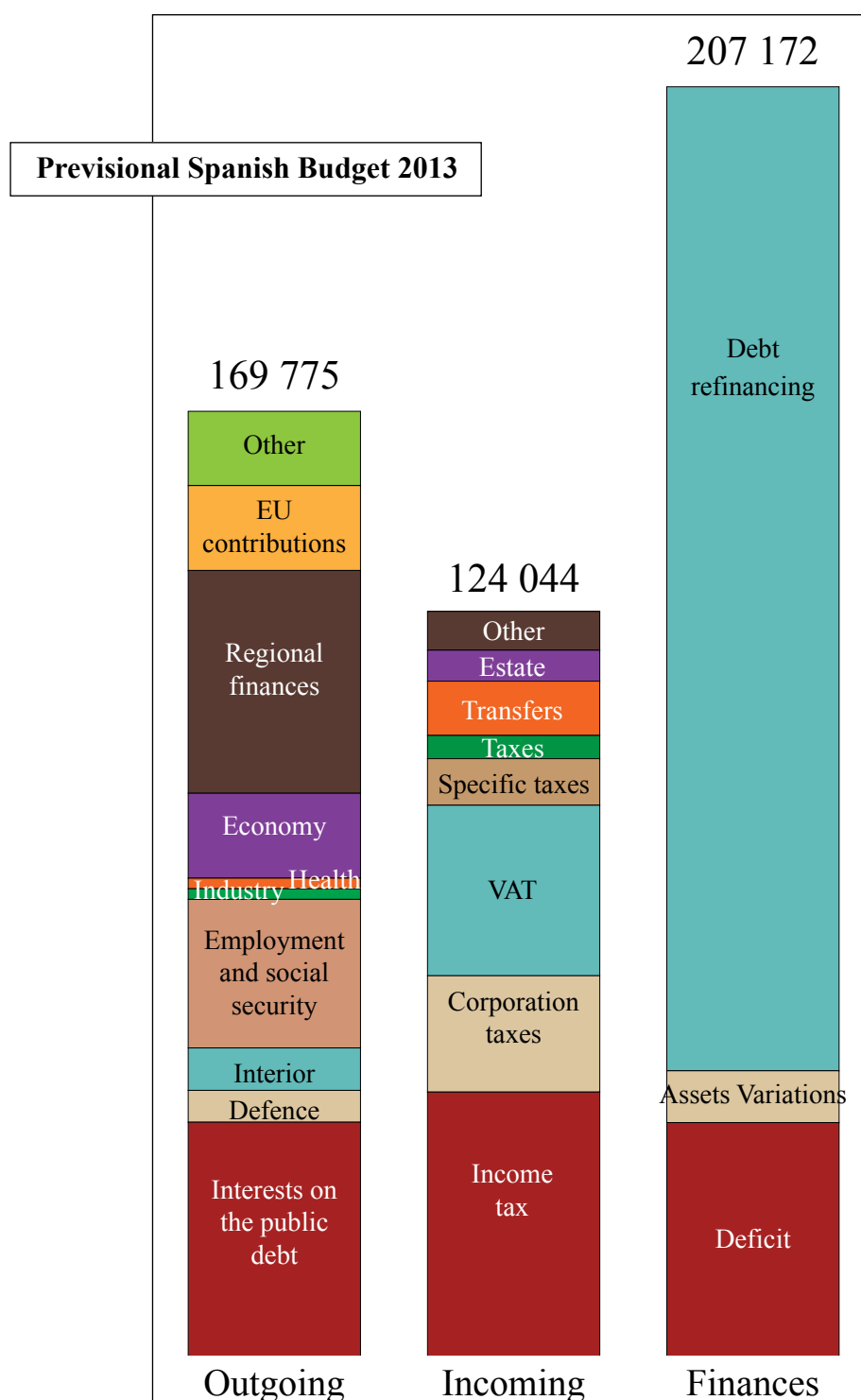
30 : Sources: ECB, Statistical Data Warehouse; [http://sdw.ecb.europa.eu/quickview.do?SERIES\\_KEY=231.CBD.A.V1.11.A.25000.X.4.Z5.0000.Z01.E](http://sdw.ecb.europa.eu/quickview.do?SERIES_KEY=231.CBD.A.V1.11.A.25000.X.4.Z5.0000.Z01.E) for bank profits, and [http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/excessive\\_deficit/supplementary\\_tables\\_financial\\_turmoil](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/excessive_deficit/supplementary_tables_financial_turmoil).

