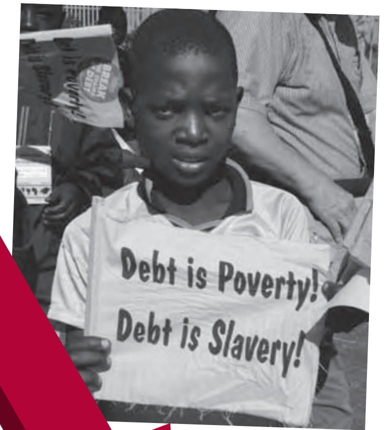
GETTING INTO DEBT

Dodgy loans, reckless finance & Third World Debt



JUBILEE DEBT CAMPAIGN

About Jubilee Debt Campaign

Jubilee Debt Campaign works to eradicate the poverty and injustice that result from global debt, and campaigns for new structures to prevent the next debt crisis in poor countries.

Our aim is the cancellation of unjust and unpayable global debt and the creation of systems which prevent such debts arising in the future.

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This project has been kindly sponsored by the Methodist Relief and Development Fund (MRDF). Methodist Relief and Development Fund exists to bring about significant and long term change in some of the world's most marginalised communities, and to empower people to change structures that are oppressive and unjust.

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With thanks to Alex Molano

Design: RevAngel Designs

June 2010

cover photos: Jess Hurd and Jubilee USA

JUBILEE DEBT CAMPAIGN

Registered charity number 1055675
Company limited by guarantee no. 3201959

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JUBILEE SCOTLAND Campaigning to end global debt slavery

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INTRODUCTION

In the year 2000, a petition calling for the cancellation of debts owed by impoverished countries to rich world nations – so-called Third World Debt – was handed to the Secretary-General of the United Nations. It had over **24 million** signatures and was entered into the *Guinness Book of Records* twice, as the world's biggest petition and the most international petition, with signatures from more than 166 countries.

What is **Third World Debt**, how did it come about and why do so many people feel so strongly that it should be 'dropped'? And what does it have to do with the recent financial crisis or the 'credit crunch'?

This resource will explore some of the issues around debt (both personal and international), the problems with the way the current financial system operates and its impact on poor countries, and suggest ways that this system could be changed to create a more equal and just society.

THIRD WORLD/FIRST WORLD, NORTH AND SOUTH, RICH OR POOR?

Many terms are used to describe the difference between the richest part of the world - Europe, North America, Australia, New Zealand and Japan - and the rest (the vast majority) of the world. The term 'Third World' (as opposed to the rich capitalist 'First World' and communist 'Second World') was coined during the Cold War and has been largely replaced by the terms 'developed' and 'developing', though many object to these labels on the grounds that they imply a prescribed line of development that poorer countries should aim towards. Some simply use 'rich' and 'poor', though the latter usually refers to the very poorest (low income) countries rather than all developing countries. Indeed, the disparity in wealth and living standards within poorer parts of the world is creating increasing difficulties of terminology.

Here we have tended to use the terms (global) North and (global) South. Although it doesn't correspond with exact geography (most obviously Australia is clearly in the 'south' of the globe), it is neutral in terms of not assuming poor countries want to develop in the same way as rich countries, and that there are political connections between those countries who have traditionally become wealthy through exploitation, and those that have been exploited.

WHAT'S THE DEAL WITH DEBT?

Debt in itself is not bad; it allows people and organisations to do things they wouldn't otherwise be able to do, such as buy a home or expand a business. But throughout history, excessive debt accumulation has been blamed for exacerbating economic problems, from the Great Depression right up to the current global financial and economic crisis.

Broadly defined, a recession is a downturn in a nation's economic activity (measured by the total value of goods and service it produces - its 'Gross Domestic Product' or GDP), extended over a period of several months. The repercussions will be felt for much longer than this, however. Businesses lose money, unemployment rises as employers have to cut back on running costs or close down and governments have less money to spend on vital public services and benefits.

A famous casualty of the most recent recession is the high street retailer **Woolworths** that went bankrupt after almost a century of trading. It was forced to close its 800 stores at the end of 2008 due to unmanageable debts, leaving more than 27,000 people out of work.

...FINANCIAL CRISIS...CREDIT CRUNCH...TOXIC DEBT...
...RECESSION...BANKRUPTCY...BAILOUTS...

You've probably heard the terms above used a lot in the media recently, but what does it all mean?

There's been a great deal of discussion about recession in particular – are we or are we not in one? How bad will it be and how long will it last? Is it over? Are we in recovery? All this endless debate and concern is because for the vast majority, particularly people on lower incomes, recession is very bad news.

Hundreds of thousands of people lost their jobs in the UK alone during the most recent recession. Being made redundant at a time when jobs are scarce and insecure is extremely distressing, especially if you have a family to support and a home to pay for. For some, loss of livelihood can lead to depression and even suicide. If these are the effects of recession in the UK – a rich, developed nation – imagine how desperate the situation must be for the millions of people around the world who already struggle to feed themselves; people in poor countries that lack even a basic welfare system and where poverty means no access at all to healthcare or education.

The causes of the most recent recession can be difficult to understand, as the way the global financial system operates is so complex, but at its heart it revolves around debt – the reckless way money is often lent and the ensuing inability of the borrower to repay.

Personal debt

Most people in this country are in some sort of debt. Many will have taken out a loan from a bank to pay for an expensive item like a car or a house (a mortgage), and many more use credit cards to pay for smaller things. People's first experience of debt now is likely to be their student loan.

Loans come with a catch though – they need to be paid back, and often with interest. This is one important way that banks make profits: it's the price you pay the lender for borrowing their money, on top of the original sum borrowed. The amount of interest paid (the interest rate) varies according to the amount borrowed, the terms it was borrowed under and how long it takes to repay. The higher the interest rate and the longer the repayment term, the more money you'll have to pay back.

Rates in the UK are also subject to fluctuations in the official interest rate set every month by the Bank of England, and this 'base rate' is itself determined by the global economic climate. So interest rates can vary enormously, and you could find yourself having to pay back much more than you bargained for.

Some people are able to manage their debts, but increasing numbers are getting into difficulty and find themselves sinking under the weight of repayments. This is more acute during a recession when wages are frozen or perhaps even cut and unemployment is high.

