

## World News - N° 10 , 2002

Even worse, sooner  
PSI World Women's Committee meets in Berlin  
Bringing unions and NGOs together  
Waghorne on ATTAC platform  
Global nursing survey shows consistent results  
Contrasts in approach  
Brazil democracy threatened by financial markets  
HIV/Aids major obstacle to education  
What's new on the Extranet  
Tell us

Even worse, sooner

Joseph Stiglitz, Nobel prize winner and former World Bank chief economist has published a frank view of the economic collapse in Argentina. According to the Stiglitz, "Many American economists suggest that the crisis would have been averted had Argentina followed the advice of the International Monetary Fund (IMF) religiously, especially by cutting back on expenditures (including at the provincial level) more ruthlessly. Many Latin Americans, however, think that the full IMF plan would have led to an even worse crisis -- sooner. I think it is the Latins who are right. Like most economists outside the IMF, I believe that in an economic downturn, cutting expenditures simply makes matters worse: tax revenues, employment and confidence in the economy also decline. Argentina is no more exempt from these basic economic principles than were the countries of East Asia in the late '90s. Yet the IMF said make cuts, and Argentina complied". Stiglitz also explains how social security privatization contributed to Argentina's fiscal deterioration: "had Argentina not privatised, its 2001 budget would actually have shown a surplus". He properly blames the IMF for having encouraged this policy but does not mention that the pension privatisation program was designed and implemented with the technical and financial assistance of the World Bank. See [www.washingtonpost.com](http://www.washingtonpost.com).

PSI World Women's Committee meets in Berlin

The PSI World Women's Committee met in Berlin this week at the headquarters of major affiliate Ver.di. In a full program, the Committee discussed progress on its two major global campaigns on pay equity and maternity protection. Members of the Committee gave presentations on best practice and successful national campaigning. The Committee enthusiastically adopted a new campaign proposal on the rights of migrant health workers and requested PSI to develop a more detailed proposal and identify sufficient financial and human resources to ensure its efficient implementation. PSI General Secretary, Hans Engelberts outlined the key issues before the 2002 PSI Congress, including the implications of a gender-equal constitution, and the proposed new Program of Action. Two

other significant items were strategies to organise women in the informal economy, and implementation of a new project proposal aimed at developing young women union leaders through a mentoring program. Contact [nora.wintour@world-psi.org](mailto:nora.wintour@world-psi.org).

#### Bringing unions and NGOs together

A special issue of an international journal will be guest-edited by Alan Leather, PSI Deputy General Secretary. Development in Practice will discuss underlying tensions between trade unions and non-government organizations (NGOs), in order to contribute to a greater understanding between the two, and to enhance the scope for more constructive partnerships. The journal will be issued in 2003 with a book to follow. Contributions are still encouraged, but deadlines are tight. Papers from those involved in trade unions, as well as donor agencies (including official agencies, NGOs, and union-based funding bodies), and people involved in development or public advocacy work are especially welcomed. See [www.developmentinpractice.org](http://www.developmentinpractice.org) for details on how to contribute your views and experiences, or contact the Editor-in chief, [dgmeade@wanadoo.fr](mailto:dgmeade@wanadoo.fr).

#### Waghorne on ATTAC platform

PSI's Mike Waghorne was one of three international guests who addressed a GATS (General Agreement on Trade in Services) seminar in Stockholm on May 6. The seminar, sponsored by Forum Syd and ATTAC Sweden, discussed major concerns about GATS. These include its impact on poor countries and on public services, its restrictions on regulatory powers of governments, the secrecy of the request-offer process, and the democratic deficit in GATS processes generally. The imbalance between the rights of foreigners to open businesses in developing countries and the lack of rights to access temporary jobs in the North for workers from developing countries was also highlighted. NGO and union representatives indicated that the seminar had increased their ability to campaign on these issues. Other international guests were Clare Joy from the World Development Movement, and KT Suresh, from Equations in India. Swedish speakers included Lasse Karlsson, ATTAC, Åse Kleveland, Director of the Swedish Filminstitute and Matts Norrstad, Swedish Teachers Union.