31 : Source: European Banking Federation <http://www.ebf-fbe.eu/index.php?page=statistics>

## 9.5 Debt repayments and State budgets

Table 31 / The impact of the crisis on the Spanish State budget <sup>32</sup>

Spain	In € billions			% of budget		
	Interest on public debt	Public spending on education	Public spending on health	Interest on public debt	Public spending on education	Public spending on health
2008	16.61	11.23	4.43	5.30	3.60	1.40
2009	17.10	12.92	4.62	5.20	3.90	1.40
2010	23.20	6.36	4.63	6.60	1.80	1.30
2011	27.40	7.77	4.25	8.70	2.50	1.30
2012	28.85	2.22	3.97	9.30	0.70	1.30



The figure shows the estimated Spanish budget for 2013. As indicated in the previous table, spending on education and health is in such serious recession as to be practically negligible (first column). As in previous years, the 2013 provisional budget shows a hefty deficit. This will be financed by public borrowing on a considerable scale as shown in column 3, which concerns the refinancing of public debt reaching maturity in 2013. If we take together column 1 (interest to pay), and column 3 (debt refinancing), Spanish debt servicing is slightly higher than 60% of total expenditures.

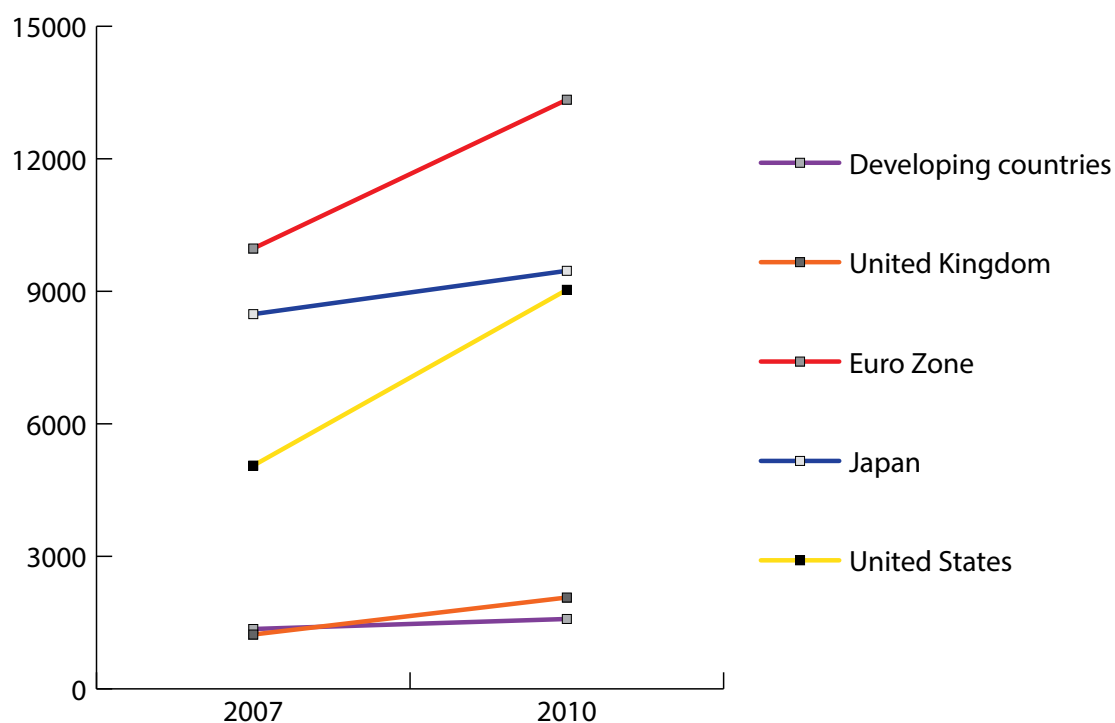
32 : Source: Spanish ministry of finance and public administration <http://www.minhap.gob.es/es-ES/Estadistica%20e%20Informes/Presupuesto%20y%20cuentas%20publicas/Paginas/presupuesto.aspx>