Continued failure to meet debt repayments can result in the goods you're struggling to pay for being repossessed or other property being seized so it can be sold to pay off the debt. Those that can't meet their mortgage repayments are in danger of losing their homes altogether.

Some people struggling to pay their debts might try to cut back on everyday expenditure, like grocery shopping or heating their home, but for many in this desperate situation taking out more loans just to pay back already existing ones often seems to be the only choice. Being deeply in debt and unable to repay is a nightmare that can ruin lives.

DODGY LOANS, BUST BANKS AND BAILOUTS

The financial crisis and ensuing recession of the late 2000s was triggered by reckless and unsustainable lending practices in the United States, which were the result of a general lack of regulation in the financial industry.

Earlier in the decade interest rates were very low. Lenders aggressively encouraged a lot more people to borrow the large amounts of money necessary to buy their own home and this led to a dramatic increase in property prices. Wishing to capitalise on this booming market, banks and money lenders relaxed their already weak lending criteria so they could sell mortgages to even more people.

They made high risk loans to people who would usually be refused this kind of credit because they were on low incomes and unlikely to be able to afford the repayments. Lenders didn't concern themselves with this however; they made their profits by 'packaging up' and selling on the loans to other banks or investors all around the world. As long as somebody bought them, they made their money.

Meanwhile, hundreds of thousands of people, convinced by lenders and seduced by the dream of owning their own home, wound up with mortgages that were already beyond their means. When interest rates rose they couldn't possibly keep up with the repayments. The banks repossessed their homes and they were left with nothing.

With large numbers of people defaulting (failing to pay back), and a glut of property coming on to the market, house prices plummeted. Banks and financial institutions that had bought up the debts from these high risk home loans found they were saddled with "toxic debt" and faced huge losses; the original borrower couldn't repay and the property or 'assets' that had been repossessed as a result were suddenly worth much less and difficult to sell.

Banks rely on borrowing money from each other in order to conduct every day business, but not knowing how much toxic debt other banks might have meant they became very reluctant to lend to one another. This created a shortage of finance that became known as the credit crunch and threatened to bankrupt major financial institutions.

Lehman Brothers, the fourth largest investment bank in the US, was the first to fail in September 2008. It sent shockwaves around the world. With the global financial system on the brink of collapse governments intervened and used public money to rescue or 'bailout' major financial institutions. This happened in the UK with Northern Rock and the Royal Bank of Scotland.

The damage had been done however; the dodgy home loans fiasco in the US had infected all sectors of the global financial market, exposing its flaws and undermining the investor and consumer 'confidence' it was built upon. The domino effect of the credit crunch pitched the world into recession. Businesses, unable to borrow, cut back or collapsed, resulting in job losses and job insecurity; which in turn lead to a reduction in consumer spending that hit retailers still more, and on into a downward spiral of further bankruptcies, redundancies and slashed budgets.

HOW MUCH WAS THE BAILOUT?

In December 2009 the official cost of the UK bank bailout stood at **£850 billion.***

Globally, governments have spent almost **$11 trillion** since 2008 bailing out banks and trying to repair the financial system.

* According to figures released by National Audit Office

International Debt

We can see how the greed of a few money lenders, hoping to capitalise on the aspirations of those of modest means, created a global crisis in the late 2000s. But this is nothing new. This happened on a much bigger scale decades ago and resulted in entire nations being deeply and inextricably indebted to others, with far worse and longer lasting repercussions.

When individuals or businesses reach the point where they cannot pay their debts, our laws give them the ability to declare themselves bankrupt. This is not an easy decision, but it means that some or all of their debts can be written off, or they can organise to pay back a proportion of what they owe at a level they can manage, and their creditors have to accept they will not get all their money back. Unlike in previous centuries, it means they do not have to spend their days in a debtors' prison.

There are no such options for the governments of struggling, impoverished countries however; no international laws exist to protect them. When poor nations become deeply indebted they are locked into spending more on repayments than on helping their own people, and fall into an abyss of economic degradation. Their governments owe vast sums to wealthy countries and the international banks they control. These same countries and institutions then take on responsibility for determining levels, methods and terms of debt relief. The people of those countries are indeed in a debtors' prison – unable to access the freedom that better health, education and social development could bring.

Imagine you are working your fingers to the bone while your family are going without essentials, just to pay off the *interest* on a debt. A debt that was actually run up by someone else – the result of a loan they were persuaded to take for something of no use to either of you. The people who lent the money gave no thought as to how it would be repaid, and know you are now struggling and suffering as you attempt to do so. But they will only offer help in the form of *another* loan, which you will only qualify for if you live your life exactly as they tell you to – work for who they tell you to, spend your money how they tell you to – regardless of what you and your family actually need to survive. Imagine this and you're some way to understanding the injustice of **Third World Debt.**

THIRD WORLD DEBT – A BRIEF HISTORY

Millions of people in the world's poorest countries are enslaved by debts they can never repay. Debts run up by governments on their behalf. Debts that started as easy credit pushed by rich lenders. Debts that enrich these lenders further, but leave children malnourished, and families living in desperate poverty.

WHAT IS IT?

Third world debt is the debt that developing countries owe to foreign companies, banks or governments.

HOW MUCH IS IT?

In 2008 the total debt of all developing countries stood at **$3.7 trillion**

(THAT'S $3,700,000,000,000)

Developing countries as a whole shell out $1.5 billion every day on debt repayments. $34 million of this is paid out by the very poorest countries.

How did it happen?

To understand the current debt crisis we have to explore the roots of international power relations, and the history of exploitation of poor countries by rich nations.

19TH CENTURY – COLONIALISM AND EXPLOITATION

By the end of the 19th century most of the world was controlled by Europe. Europeans exploited the raw materials of other countries and oppressed their peoples. The worst example of this oppression and exploitation is the slave trade.

Colonialism: when European countries directly ruled over other countries in Africa, Asia and Latin America.

1960S – INDEPENDENCE, GREAT EXPECTATIONS AND POLITICAL MACHINATIONS

Most African nations gained independence from European rule in the 1960s, usually after a long struggle. This was a time of great hope and great expectation; the people of these newly independent countries believed that after decades of foreign rule they would finally gain political freedom and have leaders who would look after their interests and provide them with the basic social services that had been so badly neglected.