#### Global nursing survey shows consistent results

The preliminary report of the World Survey of Nurses' Unions and Associations has been published by Penn State University (US). The survey was conducted with the support of PSI and its US affiliates AFSCME and SEIU, as well as the International Council of Nurses. It is the first systematic study of the issues faced by nurses globally, and effective strategies to deal with them. There was remarkable consistency in the findings. For example ninety of the 101 organisations responding indicated that their country is experiencing a nurse shortage. In 33 countries this is exacerbated by nurse emigration. Other major problems centre on safety and health concerns, mandatory overtime and privatisation. Effective strategies include industrial action such as strikes and bans, political lobbying, community activism and collective bargaining for improved contracts. The final report will be presented in 2003. Contact Darlene Clark at PennState email [dac128@psu.edu](mailto:dac128@psu.edu).

#### Contrasts in approach

Whilst its Northern neighbour is adopting a different approach, Mexico last month showed that it favours public ownership, open government and a diverse media. The Mexican Senate, backed by the Supreme Court has overwhelmingly rejected a plan to privatise the national electricity system.

The House of Representatives (and likely the Senate shortly) has unanimously approved a new law that guarantees citizen access to virtually all government records and documents. In a further move, the Mexican Congress has taken up a bill that aims to regulate public airwaves and require 12.5% of broadcast time to be public interest programs from government agencies, educational institutions and civil society organisations. By contrast, the Bush administration in the US continues to promote energy privatisation despite the Enron and California disasters, has issued directives that Federal agencies should deny most Freedom of Information requests, and is on the brink of scrapping remaining restrictions on media cross-ownership. See [www.commondreams.org](http://www.commondreams.org).

#### Brazil democracy threatened by financial markets

In response to election polls showing that the new President of Brazil is likely to be the leader of the Workers Party, action by Wall Street has threatened the result. Luis Ignacio da Silva (popularly known as Lula was recently ahead in the polls at 38% compared with his nearest competitor at 16%. Brazil's financial markets showed no reaction, until financial giants Merrill Lynch and Morgan Stanley Dean Witter downgraded Brazilian bonds in response to the polls. The Brazilian stock market dropped more than 4 percent in one day, and the media broadcast Wall Street's warnings far and wide. The Workers' Party proposes to raise growth with lower interest rates and investment in public infrastructure. One of the most badly needed of these investments is in sewer systems: 60 percent of Brazil's households flush untreated sewage into the waterways. The Workers' Party has also proposed a "zero-hunger" program for the more than 30 million Brazilians who do not have enough to eat. Brazil has 175 million people. See [www.cepr.net](http://www.cepr.net).

#### HIV/Aids major obstacle to education

According to the May report of the World Bank on HIV/Aids and education, the disease is a major threat to the goal of gender parity in primary and secondary education, and to the goal of universal primary education. Conversely, it outlines how investment in education is effective in disease prevention and treatment. The Bank says that the HIV/Aids impact on education is due to the large number of early deaths of teachers, especially in sub-Saharan Africa, where up to 30% of teachers in some countries are HIV positive. Further, many children, especially girls, are dropping out of school to support sick relatives, or have themselves become orphans. Education International, PSI's sister global union federation, continues to be active in the Education for All campaign which has adopted the two goals on gender parity and universal primary education. The Bank is one of eight sponsors of UNAids and has an action program aimed at reversing the trend. See [www.worldbank.org](http://www.worldbank.org).

#### What's new on the Extranet

PSI's Extranet is a password -protected part of the website, for PSI affiliates only. Recent additions to the Extranet include the PSI Merger handbook, documents for the Public Sector Working Group, PSI Congress proposed resolutions, and Research Network News. All affiliates have been issued with user names and passwords for the Extranet. Contact [caroline.taleb@world-psi.org](mailto:caroline.taleb@world-psi.org) if you need help with this.

We guarantee your comments on PSI World News will be listened to. Send to [psi@world-psi.org](mailto:psi@world-psi.org)

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