## 10. Debt explodes in the North and increases in the South

Table 32 / Public debt in the North and South in 2010<sup>33</sup>

In \$ billions	2007	2010
United States public debt	5 054	9 034
Japan public debt	8 483	9 464
Euro Zone public debt	9 969	13 338
United Kingdom public debt	1 230	2 068
Foreign public debt of developing countries	1 355	1 647



25

### 10.1 Debt of Northern countries and the regions with which they have close relations

Table 33 / Public debt in the North and South (cont'd.)<sup>34</sup>

2010 figures	In \$ billions
Foreign public debt of all developing countries	1 647
Public debt in France	2 197
Public debt in Spain	939
Foreign public debt in sub-Saharan Africa	149
United States public debt	9 034
Latin American foreign public debt	460
South and East Asia foreign public debt	512

33 : Source: OECD, Eurostat, World Bank. The figures of the OECD countries, Japan, UK and USA mention only central government debt, excluding the public debt at other levels of government and social security. The figure for euro zone public debt is for 2011 and is converted into dollars at the, then current, exchange rate of 1.28.

34 : Source: OECD, Eurostat, World Bank. The figures of the OECD countries, Japan, UK and USA mention only central government debt, excluding the public debt at other levels of government and social security. The figure for euro zone public debt is for 2011 and is converted into dollars at the, then current, exchange rate of 1.28.

## 10.2 Some interesting figures

Table 34 / In \$ billions

Worldwide advertising expenditures (estimate for 2012)	470
Annual worldwide military expenditures (2011)	1740
Foreign public debt service for the developing countries(2010)	184
Tax evasion losses for the developing countries (2011)	400
Revenues of commercial banks such as Goldman Sachs (2012)	240
Annual turnover in drug trafficking (2011)	400
Worldwide annual expenditures on pet food (2012)	67
Means available to the UN World Food Programme in 2010	3.5
Total budget of the Democratic Republic of Congo, population: 74 million	8
Bonuses paid by Goldman Sachs (2011)	12
Bonuses paid in the City (London) (2011)	21
Remunerations and bonuses paid by the 5 leading US banks (2010)	119