All of this would take great sums of money of course, but years of foreign rule had left their economies weak. Often the only way to provide for their people was to borrow from the former foreign powers. Unfortunately, most of the lenders didn't have the interests of the citizens in borrower countries in mind.

More often than not, poor countries were encouraged to take on massive loans for geopolitical, not sound economic, reasons. This was the era of the Cold War; the US and Soviet Union were competing for global dominance and more than willing to buy the political allegiance of newly independent countries with 'development' loans. As hostilities between the two superpowers deepened, they lent more and more recklessly.

1970S – BIG OIL AND EVEN BIGGER LOANS

In the 1970s it was very easy to borrow money. Oil-producing countries had hiked their prices and made huge sums of money that they deposited in US banks. This caused interest rates to plummet, so to avoid an international financial crisis, and to provide enough money to ensure other countries could keep buying their products, banks decided to lend a lot more money to poor countries as quickly as they could. They did this without much thought about how the money would be used or the ability of the borrowers to repay it.

Deflation: a decline in prices across the economy. This might seem like a good thing, but it actually means falling demand, slow or negative growth and an economy in recession.

1980S – THE MARKET STRIKES BACK

Global recession arrived in the 1980s and with it an unprecedented rise in interest rates led by the US under the newly elected President Reagan. Some poor countries found the interest they had to pay back on their loans had more the doubled. At the same time, deflation caused the price of the raw materials they exported (cash crops they were encouraged to grow by the West such as tea, coffee, cotton and cocoa) to fall dramatically.

The trap was sprung – poor countries were earning less than ever for their exports and paying more than ever on their loans and what they needed to import. They were caught in a vicious circle of unpayable debt, and had to take out new loans just to pay off the interest on their original loans.

Crisis (mis)management

Up to the early 1980s, banks had been recklessly lending to poor countries in the belief that they were a safe bet; whatever happens countries can't 'go bankrupt'. But by 1982 a 'debt crisis' had emerged; Mexico owed huge sums of money to banks in the US and Europe and defaulted on its loans.

The whole global financial system was at risk of collapse and rich countries and financial institutions had to do something about it to protect themselves and ensure they didn't lose their money. Their solution was more lending.

1990S – THE RETURN OF THE IFIS

International lenders had two solutions: to 'restructure' debts to give longer repayment terms and to loan new money to repay old debts. While this helped in the short-term, and ensured private banks got their money back, in the long-term it simply made the debts bigger. In particular, the two main international financial institutions (IFIs), the International Monetary Fund (IMF) the World Bank, granted a large number of new loans to allow countries to repay their debts. These loans not only added to the long-term debt burden but also came with very strict conditions that required poor country governments to restructure their economies, often to the detriment of their populace, environment and infrastructure.

TODAY

In 2008 the total external debt stock (that is, owed to creditors outside the country) of all developing countries was **$3.7 trillion** with some $600 billion paid back to the rich world that year alone. This consists of:

- multilateral debt (owed to institutions like the World Bank and regional banks)
- bilateral debt (owed to other countries)
- commercial debt (owed to banks and private companies).

Creditor countries have developed various debt relief initiatives since the 1980s, often in response to pressure from campaigners around the world. Although these schemes have cut the debts of some very poor countries, they have not changed the nature of lending. As a result, debts are building up again.

WHY SHOULD THE DEBT BE CANCELLED?

THEY TOOK THE MONEY, WHY SHOULDN'T THEY PAY IT BACK?

"Debt is tearing down schools, clinics and hospitals and the effects are no less devastating than war."

Dr Adabayo Adedeji, African Center for Development Strategy

CHARITY OR JUSTICE?

One argument against debt cancellation is that it encourages countries to borrow irresponsibly. But poor countries are in debt crisis because they were lent money irresponsibly. Rich world governments must accept that debt isn't just a cause of poverty – it is also a result of their reckless, negligent or self-interested lending, and they should not now demand this money back from the poor.

100% cancellation of all unpayable and unjust debts (with no strings attached) is not a matter of charity – of the rich world giving aid or 'hand outs' – it's a matter of justice.

Irresponsible, illegitimate, unjust, unpayable

When money is loaned to poorer countries for development it should be done on fair terms and in a responsible way that leads to improved livelihoods and opportunities for the millions who are trapped in the poverty cycle.

Hindsight has revealed many cases of developed countries knowingly loaning billions to corrupt governments in poor countries in order to buy their political allegiance, or profit from loans for obviously useless or overpriced development projects that could never have benefited the populace who wound up paying for them (such as the Bataan Nuclear Power Plant in the Philippines, see opposite.)

Some debts were even run up by the previous colonial regimes and then passed on to newly liberated countries – they were born into debt. Thus, a large proportion of poor country debt is unjust or illegitimate.

Dealing with dictators

Perhaps most unjust and shocking of all, loans were made to regimes and officials who were known to be oppressive or corrupt, such as Saddam Hussein in Iraq who was lent money by the West and Arab states up until the 1991 Gulf War. During the Cold War in particular, many dictatorial and corrupt governments had no problem obtaining loans, as long as they proclaimed themselves to be anti-communist.

Billions have been siphoned off to fund the lavish lifestyles of a few elites, or worse, to purchase arms used to oppress the very people the money was meant to benefit. Long after these nations have rid themselves of corrupt leaders their legacy lives on in the form of massive debts. Of the current total developing country debt, rough estimates suggest some 20% – $500 billion – can be attributed to dictators such as Suharto in Indonesia and Marcos in the Philippines.

AN OVERPRICED NUCLEAR POWER PLANT BUILT ON A FAULT LINE – EVERY DEVELOPING NATION NEEDS ONE

The Bataan nuclear power plant, constructed in the Philippines in the 1970s during the rule of the authoritarian President Marcos, was originally planned to cost $500 million but ultimately spiralled to $2.3 billion. The US Export-Import Bank provided loans totalling $900 million towards the building of the plant by a US company, Westinghouse, which won the contract through its contacts and an $80 million 'commission' paid to President Marcos for authorising the plant.

The project was eventually abandoned, declared unsafe due to defects, most importantly that it was sited on a tectonic fault line in a volcanic region. Though the plant never generated a watt of electricity, Westinghouse was still paid in full. The people of the Philippines, who had no say in the debt contracted in their name under the notoriously corrupt Marcos, only finished paying off the debt in 2007. Billions of dollars wasted on an overpriced and useless project.

