

**ECOLOGICAL DEBT**  
**THE PEOPLES OF THE SOUTH**  
**ARE THE CREDITORS**

Cases from Ecuador, Mozambique, Brazil and India

Edited by  
Athena K. Peralta



World Council of Churches

**Please direct your comments and/or inquiries to:  
Athena K. Peralta and/or Rogate R. Mshana  
Programme on Ecological Debt  
Justice, Peace and Creation Team  
World Council of Churches**

**Address in Switzerland:  
The Ecumenical Centre  
150 route de Ferney  
1211 Geneva 2  
Tel: + 41 22 791 60 26  
Fax: + 41 22 791 64 09**

**Email:  
athenaperalta@mailworks.org and rrm@wcc-coe.org**

**Web:  
www.wcc-coe.org**

**©World Council of Churches**

**Cover and layout design by:  
Davis B. Degay and Dennis Benjamin M. Longid (Red Leaf Designs)**

**Copy editing by:  
Rebecca Desiree Lozada and Sonja Morch**

**Printed in the Philippines  
Troika Press  
Suite 204, Sterten Place  
116 Maginhawa Street, Diliman  
Quezon City**

**ISBN: 2-8254-1486-7**



# TABLE OF CONTENTS

**Preface** ..... v  
*By Rogate R. Mshana (World Council of Churches)*

**Chapter I. Introduction to Ecological Debt** ..... 1  
*By Athena K. Peralta (World Council of Churches)*

**Chapter II. Sowing Deserts: The Social and Ecological Debt  
Generated by the Foreign Debt Acquired for the Jaime  
Roldós Aguilera Multipurpose Project** ..... 15  
*By Luis Corral (Accion Ecológica)*

**Chapter III. Dams on the Zambesi River as Sources of  
Ecological Debt to the People of Mozambique** ..... 59  
*By Francis Ng'ambi (Economic Justice Network of the Fellowship of the Council  
of Churches in Southern Africa)*

**Chapter IV. Swedish Pulp and Paper in Brazil:  
The Case of Veracel** ..... 81  
*By Mans Andersson and Orjan Bartholdson (SwedWatch)  
(with a foreword by Lennart Molin)*

**Chapter V. Ecological Debt: A Case Study from Orissa, India** ..... 125  
*By Sanjay Khatua and William Stanley (Integrated Rural Development of Weaker  
Sections in India)*








# PREFACE

This book introduces readers to the ecological debtors and creditors of the world. What is ecological debt? Who owes who as far as ecological debt payment is concerned? Which debt is bigger, financial debt or ecological debt? What is the relationship between financial debt and ecological debt? How dangerous is ecological debt to our ecosystem? How can it be paid? This book attempts to respond to these questions through four case studies of ecological debt.

Ecological debt is the debt accrued by Northern, industrial countries towards Third World countries because of resource plundering, environmental damages and the occupation of environmental space. According to Athena Peralta, the coordinator of the World Council of Churches' Ecological Debt Programme, the concept of ecological debt redefines who are debtors and creditors; thereby, it serves as a counterweight to external financial debt, sets priorities straight and offers a framework for transforming power relations between South and North<sup>1</sup>.

By highlighting the roots, impacts and alternatives to address ecological debt, this book aims to convince readers to review the predominantly reductionist understanding of the growing debt problem in the South. The World Council of Churches Assembly in Harare, Zimbabwe in 1998 underlined that the solution to debt is to be found in a new, just global order:





“Gathered in sub-Saharan Africa, we have heard the cries of the millions of people who have borne the social, political and ecological costs of tenacious cycle of debt. We are called, through a process of discernment and response, to seek new ways to break the stranglehold of debt, to redress its consequences, and ensure that debt crises will not recur. This can only be achieved through a new, just global order”<sup>2</sup>.

The concept of ecological debt has changed this view of debt by asserting that the North owes the South.

Ecological debt has a long history. It began with the period of slavery and colonization and continues to accumulate in the current era of corporate-led neoliberal globalization. Cecil Rhodes outlined the main purpose of colonial economy:

“We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labour that is available from the natives of the colonies. The colonies would also provide a dumping ground for surplus goods produced in our factories”<sup>3</sup>.

How is ecological debt currently building up? Firstly, ecological debt is increasing under a system of unequal terms of trade wherein Southern countries are forced to export goods at prices that do not take into account the social and environmental impacts of their extraction and production. Secondly, there is growing appropriation of traditional knowledge in the South upon which biotechnology and modern agro-industries are based. Thirdly, the extraction of natural resources (e.g. petroleum, minerals, marine, forest and genetic resources) in order to pay external financial debt is destroying the basis of survival of Southern peoples. Fourthly, mega-projects such as dams and mining industries are depriving Southern people of their lands and livelihoods.

Ecological debt creditors are now beginning to raise awareness on this debt. However, there is a long way to go. As put succinctly by Susan George:

“Everybody knows perfectly well what ‘should’ or ‘must’ be done if fairer income distribution, an end to hunger and so on, are really goals. The problem is not to persuade those





who stand in the way of these outcomes that their policies are mistaken but to get power”<sup>24</sup>.

According to Susan George, we need to ask two simple questions: who is responsible for the present crisis and how can we make them stop?<sup>25</sup> This book helps us to ask similar questions: who is responsible for ecological debt? How can we make them pay?

Churches and the ecumenical movement are called to engage themselves in study, reflection and advocacy for ecological debt recognition and payment. Solidarity in this advocacy is paramount and necessary for social, economic and ecological justice. This book on specific case studies of ecological debt is an invaluable material for the task ahead.

It is appropriate to thank the Mission Covenant Church and the Christian Council of Sweden for supporting the World Council of Churches’ work on ecological debt. Without their financial support, the studies and publication of this book would not have been possible. Many thanks also to the World Council of Churches’ Reference Group\* who helped to prepare the case studies presented here. They have paved the way for further work in this field. Last but not least, many thanks to Athena Peralta who worked very hard to coordinate the World Council of Churches’ Programme on Ecological Debt.

**Dr. Rogate R. Mshana**

Programme Executive for Economic Justice  
Justice, Peace and Creation Team  
World Council of Churches

**NOTES**

- 1 Conceptual Note for the World Council of Churches’ Panel on Ecological Debt at the World Social Forum, Porto Alegre, 2005, pp.1-2.
- 2 Together On The Way: Official Report of the Eighth Assembly of the World Council of Churches, WCC, 1999, p.178.
- 3 “Development as Enclosure: The Establishment of a Global Economy”, The Ecologist 22 (4), 1992, pp. 31-47.
- 4 Susan George (1999), The Lugano Report: On Preserving Capitalism in the Twenty First Century (Confidential), Pluto Press.
- 5 Ibid.

\* Namely, Malcolm Damon, Aurora Donoso, Maria Persson and William Stanley.