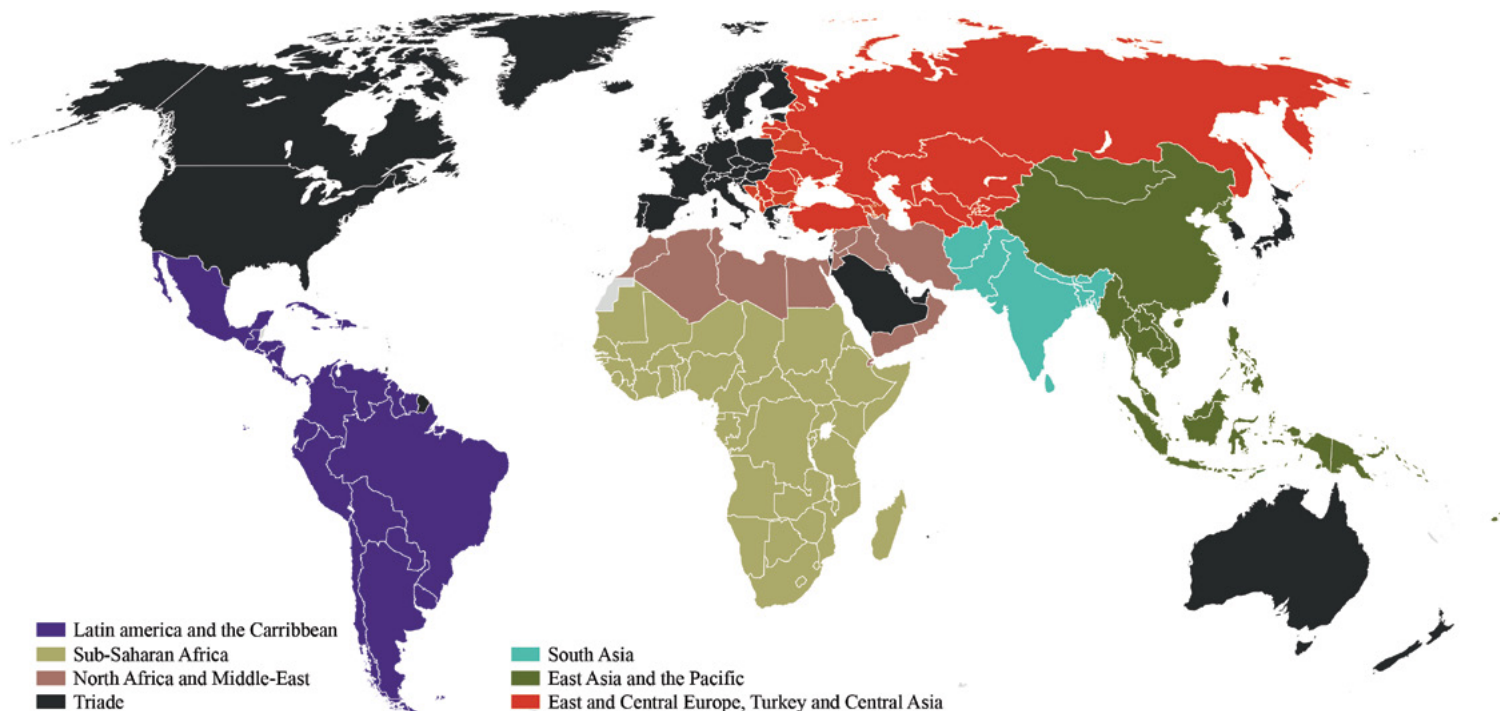
### 10.3 Deposits by wealthy citizens of developing countries in Northern banks

Table 35 / Debt of the South, Northern bank loans to Southern states and deposits by wealthy citizens of developing countries in Northern banks<sup>35</sup>

<i>In \$ billions</i>	Foreign public debt in 2010	Northern bank loans to southern states in 2010	Deposits by wealthy citizens of developing countries in Northern banks in 2007
Latin America and the Caribbean	460	44	490
Middle East and North Africa	114	7	360
Sub-Saharan Africa	149	17	230
Southern Asia	205	14	190
East Asia and the Pacific	307	18	450
East and Central Europe, Turkey and Central Asia	412	103	660
<b>Total</b>	<b>1 647</b>	<b>203</b>	<b>2 380</b>

WEALTH FRAUDULENTLY ACQUIRED AND RETURNED BY SWITZERLAND TO DEVELOPING COUNTRIES (NIGERIA, PHILIPPINES, PERU ETC.) : **\$1,6 BILLION**

#### The 6 world regions and the Triade



35 : World Bank for the foreign public debt. The authors' figures concerning the deposits of the wealthy are based on Bank for International Settlements (BIS) data.