INDONESIA: STILL PAYING DICTATOR DEBT

Indonesia acquired over $150 billion in debt under the notoriously corrupt and oppressive military dictatorship of General Suharto. During the three decades of a brutal regime that came to a bloody end in 1998, many human rights atrocities took place and Suharto stands accused of slaughtering a million civilians in his first year in office. He is also thought to have stolen up to £31 billion, with millions more ending up in the pockets of officials and politicians.

The people of Indonesia are still repaying these loans, despite the fact that they had no say in them and worse, that some of the money was spent on arms that were used to oppress them.

The UK is one rich country that is implicated in the ongoing debt-related impoverishment of the Indonesian people. At least 75% of the £700 million owed to the UK is known to relate to sales of arms that were sighted in use against civilians, including Scorpion tanks, water cannons and Hawk ground-attack aircraft. Indeed from 1994 through to the end of the 1990s, Indonesia bought half of its military equipment from the UK. In making such loans the UK was, therefore, knowingly helping a corrupt dictator cling on to power and oppress and even murder his own people. Cancelling this debt is not a matter of charity; it's a matter of justice.

Photo: Birmingham & West Midlands JDC / Jubilee Debt Campaign

Debt Kills

Debt is one of the main barriers to development in Southern countries today. When poor country governments service huge debt burdens, they often do so with funds urgently needed to provide basic medical care for their citizens and essential services such as clean drinking water. This costs lives.

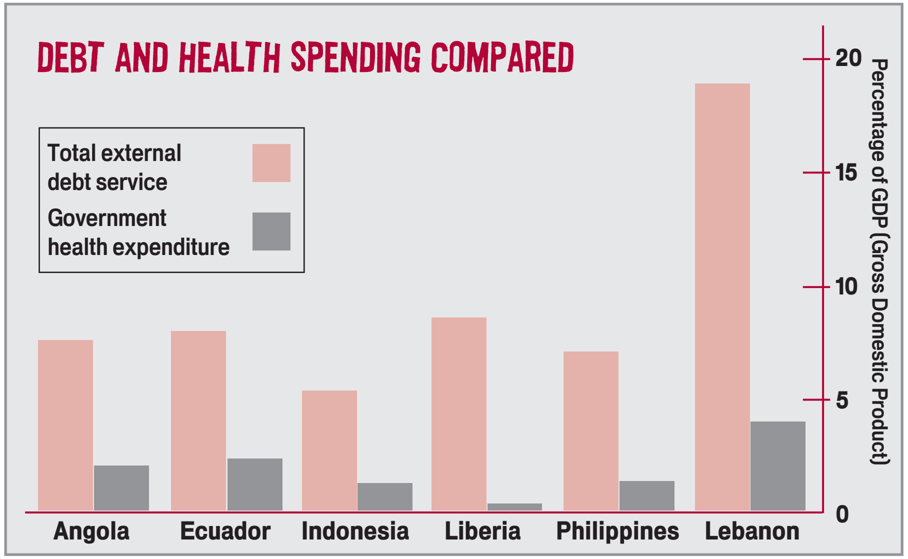
UNICEF estimates that almost **10 million children under the age of five die each year from preventable diseases** or from drinking polluted water that could be made safe, whilst **1,400 women die in pregnancy or childbirth every day.**

Meanwhile, many of the poorest countries spend more servicing external debts than on their total health budget. If poor countries spent money on medicines, clean water and schools instead of repaying debts to the rich world, millions of lives could be saved.

According to the *Universal Declaration of Human Rights*, everyone should enjoy the right to free education, adequate food, housing, and access to medical care and other social services. Governments of indebted nations should not be forced to violate these rights and risk the lives of their citizens in order to service debts owed to rich countries. Such debt is unpayable and should be written off.

Perhaps the most persuasive argument for cancelling third world debt is that it saves lives. According to the World Bank, countries that received multilateral debt cancellation increased their social spending by an average of 45% between 1999 and 2003, meaning that funds for essential services like healthcare and education increased dramatically. This enables people to escape the downward spiral of poverty and disease, improves opportunities and reduces inequality.

> **"There will never be sustainable human development if the debt is not cancelled...Our people are dying because of debt, because we do not have the money for hospitals and drugs."**
>
> Jack Jones Zulu, Jubilee Zambia, 2005 – before Zambian debt cancellation



HASN'T MOST OF THE DEBT BEEN CANCELLED?

For every **$1** developing countries receive from developed countries in aid...

...they return **$5** in debt service repayments

Yes, some debt has been cancelled, largely in response to the tireless efforts of debt campaigners around the world (which we'll hear more about later on). But it is only a small proportion of the overall debt – around **$100 billion** – and it's estimated an additional **$400 billion** of debt cancellation is necessary if 100 countries are to meet their people's basic needs.

It should be pointed out that people campaigning for debt cancellation are not demanding that *all debt everywhere* be cancelled, nor are they suggesting an end to all borrowing and lending.

There may well be good reasons for countries to borrow, for example: to invest in the creation of industry and the development of local businesses, or to provide infrastructure. But lending must be done in a just and responsible way. What campaigners are calling for is an end to unjust, or 'illegitimate', debt, which should not be paid either because payment is an intolerable burden on poor countries, or because the supposed 'debt' itself is simply unfair.

Too little for too few, with too many strings attached

Most debt relief is delivered through two institutions, the International Monetary Fund (IMF) and the World Bank, both of which are controlled by wealthy creditor nations. They set the rules that allow poor countries to qualify for debt cancellation; if countries do not follow the demands of the IMF and World Bank they cannot get debt relief. On top of this, many countries with unpayable debts do not 'qualify' for debt cancellation at all, often for arbitrary reasons.

THE CORRUPTION QUESTION

The existence of corruption is often presented as a reason not to grant debt cancellation. Undeniably, corruption has been and is a problem in many parts of the world, particularly – although by no means exclusively – in some poorer countries. However, the existence of corruption has not undermined the benefits of debt relief, which has demonstrably been used to increase social spending.

In fact, continued demand for debt payment weakens government structures and can worsen corruption. Dealing with corruption also means redressing past corruption: it must be recognised that countries should not repay unjust or 'illegitimate' debts, which include those on loans that the rich world knowingly gave to corrupt leaders, helping them to stay in power.

