The IMF's austerity program means mass deaths in Colombia

by Javier Almario in Bogota

The reduction of imports which the Colombian government decreed at the opening of this year to reduce the trade deficit and to be sure of making foreign debt payments without worry, is already translating into genocide.

According to pediatric surgeon Hernando Forero, "Children have died at the Maternal-Infant Center who were born with birth defects which could not be treated, because of the lack of solutions for intravenous feeding."

The Association of Manufacturers of Pharmaceutical Products, AFIDRO, reports that supplies of 222 pharmaceutical products have run out. Such medicines were produced with imported raw materials. On the list of scarce or non-existent medicines are found three anti-epileptic products, 23 for diseases of the central nervous system, 15 for the muscular-skeletal system, 18 for genital-urinary diseases, 16 for the respiratory system, 12 antiparasitical medicines, 13 for afflictions of the blood, broad-spectrum antibiotics, anti-tuberculosis medicines, tetantus and diptheria anti-toxins, vaccines against diptheria, tetanus, and whooping cough, and various immunoglobulins.

Furthermore, the National Institute of Health announced that in 1985 the vaccination of children will be halved. At present, according to the same institute, one child dies every eight minutes in Colombia. The life of many patients is in serious danger. The necessary soda for anesthesia is also in short supply.

Alberto Carreño, of the Colombian Society of Neurology, expressed that "filters for dialysis are becoming scarce, and 280 chronic kidney patients in the country on dialysis treatment are in danger." Dialysis treatment replaces the function of the kidneys and to suspend it would bring about the immediate death of the patient.

The doctors are lacking the necessary equipment, down to orthopedic elements, x-ray plates, and even a simple suture. Surgery is starting to be done with needles that bend and threads that break, because domestic production does not attain the necessary quality for this purpose.

Economic strangulation

It is well known that the International Monetary Fund demands that countries which have problems in paying their debt increase exports and reduce imports.

The increase in exports of Third World countries is achieved by reducing the consumption of the population to generate "exportable" surplus. The increase in exports of countries like Brazil and Mexico has not meant increased income in reality, because they are exporting more but at a lower price. Import cutbacks have been made at the cost of suspending almost all investment in industry, which prevents expansion of productive plant. The result of this policy is genocide.

The criminal "solutions" of the IMF presume that the best way to alleviate economic maladies is to kill the patient. The difference between Colombia and other countries of the region is only that Colombia has preferred to apply everything the Fund demands without announcing publicly that the IMF is running the economy.

These human sacrifices last year meant a savings of a wretched $200 million. The international reserves of Colombia fell $1,600,000 in 1984 (figures from Dec. 7) and what was expected was that they would fall minimally by $1,812,000, as occurred in 1983.

The problem is not simply the lack of imports. The reduction of the public health budget means that public hospitals cannot buy what they need, even though the market exists. At the opening of 1984, the government ordered a 10% reduction in the spending of all the ministries with disastrous consequences for the health of Colombians.

It is to be doubted that President Betancur believes that such measures will lead Colombia to an economic recovery. Rather, he holds to the pragmatic belief that he must impose austerity because, if he does the contrary, "there will be no credit." In other words, the Colombian government accepted the bankers' blackmail.

The final expression of this blackmail came out of the mouth of World Bank executive Ernest Stern, when he declared that "Colombia has a very simple but at the same time very complicated problem: to win back the confidence of the commercial banks. This confidence cannot be recovered without a program of adjustment which the banks consider adequate."

Stern arrived at the request of the Colombian Finance Ministry that the World Bank disburse loans already contracted with Colombia. However, in the very words of Stern is the tacit threat that Colombia will not receive any credit despite its submission to the so-called adjustments which the commercial banks, the World Bank, and the IMF are demanding of the country: "We do not possess, however," said Stern, "the magic button to pressure the commercial banks and tell them now that they can make loans to Colombia."