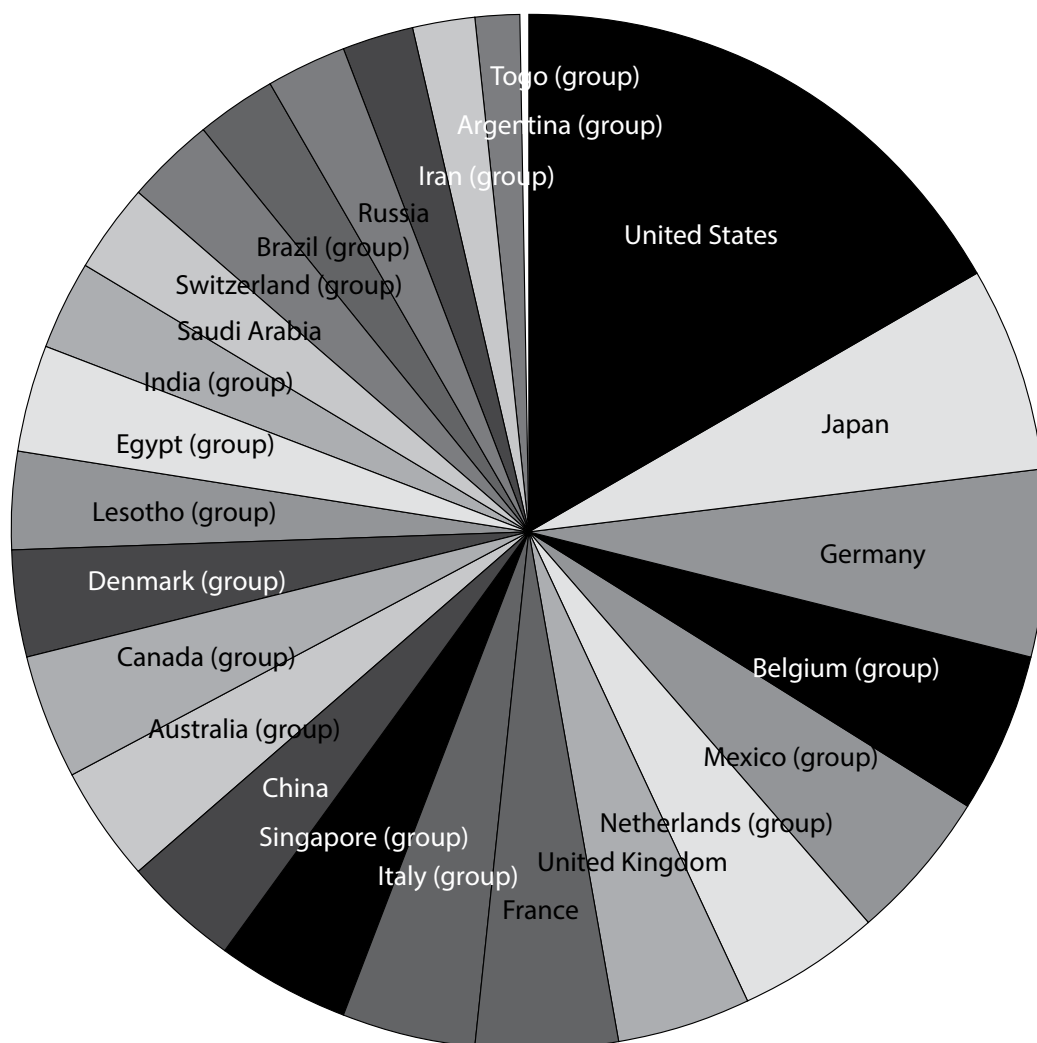
## 11. International Monetary Fund (IMF) figures

### 11.1 IMF voting rights

Table 36 / Distribution of voting rights among IMF administrators in July 2012

Country	%	Group presided by	%	Group presided by	%
United States	16,75	Belgium	4,97	Singapore	3,93
Japan	6,23	Netherlands	4,52	Egypt	3,18
Germany	5,81	Mexico	4,64	Lesotho	3,22
France	4,29	Italy	4,26	Brazil	2,50
United Kingdom	4,29	Canada	3,60	India	2,81
China	3,81	Denmark	3,40	Iran	2,26
Saudi Arabia	2,80	Australia	3,62	Argentina	1,84
Russia	2,39	Switzerland	2,77	Togo	1,55

[Guinea, Madagascar, Somalia, and South Sudan did not participate in the vote.]