The continuing burden of unpayable or illegitimate debt is an injustice that hits the poorest hardest; corruption is an injustice that hits the poorest hardest. The solution to the latter is not to perpetuate the former: rather, the debt crisis must be solved in a way that minimises corruption and strengthens resources to fight it. Transparency and accountability are the keys to these efforts.

"IN A JURY OF FOXES, THE CHICKENS ARE ALWAYS GUILTY" WEST AFRICAN SAYING

When it comes to resolving debt disputes, it is clear who holds all the power, and it's not the debtor countries. Imagine that you started a business but have unfortunately gone bankrupt and are unable to pay some of your outstanding bills without denying your family their basic needs. You cannot go to court to declare bankruptcy because no such court exists, so you contact some of your creditors to explain the situation. You are summoned to a meeting where your creditors vastly outnumber you. You're not allowed any help with the negotiations or to tell anyone about the inner workings of the deal that's worked out. How likely is it to be fair on you?

This is a fair approximation of what it has traditionally been like for poor, heavily indebted countries to negotiate debt reduction. The process is secretive. Creditors set all the conditions and criteria, acting as judge, jury and executioner, and they are under no obligation to consider any share of responsibility they may have for bad loans. Debtors are not in a position to object, and ordinary people and representative groups are locked out of the process. Those in control are basically concerned with getting as much of their money back as possible.

"The net effect [of IMF policies] has been too often to benefit...the well off at the expense of the poor."

Professor Joseph Stiglitz, Former Chief Economist of the World Bank and Nobel Laureate in Economics

The debt relief obstacle course

All of the debt relief schemes invented to date have done little to challenge the power of the creditors. In fact, in order to obtain their debt relief, countries have to implement a large number of economic conditions that are dictated by the World Bank and IMF.

They are so strict and difficult to fulfil that the process has been referred to as a 'debt relief obstacle course.' Based on a controversial and widely discredited economic dogma known as neoliberalism or the 'Washington Consensus', these conditions require countries to:

Restrict public expenditure

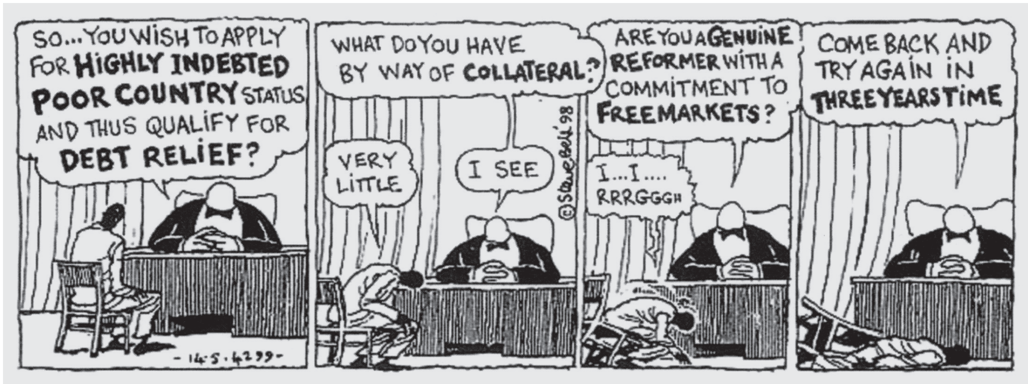
Governments must spend less on essential services like healthcare and education, regardless of the needs of their people. All across the developing world, schools and hospitals have had to close or introduce fees because of IMF conditions, denying access to basic medical care and education to those who need it most.

Open up their markets

This means rich international companies from the developed West are able to 'compete' with poor local producers. As if this wasn't already unfair enough, because wealthy nations dictate the trade rules, they maintain all the subsidies (financial support) that protect their industries and producers, whilst demanding that poor country governments remove all of theirs. This floods poor nations' markets with cheap imports and forces local producers (like farmers) out of business, which leads to unemployment and further poverty. Meanwhile, the already rich western companies make money out of the poor in developing countries by selling them foodstuffs and goods shipped from across the globe that could have easily been produced locally and benefited the local economy.

Privatise their industries

Governments must hand over the running of services like water and electricity to private companies under the assumption that they will run them more efficiently and invest in infrastructure, leading to lower prices and improved service. In reality, it just means that profits come first, and all too often privatisation has resulted in massive price increases with no improvement in service or provision. In fact, in the case of water supply, it has led to people being disconnected because they could no longer afford to pay their bills, forcing them to either walk miles to access another source or drink polluted water.



> **"Frankly, it is a scandal that we are forced to choose between basic health and education for our people and repaying historical debt. Shall we let our children die of curable and preventable illnesses, prevent them from going to school, let people drink polluted water, just to pay off this debt?"**
>
> **President Mkapa of Tanzania, February 2005**

DEBT RELIEF THE IMF WAY: WHAT STICKING TO NEOLIBERAL POLICIES REALLY MEANS

Zambia: The IMF refused to allow the Zambian government to employ more healthcare workers, even when the Canadian government offered to foot the bill for five years, because it would have meant exceeding IMF spending limits

Malawi: When drought caused food shortages, the Malawian government was forced to borrow money from domestic banks to save the lives of its citizens. The IMF regarded this decision as irresponsible and declared the country to be 'off-track' from the debt relief program.

Ecuador: In 2004 Ecuador spent 12% of its GDP repaying debts and just 3.2% on healthcare and education. In 2005 the government decided to allocate 10% of the profits from a new oil pipeline to fund these public services – against IMF instructions. The IMF and World Bank responded by cancelling an already approved loan; declaring that too much of Ecuador's oil revenue was being spent on education and healthcare initiatives and not enough on paying back its creditors.

Belt tightening for people who cannot afford belts

These conditions have been shown time and again to have disastrous effects when imposed on very poor countries. Even if they were good for the country's economy, they are bad for democracy. They mean that the World Bank and IMF have more influence over the country's government than ordinary people in that country do. This removes power from the government, and makes it more difficult for ordinary people to hold their leaders to account. Often governments will be going against the will of their people when implementing unpopular economic policies, and must behave in undemocratic ways in order to enforce them.

