



Resolutions To Action

LCWR Global Concerns Committee

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Sabbath Year: The Opportunity and the Call

Mary Hurley, HM

Every seventh year we will forgo working the land and will cancel all debts. -- Nehemiah 10:31

EXPERIENCE

Because of debt cancellation agreed to by world leaders in 1999 and 2005

- An additional 300,000 children in Burundi enrolled in school.
- Zambia hired 4500 new teachers and fees for rural healthcare were abolished.
- Children have three extra years of school in Honduras.
- In Mozambique, there are funds to vaccinate children against tetanus, whooping cough, and diphtheria.

These encouraging stories speak of the effectiveness of debt cancellation that has been the focus of an international network of people of faith and conscience who, inspired by the biblical concept of Jubilee, came together in the late '90s as Jubilee 2000 and brought the issue onto the agenda of the G-8 leaders of the richest countries in the world. Primarily through Jubilee's campaigns in 2000, \$100 billion in debt was canceled for 23 countries, and in 2005, G-8 leaders

canceled another \$55 billion of debt owed by 40 nations to international financial institutions (IFIs).

Although these are significant accomplishments, much work remains. Sixty-seven of the world's most impoverished countries that have substantial debts and a per capita income below \$1,025 require debt cancellation to meet the UN Millennium Development Goals of reducing world poverty by one-half by 2015.

This year, Zambia expected to use \$40 million saved from debt relief to build schools and clinics. But they must pay \$15.4 million plus legal costs to a "vulture fund" which is a company that seeks to make profit by buying up poor countries' unpayable debt at low cost and then often sues through the courts to recover the full amount.

Other countries such as Haiti and the Democratic Republic of Congo are suffering from "illegitimate" or "odious" debts – payment for loans acquired by dictators and used primarily to oppress the people or for personal purposes.

Now, seven years after the Jubilee 2000 Campaign, Jubilee USA Network is calling on Congress to pass the Jubilee Act of 2007 (HR 2634) – legislation to expand debt cancellation.

SOCIAL ANALYSIS

The large debts owed by poor countries to other governments and to IFIs such as the International Monetary Fund (IMF) and the World Bank have accumulated through poor lending decisions, support from Cold War allies, natural disasters, and decisions by corrupt dictators. These debts have become a serious impediment

Resolutions to Action is an occasional publication of the Global Concerns Committee of the Leadership Conference of Women Religious (LCWR). Members of the committee are: Carol Descoteaux, CSC; Julie Driscoll, SCN; Walter Maher, CCVI; Andrea Nenzel, CSJP; Joy Peterson, PBVM; Susan Schorsten, HM; and Marie Lucey, OSF, staff. Please address correspondence to:

LCWR
8808 Cameron Street
Silver Spring, MD 20910
301-588-4955
www.lcwr.org
fax: 301-587-4575
mlucey@lcwr.org

to poverty reduction and economic development. Some countries spend as much as 25-30% of their annual budgets servicing debts, much more than they spend on health and education combined. They borrow more money to cover their payments on old debt, thus creating new debt.

In recent years, as a result of public awareness of debt's crushing consequences and the work of Jubilee, major creditor nations and the multilateral development banks adopted the Heavily Indebted Poor Countries (HIPC) Initiative which was designed to lower debts to a "sustainable" and therefore "payable" level. But eligibility for debt relief is contingent on implementing Structural Adjustment Programs (SAPs) that include such conditions as reducing government spending and increasing taxes, devaluing the currency, raising interest rates, privatizing public services, dismantling trade regulations, promoting production for export, and imposing "user fees" – charges for services like health clinics, schools, and even clean drinking water. However, too few countries qualify and even those who do, still spend one and a half times more in debt service than on health care for their country. Therefore, the momentum for change has shifted from debt relief to full debt cancellation.

To alleviate the vicious cycle of poverty caused by debt, Jubilee USA is working with Congress to enlist additional co-sponsorship and to get a hearing in the House this year for the Jubilee Act of 2007 - HR 2634. This legislation calls for the cancellation of debts claimed by the US government and IFIs for 67 impoverished countries that need it to meet the UN Millennium Development Goals. It would ensure that debt cancellation funds go to poverty-alleviation programs such as basic health care, education, and clean water access. It would prohibit specific harmful economic conditions that limit nations' abilities to spend money on education and health.

There is a provision calling on the US Treasury to adopt responsible financing

standards to avoid the re-accumulation of unsustainable debts such as those caused by vulture funds. The Act would also direct an independent agency to undertake an audit of past lending to a set of eligible impoverished countries with demonstrably odious debts, such as Haiti or Liberia.

*It is time for a new paradigm
of economic and national security
– one of generosity and care
rather than
domination and control*

REFLECTION

Educating and advocating for debt cancellation is one way we can respond to God's vision of Jubilee proclaimed by Jesus who called us to "bring good news to the poor . . . to proclaim the year of the Lord's favor" (Luke 4:18-19). This Sabbath Year, seven years after the Jubilee Year, 2000, is an opportunity to reflect on the achievements of the Jubilee campaign in 2000 and 2005 and to address the unfinished agenda on international debt that continues to enslave too many countries in poverty and exploitation that hinder a liberating and just life in community and is incompatible with the laws of God and humanity.

*At the end of every seven years
you must forgive all debts. . .
Every creditor must
cancel all loans...
— Deuteronomy 15:1-2*

In his January 2007 address to the Diplomatic Corps, Pope Benedict XVI said he "hoped that. . .debt reduction for the poorest countries will be . . . accelerated . . . and not made conditional upon structural adjustments that are detrimental to the most vulnerable populations."

Jubilee USA's "rolling fast" this fall reminds us that we are also called by God to fasting "to loose the chains of

injustice. . .to set the oppressed free and break every yoke." (Isaiah 58:6)

We know that the debt crisis today, as in biblical times, is that the debtors pay not only with their lives, but also with the lives of future generations. Part of God's creation has been diminished, the covenant broken. Debt forgiveness is more than an economic issue; it is a matter of fidelity to building the reign of God.

ACTION

- In this Sabbath Year of 2007, people of faith have many opportunities to educate, organize, and mobilize for the jubilee vision of right relationships between people and nations and for an end to unjust debt and global poverty.
- If you are not already a Jubilee congregation which commits to working for a more economically just world by praying and acting for Jubilee justice, consider enrolling. Info, worship, and study resources are available at www.jubileeusa.org
- Ask your Representative and Senators to support the Jubilee Act of 2007 – HR 2634 -which calls for the cancellation of the debt of impoverished countries without harmful economic conditions attached.
- Participate in the worldwide 40-day Cancel Debt Fast which is a rolling fast from September 6 to October 15, 2007. Individuals/ groups will publicly commit to fast for a day or more – from food, or TV, or some activity -- and on the same day to contact their Congresspersons to support the Jubilee Act. Sign up at www.canceldebtfast.org
- Ask your Congressperson to co-sponsor H.Res. 241, the Haiti debt cancellation resolution which urges the US Treasury, IMF, and World Bank to provide full debt cancellation without further delay, so that Haiti can use the money to fight poverty.
- Join Jubilee's listserve to receive updates on the debt issue and the Jubilee movement