## 11.2 Comparison of the voting rights of different countries and their population

Table 37 / Comparison of voting rights and populations

Country or group of countries	Population in 2010 (in millions)	IMF voting rights (%)
China	1,354	3.81
India	1,215	2.81
United States	318	16.75
Group presided by Togo	233	1.55
Russia	140	2.39
Japan	127	6.23
France	63	4.29
Saudi Arabia	26	2.80
Belgium	11	1.86
Switzerland	8	1.40
Luxembourg	0.5	0.20

29

## 11.3 Evolution in voting rights since 1945

Table 38 / Historical evolution in voting rights

Countries	1945	1981	2000
Industrialised countries	67.5	60	63.7
United States	32	20	17.7
Japan	-	4	6.3
Germany	-	5.1	6.2
France	5.9	4.6	5.1
United Kingdom	15.3	7	5.1
Petroleum producing countries	1.4	9.3	7
Saudi Arabia	-	3.5	3.3
Developing countries	31.1	30.7	29.3
Russia	-	-	2.8
China	7.2	3	2.2
India	5	2.8	2
Brazil	2	1.6	1.4

## 12. The World Bank

### 12.1 World Bank voting rights

Table 39 / Distribution of voting rights between administrators of the World Bank in July 2012

Country	%	Group presided by	%	Group presided by	%
United States	15,64	Austria	4,83	Brazil	3,47
Japan	9,21	Netherlands	4,27	India	3,43
Germany	4,61	Spain	4,37	Pakistan	2,99
France	4,12	Canada	4,10	Koweït	2,83
United Kingdom	4,12	Italy	3,26	Indonesia	2,45
China	3,30	New Zealand	3,73	Argentina	2,18
Saudi Arabia	2,52	Sweden	3,48	South Africa	1,73
Russia	2,52	Switzerland	3,16	Sao Tome and Principe	1,87
				Sudan	1,81

[Guinea, Madagascar, and Somalia did not participate in the vote.]