In addition to undermining democracy, imposing such conditions has also been shown to:

- undermine the ability of governments to develop policies in the public interest because the interests of the private sector and lenders must come first
- lead to civil unrest: public anger at health and education cut backs has led to anti-IMF riots in a number of countries including Zambia and Nigeria
- accelerate the depletion of forests, fisheries and minerals by demanding greater levels of exports
- enhance legal rights that protect foreign investors at the expense of human rights and social reform.
- hinder the fight against HIV/AIDS.

Those countries that decide they will put up with the conditions imposed on them will find it takes on average 3.8 years to receive final debt cancellation. A long time for people who are dying because their governments cannot provide basic healthcare. Economist Professor Jeffrey Sachs of the United Nations Millennium Project has described IMF and World Bank policies as *"belt tightening for people who cannot afford belts."*

Double standards and stigma

Meanwhile, the wealthy nations who impose these conditions on other countries have yet to submit their own economies to them. In many cases they actually do the opposite to what the IMF prescribes by subsiding their industries, supporting trade protection and minimum wage laws and maintaining spending on public services.

So onerous are the conditions attached to debt relief that some nations that qualified for HIPC, such as Laos and Sri Lanka, chose not to take part, feeling the conditions and stigma associated with the initiative far outweighed the benefits they might receive.

> **"We strongly denounce the sham, deceptive and self-serving nature of the so-called debt relief schemes of the creditors."**
>
> **Statement from Philippine Debt Campaigners**

Photo: Jubilee Debt Campaign

Debt campaigners highlight the parallels between debt and slavery at the 2007 World Social Forum held in Nairobi, Kenya

HAITI – A DISASTER WAITING TO HAPPEN?

In January 2010 Haiti was struck by a devastating earthquake. Terrible images of destroyed buildings, corpses piling up in the streets and survivors desperately seeking medical treatment and food and water were seen around the world. Much coverage focussed on the rescue operation, but there was little discussion as to why Haiti was so impoverished as to be completely unable to cope with the aftermath of the disaster.

Haiti is a country born into debt. Once a slave colony, it became the first country in the world to abolish this most shameful of trades thanks to a slave revolution in the late eighteenth century. But it seems that Haiti has been paying for this inspirational act of rebellion ever since.

After a long war and eventual independence Haiti was forced to pay its former French colonial masters compensation for their loss of 'property' – mostly slaves. It did not finish paying off this debt, which amounted to $21 billion in today's money, until 1947. Haiti's calls for restitution have been consistently rejected by successive French governments.

Until recently Haiti's debt stood at $1.3 billion, 40% of which was run up by the Duvalier dictators – better known as Papa Doc and Baby Doc – who between 1957 and 1986 stole part of these loans for themselves, and used the rest to repress the population. The nature of their regime was well known at the time the loans were made, but as the Duvaliers were anti-communist and all too happy to follow the economic policies prescribed by the West, their misdemeanours were overlooked.

As part of the economic conditions laid down by the World Bank and IMF in the 1980s and 90s, Haiti was forced to slash its rice tariff from 35% to 3%. American imports flooded into the country, helping the profits of one US food company to jump by $123m in one year. Indigenous producers were devastated, driving agricultural workers out of the countryside and into the crowded cities that proved so vulnerable in the earthquake. Traditional rice-farming areas of Haiti now have some of the highest concentrations of malnutrition. A country that was once self-sufficient in rice became dependent on foreign imports – at the mercy of global market prices.

80% of Haiti's population live in poverty and average life expectancy is just 52 years. Yet Haiti initially failed to qualify for inclusion on a debt relief scheme and was only allowed to enter the Heavily Indebted Poor Country initiative in 2006. Even then it still had to spend years jumping through numerous hoops before receiving debt cancellation which, most importantly, involved implementing more of the same economic policies responsible for Haiti's food dependency. While some of its citizens were reportedly eating dirt to allay their hunger during the 2008 food crisis, the Haitian government was expected to continue to cut back on public spending.

> **"We are paying the price for all the bad policies applied for 20 years in Haiti."**
>
> René Préval, President of Haiti

Haiti finally received debt cancellation in the summer of 2009, but only 6 months later it still owed about $1.2 billion. While Haiti had been negotiating its 'debt relief obstacle course' it was still obliged to send almost **$1 million each week** in debt service to wealthy banks, and had been forced to take out new loans to pay for it. It was only after concerted action from campaigners across the globe in the weeks following the earthquake that world leaders finally agreed to full cancellation of Haiti's debts.

It is simply criminal that this so clearly illegitimate, unjust and unpayable of debts was not cancelled years ago. If it had not been for such debt – that effectively impoverished the nation from its very foundation – how much stronger could Haiti's infrastructure have been; how much better equipped the country's hospitals and emergency services to respond to the disaster? How many lives could have been saved?

> **"Every child in Africa is born with a financial burden which a lifetime's work cannot repay. The debt is a new form of slavery as vicious as the slave trade."**
>
> All Africa Council of Churches

A new form of slavery?

Many argue that by offering only to reduce debts to a 'sustainable' level, instead of cancelling them outright with no conditions attached, debt relief schemes actually deepen dependency on foreign aid and perpetuate a cycle of borrowing that rich nations profit from.

Many people in debtor countries believe that creditor countries are deliberately keeping them indebted to maintain power over them. Forcing poor country governments to prioritise debt repayments and implement unpopular and harmful social and economic reforms in order to qualify for relief denies them the autonomy to make decisions on the key policies that shape their country, whilst enabling creditor nations to dictate whatever policies and trade rules serve them best.

What this adds up to is a pattern of dominance and exploitation that concentrates wealth and power in the North and further impoverishes the South. It's a pattern that has been repeated throughout the history of the debt crisis, and has led many people to compare indebtedness to slavery.

SO WHAT ARE PEOPLE DOING ABOUT IT?

It is often asked why, when faced with this kind of injustice and exploitation, the people of poor countries don't stand up for themselves. The answer is they do, even though in most cases they face intense and often violent oppression. But as long as there is poverty and inequality, there will be people campaigning for justice.

Photo: Jubilee Debt Campaign

Jubilee South demonstrate at the World Social Forum, Nairobi 2007

"Jubilee South rejects the continued plunder of the South by way of debt payments!"

