

PRESS RELEASES & STATEMENTS

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RESOLUTIONS TO ACTION

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Continuing to work toward Jubilee: The World Bank Bonds Boycott

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Experience

At the August 1998 Joint Assembly, a resolution on World Debt was approved by the members of LCWR and CMSM. The resolution challenged conference members to participate in the global movement to cancel impoverished countries' debt in a variety of ways. Several congregations joined the Jubilee 2000 campaign and encouraged their members to advocate for the passage of U.S. debt relief legislation.

The work done through the Jubilee 2000 campaign (now the Jubilee USA Network) yielded positive results. The destructive structural adjustment policies of the World Bank and International Monetary Fund came under harsh public scrutiny by civil society and religious institutions. Several countries around the world reduced or cancelled the debts owed them by heavily indebted nations.

In spite of these positive developments, most nations still struggle to repay the debts they owe to international lending institutions such as the World Bank and IMF. Structural adjustment policies remain in place, requiring debtor nations to prioritize debt repayment over human needs. Most of the world's poorest people are still forced to live without basic education, health care services, access to clean water, and other basic needs. The United Nations estimates that more than 19,000 children die every day from preventable diseases because of indebtedness to the World Bank and IMF.

The World Bank raises almost all of its money from private financial markets. Eighty percent of the money the Bank uses for its programs comes from the sale of World Bank Bonds. These bonds are owned by private investors, including retirement funds, university endowments, churches, local governments, unions, mutual funds, and religious communities. By raising money in this way, the Bank is able to evade the public oversight that would accompany the use of taxpayer funds.

A growing movement among socially responsible investors concerned with debt issues is the World Bank Bonds Boycott (WBBB). Modeled on the anti-apartheid divestment movement, it was launched in April 2000 by representatives of economic and environmental justice groups from over 35 countries in the Global South and the U.S. The WBBB encourages investors who currently hold World Bank Bonds to sell them, and to commit not to buy them in the future, denying the Bank of this source of funding.

LCWR members were encouraged to consider participating in the WBBB (See LCWR *UPDATE*, November 2002). Thus far, many women's religious congregations have joined the WBBB, along with other denominations and faith-based groups like Pax Christi USA. The Conference of Major Superiors of Men (CMSM) endorsed the WBBB at their August 2002 Assembly. Other endorsers include city councils, foundations, labor unions, and socially responsible investment firms. Together we are putting tremendous political, financial and moral pressure on the World Bank to change its policies.

Reflection

The biblical concept of Jubilee offers a way to break the cycle of debt and a means of restoring equality and justice among the people of God.

Leviticus 25:10 describes the Jubilee: *You shall declare the fiftieth year sacred and proclaim liberation to all the inhabitants of the land.* Deuteronomy 15:1-2 is explicit about the cancellation of unpayable debt: *At the end of every seven years you must forgive all debts. This is how it is to be done: Every creditor must cancel all loans made to another Israelite. Payment of the debt cannot be demanded, for our God's time of forgiveness of debts has been proclaimed.*

Jesus was formed in this tradition of Jubilee. In fact, he proclaimed it the essence of his mission: *God has sent me to bring good news to the poor...to set the downtrodden free, to proclaim God's year of favor* (Lk. 4:18-19). The prayer Jesus taught us embodies a personal and societal call to Jubilee justice and forgiveness: *Give us this day our daily bread and forgive us our debts as we forgive our debtors* (Mt. 6:11-12).

Pope John Paul II has been an outspoken advocate of debt relief. He implored the world's most powerful nations to take quick and decisive action: *"Debt relief is urgent. It is a precondition for the poorest countries to make progress in their fight against poverty. ...We have to ask: Why so many hesitations? It is the poor who pay the cost of indecision and delay."* (Sept. 23, 1999)

Social Analysis

Debt cancellation is only in its beginning stage. According to Jubilee's estimates in 1998, the world's 52 poorest countries held a total debt of \$376 billion. Of that total, \$300 billion was considered unpayable. By the end of the Jubilee year 2000, only \$11.9 billion was actually cancelled, and only \$111 billion, roughly one-third of the unpayable debt, was pledged to be cancelled.

Although the need is great, the World Bank, along with the IMF, has refused to cancel the unpayable debts owed by poor countries, even though it has the resources to easily do so. Debts owed to the IMF and World Bank provide them with leverage to retain control over these countries' economies. The resources of these countries are diverted away from funding human needs toward debt repayments. And World Bank lending is increasing - by over 100% from 1997 through 1999. The Bank's rhetoric about debt relief is in direct contrast to its current practices.

The World Bank Bonds Boycott is an effort to deny the Bank some of its public funding and

call attention to its destructive practices in the developing countries. The campaign makes three demands of the World Bank: 100% debt cancellation for impoverished countries from the Bank's own resources; an end to structural adjustment policies, and an end to lending for socially and environmentally destructive projects.

The WBBB is primarily an educational tool and a means for standing in solidarity with the people of the Global South. And it is already having a impact on the World Bank. Bank staff referenced the boycott as a reason to develop a more ecologically sound procurement policy. Bank staff members have also attended city council meetings in Boulder, Colorado and elsewhere to argue against the boycott, which has led to wide press coverage and public debate on Bank policy. The WBBB is effective because it allows citizens and groups to challenge the Bank on two important issues: its public perception and its financing.

Action

1. Endorse the World Bank Bonds Boycott. For details contact Neil Watkins at the Center for Economic Justice, 733 15th St. N.W., Suite 928, Washington, D.C. 20005. Phone: 202-393-6665. E-mail: bankboycott@econjustice.net.
2. Publicize your participation in the boycott.
 - Send a press release to your local/diocesan newspaper.
 - Highlight the campaign in your congregational publications.
3. Encourage other institutions to endorse the boycott.
 - Local parishes and dioceses.

The Leadership Conference of Women Religious (LCWR) has approximately 1,000 members who are the elected leaders of their religious orders, representing 76,000 Catholic sisters in the United States. The Conference develops leadership, promotes collaboration within church and society, and serves as a voice for systemic change.

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