30

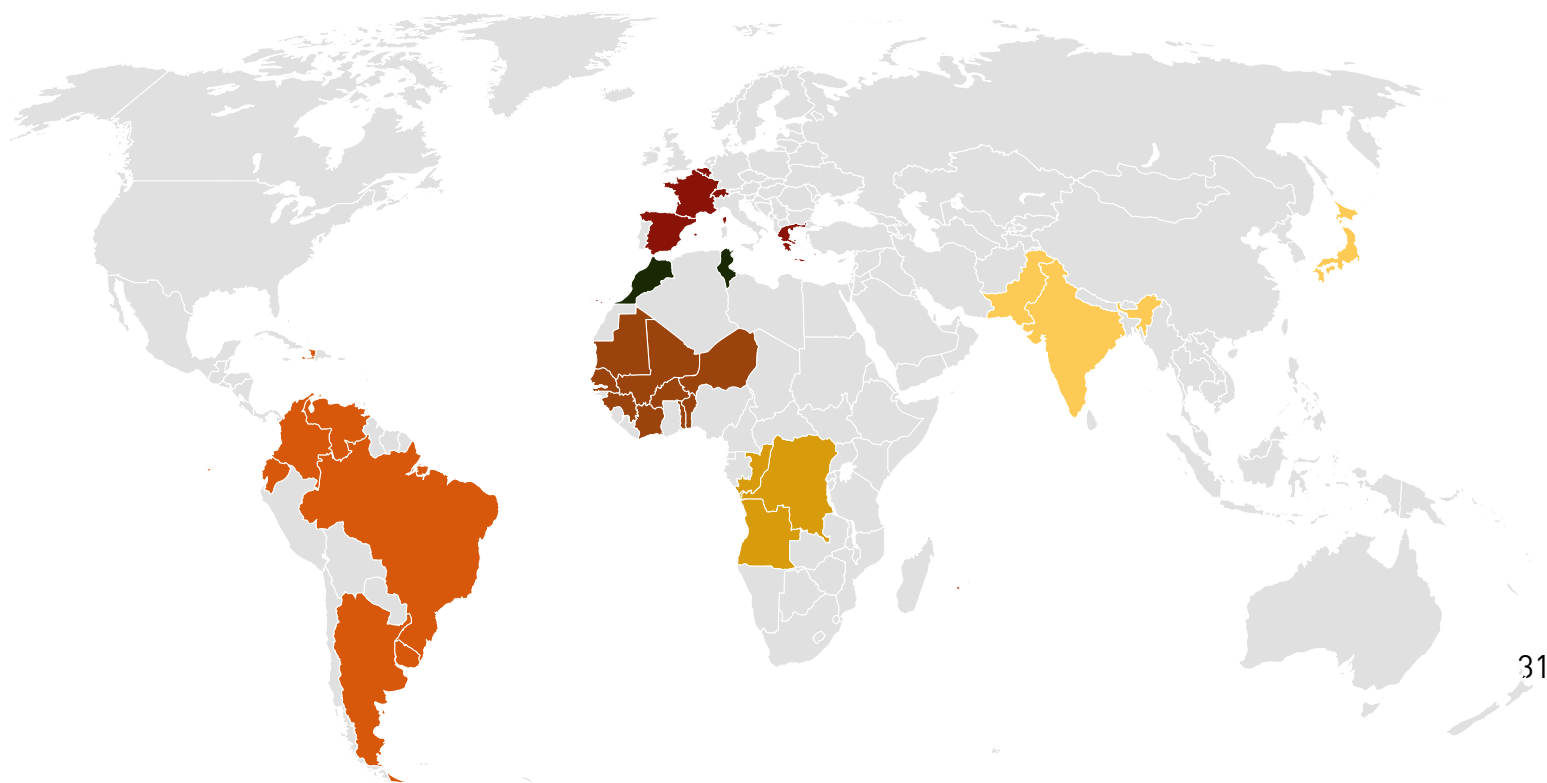
### 12.2 Comparison of World Bank voting rights of different countries

Table 40 / Comparison of voting rights and population

Countries or group	Population in 2010 (millions)	Voting rights at IBRD (%)
China	1354	3.30
India	1215	3.43
United States	318	15.64
Group presided by Togo	223	1.87
Russia	140	2.52
Japan	127	9.21
France	63	4.12
Saudi Arabia	26	2.52
Belgium	11	1.63
Switzerland	8	1.61
Luxembourg	0.5	0.12

IBRD : International Bank for Reconstruction and Development

## MEMBERS OF THE CADTM NETWORK



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The authors wish to thank for their help Olivier Chantry, Yves Julien, Virginie de Romanet, Pauline Imbach, Aurora Tancredos and the members of the CADTM work group on public debt.

For further reading, please consult CADTM publications:

*60-Questions-on the IMF and World-Bank*, by Damien Millet and Eric Toussaint  
<http://cadtm.org/60-Questions-on-the-IMF-World-Bank>

*Glance in the Rear View Mirror* By Eric Toussaint  
<http://cadtm.org/Glance-in-the-Rear-View-Mirror>

*Debt, the IMF, and the World Bank: Sixty Questions, Sixty Answers*  
<http://cadtm.org/Debt-the-IMF-and-the-World-Bank>

*A Diagnosis of emerging global crisis and alternatives*  
published by Vikas Adhyayan Kendra (VAK), Mumbai, India, 2007.  
<http://cadtm.org/A-Diagnosis-of-emerging-global>

*The World Bank: a never-ending coup d'état. The hidden agenda of the Washington Consensus*  
by Eric Toussaint  
<http://cadtm.org/The-World-Bank-a-never-ending-coup>

And of course the CADTM website: <http://cadtm.org/English>



## 2012 WORLD DEBT FIGURES

Damien Millet, Daniel Munevar & Éric Toussaint  
CADTM - Committee for the abolition of third world debt

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Committee for the Abolition  
of Third World Debt