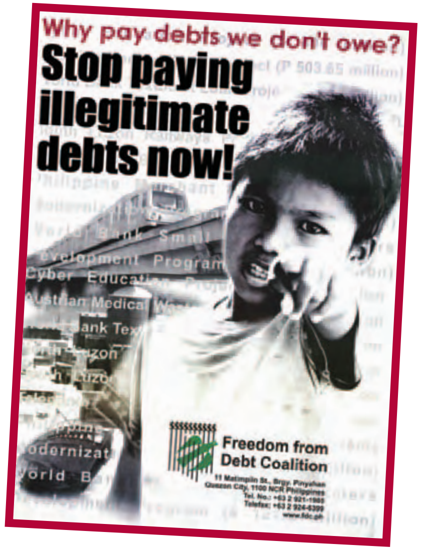
Fighting back

Campaigners from impoverished countries across the global South have been calling loudly and clearly for economic justice and for cancellation of their countries' debts for many years. The record-breaking petition delivered to the UN in 2000 is but one link in the chain of the vocal and widespread campaign that they instigated.

Established in 1999 at an international summit in South Africa, Jubilee South brought together many existing grass-roots debt campaigns and community movements throughout the global South. It is now an international network with members from over 40 countries across Latin America, the Caribbean, Africa and Asia that organises international summits, peoples' forums and debt tribunals and takes part in global days of action to raise awareness of the reality of debt and to campaign for cancellation.

Jubilee South believes that the external debt of countries of the South is immoral and illegitimate, and furthermore that creditors have used debt as an instrument of exploitation and control. The network campaigns for recognition of this, and for debt cancellation without conditions.

The main focus for the debt cancellation movement today is campaigning for debt audits and repudiation.



Campaign poster, Freedom from Debt Coalition, Philippines

Debt audits

Debt audits are full, public examinations of a country's sovereign debt in order to expose the real cost to people and the environment of both past lending and current debt burdens. They empower and inform governments and citizens, allowing countries to recover their independence and citizens to push for a more democratic economy. They also provide evidence that helps campaigners in wealthy nations push for debt cancellation and open and fair solutions to debt crises.

The issue of illegitimacy is paramount. Debt audits have an important role to play in helping citizens in the global South uncover the truth about the debt burdens blocking the development of their countries, and to demonstrate why repudiation (refusing to acknowledge debts) may be a reasonable option. In doing so, they give citizens the information and power to hold their governments to account.

As these audits expose the secrecy, failure and often criminality surrounding loans, calls for repudiation are growing.

ECUADOR: A DECISIVE DEFAULT

In 2008 Ecuador became the first country to hold an official debt audit; a massive, year-long investigation to ascertain the legitimacy of their nation's debt. The process educated Ecuadorian society as to the impact of neo-liberalism on their country and empowered activists.

The Debt Audit Commission, which oversaw the process, concluded that foreign loans had caused 'incalculable damage' to Ecuador's economy, finding that nearly 70% of the national budget had to be diverted towards servicing debts in some years and that from the 1980s onwards 86% of new loans were used to pay debts.

Overall the Commission considered that the loans and their impact broke multiple principles of international and domestic law and that the Ecuadorian government was forced to act in the interests of the financial system and transnational corporations rather than its citizens.

In December 2008 the government of Ecuador announced it would default on debts found to be illegitimate. Ecuador subsequently achieved a reduction in its debt burden and will now have more money to spend on its people. Audits are now planned in several other developing countries including in Bolivia and Brazil.

"The struggle against debt domination is a struggle to change the relations of power, and debt repudiation is an assertion of power from the South."

Participants to the International South-North Conference on Debt Repudiation, Kenya 2006

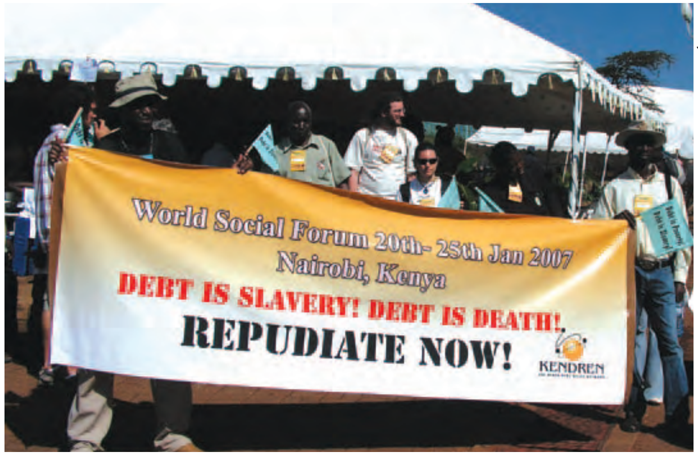


Photo: Jubilee USA

Campaigners from the Kenya Debt Relief Network call for debt repudiation at the World Social Forum, Nairobi 2007

Repudiation

If developing countries wait for creditors to agree to cancel their debts they could be waiting a long time. So increasing numbers of campaigners and analysts around the world, including the influential economist Jeffrey Sachs, have called for countries to consider simply not paying all or part of their debt obligations in order to spend money on vital services for their people.

While there are certainly costs associated with repudiation (countries could find that they are ostracised from the global financial market or that their aid and/or credit is cut off), there are also significant benefits. These benefits need to be weighed up when countries in debt crisis assess what action to take on behalf of their people.

Representatives from debt campaigns and related initiatives from more than 35 countries came together at an international conference on debt repudiation in Kenya in 2006. Stressing the importance of global solidarity and co-operation, they vowed to build strong social movements that will encourage governments of the South to form alliances and act collectively on their journey to economic justice.

Whilst recognising the huge challenges they face and the potential risks associated with repudiation, campaigners believe it is a vital step for peoples of the South towards ending debt domination and controlling their own destiny.

"The debt cannot be repaid. If we do not pay, our creditors will not die. We can be sure of that. On the other hand, if we pay, it is we who will die. Of that we can be equally sure."

Thomas Sankara, President of Burkina Faso from 1983 until his assassination in October 1987, due to his radical stance against social, economic and political exploitation.