The adjustment program

Meanwhile, the government has put its austerity plan into effect. In the first place, on orders from President Belisario Betancur himself, wage increases of the workers and state employees will not exceed 10%, even though official inflation was 18.4% last year. If we consider that the state employees and workers are approximately 700,000 persons (about 15% of the employed population of the entire nation), the IMF is trying to take back the 20% increase which was decreed for the minimum wage.

In the trade unions it is widely suspected that the inflation figures for 1984 were deliberately falsified to prove to the International Monetary Fund that the increase in the minimum wage was not on a par with inflation. The IMF had "recommended" that Colombia not allow an increase in the minium wage over the inflation rate.

Up to November, inflation was 15.8%. After an uncustomary delay in the National Administrative Department of Statistics, overall inflation in 1984 was stated to be 18.28%. In December alone, inflation rose by 2.5 points, a very exaggerated increase. Inflation in December 1983 was only 0.4%. The same month in 1982 was 0.5% and over the past decade, the greatest rate of inflation reached in December was 1.4%—and this was during periods when annual inflation was galloping past 30%.

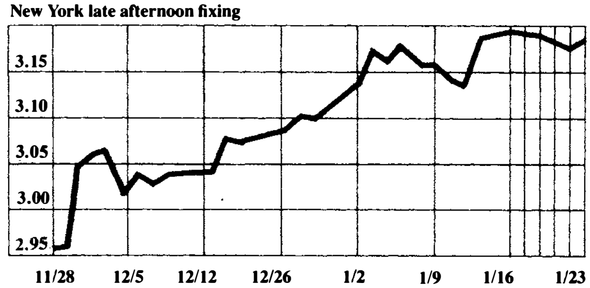
Simply, the Finance Minister Robert Junguito was preparing his trip to the United States where he would be meeting with the IMF managing director Jacques de Larosière, with the purpose of showing the IMF that Colombia is meeting its conditionalities.

Junguito, meanwhile, pushed forward the IMF visit to Colombia and presented the new austerity plan which he wants the Colombian Congress to pass into law. The new plan foresees an additional cutback of 20 billion pesos in the state's investment budget. The government hopes that the austerity thus imposed will give it the right to obtain $2,247,000 in new credits. However the banks, once they have applied the present measures, will demand of President Betancur that he sink the knife in a bit deeper.

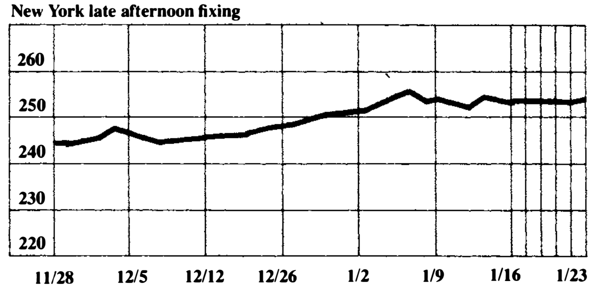
The real tragedy is not the policy of the IMF, but rather the lack of decision of the Ibero-American leadership, who have had the weapons to resolve the crisis but not used them. The governments have put off indefinitely the decision to form a debtors' cartel. The declarations of Latin American unity, ofttimes expressed by the President of Colombia himself, have remained as empty husks. The great tragedy of the rulers of the Ibero-American countries is that they have all the conditions to be heroes—but not the courage.

Currency Rates

The dollar in deutschemarks
New York late afternoon fixing



The dollar in yen
New York late afternoon fixing



The dollar in Swiss francs
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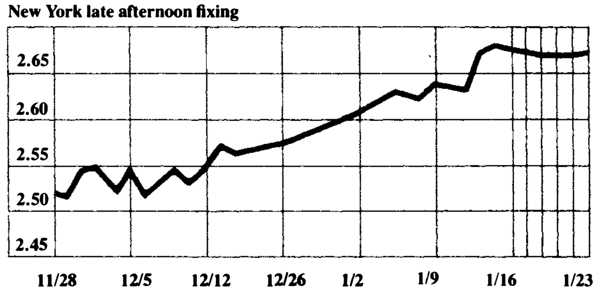

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