KEY STAGES IN THE UK CAMPAIGN

1996 Existing debt cancellation campaigns are brought together to form the Jubilee 2000 Coalition.

1998 The campaign mobilises 70,000 people who descend on Birmingham during the G8 conference and demand debt cancellation. They form a human chain around the venue where the leaders of the world's most powerful nations are due to meet, prompting Prime Minister Tony Blair to take time out of the conference to meet with representatives of the campaign. The petition calling for debt cancellation reaches 1.4 million signatures.

1999 The momentum keeps growing, with numerous politicians and celebrities now on board. By the time the G8 meet again in Cologne the petition has 17 million signatures and the debt issue is firmly on the agenda. G8 leaders pledge to cancel an overall total of $100 billion of debt for 42 heavily indebted countries.

2000 The petition demanding cancellation of all unpayable, poor country debt is handed to UN Secretary-General Kofi Annan. It has circled the globe in various formats, gathered over 24 million signatures and broken the record for the world's biggest petition.

2001 AND BEYOND The millennium passes but the campaign lives on. Re-launched as Jubilee Debt Campaign in March 2001, it continues to press for debt cancellation in response to the paltry initiatives agreed to by Northern leaders.

2005 The Make Poverty History coalition forms to put development issues on the agenda when the UK holds presidency of the G8 meeting in Edinburgh. Over 250,000 people demonstrate and the G8 make promises to extend debt relief. A new debt initiative is agreed, promising '100% cancellation' of some debts. However major problems remain with the debt relief initiatives.

2010 Campaigners successfully lobby parliament to pass a law to tackle the activities of Vulture Funds, as well as campaigning for total cancellation of Haiti's debt.

Photo: Jane Tanner

Debt campaigners on the Make Poverty History demonstration, Edinburgh 2005

Getting results

It is fair to say that without the tireless work of grassroots social movements around the world, the debt cancellation received so far would not have happened.

The gains made are down to the actions of ordinary people who, when they work together, become a force to be reckoned with. It proves that people power does work, and can serve as an inspiration to the rest of us.

We *can* change the policies of powerful governments and seemingly unaccountable financial institutions, and in so doing, uphold and strengthen the democratic principles we so value.

A study of the impact of debt relief on 10 African countries showed that their health budgets increased overall by 70% in just four years

"We know through history that daring and persisting to struggle for what seems to be the impossible has given rise to major advances in human civilisation."

Participants to the International South-North Conference on Debt Repudiation, Kenya 2006

SUCCESS – Healthcare and Education

To see what's been achieved so far we need only consider the improvements in healthcare and education that debt cancellation has paid for:

- User fees for healthcare abolished in rural Zambia, 800 new healthcare staff recruited;
- A free childhood immunization programme in Mozambique, with almost 1 million children vaccinated by the end of 2004;
- Staff for rural clinics in Benin, implementation of HIV/AIDS and anti-malarial programmes;
- Healthcare staff in Honduras;
- Primary school fees abolished in Uganda, resulting in enrolment doubling and the amount of girls in education increasing to almost equal that of boys;
- Primary school fees scrapped in Tanzania, leading to an increase in enrolment from 4.4 million in 2000 to 7.5 million in 2005. Teacher numbers double in three years;
- Almost 4,000 new teachers trained each year in Malawi.

LIBERIA – SAVED BY THE BILL?

In November 2009 Liberia was ordered by the High Court in London to pay $20 million to two shadowy vulture funds (both registered in off-shore 'tax havens'), for a debt dating back to 1978.

Liberia recently emerged from a 14-year civil war that killed 1 in 12 of its citizens, and with an estimated 80% of the population living below the poverty line, it is one of the very poorest countries in the world. It qualified for debt relief, which should allow the nation to substantially increase investment in health care, education and poverty alleviation. But then along came the vulture funds, demanding immediate repayment of the equivalent of half the government's annual education and healthcare budget.

The original loan of $6 million was made by a US-based bank, but the debt had been sold on many times. A New York court ruled that Liberia owed $18m in 2002, but this was during the civil war when the country was unable to represent itself and lost the case by default. The 2009 case awarded this sum plus interest.

At the time the judge said he had no choice but to rule in the funds' favour. Thanks to the success of the vulture funds campaign, it is hoped that the law passed in April 2010 will make that verdict unenforceable.

Photo: Jubilee Debt Campaign

Campaigners hold a spoof 'cake sale' outside the London offices of Dechert LLP, a law firm working for vulture funds targeting Liberia.

SUCCESS – UK passes landmark law to tackle 'vulture funds'

In April 2010, thanks to the relentless campaigning of thousands of people, the UK became the first country in the world to pass a law that severely restricts the activities of so-called 'vulture funds'.

Vulture funds are private companies that seek to profiteer by buying up the defaulted debts of poor countries very cheaply, then trying to recover the full amount, often by suing through the courts. When they win they make hundreds of percent profit on the debt. If a country refuses to pay, the vultures harass those trying to do legitimate business with the country.

In 1999 a fund called Donegal International bought up a $30 million debt owed by Zambia for just $3.3 million from Romania. They then sued for $55 million and were eventually awarded $15.5 million.

At least **54 companies,** many based in tax havens, are known to have taken legal action against 12 of the world's poorest countries in recent years, for claims amounting to **$1.5 billion.** Courts in the UK and the US are particularly popular for vulture cases.

This undermines debt relief, as it means desperately needed funds go straight into the pockets of wealthy investors instead of being spent on health and education. Vulture funds are symbols of irresponsible investment, and demonstrate why we need governments to intervene in markets in the interests of ordinary people.

A broad-based campaign to tackle these reprehensible investment funds began in the UK in early 2009. The government didn't believe a change in the law was necessary, but by the end of the same year thousands of campaigners had written to their MPs and succeeded in convincing one to put forward a private members' bill to introduce legislation into Parliament.

The campaign kept up the pressure with meetings, protests and stunts, including organising a photo call with live vultures in front of the Houses of Parliament and a spoof 'cake sale' outside the offices of a law firm that worked with vulture funds.

Supporters of the bill suffered a bitter disappointment when it was expected to pass its third reading in Parliament in March 2010, but was blocked at the final stages due to a last-minute objection by a backbench MP. The outcry that followed the defeat confirmed that the campaign had mobilised massive support however, and a few weeks later the bill was given a second chance. In the last hours Parliament was in session before being officially dissolved in the run up to the 2010 general election, the groundbreaking law was finally passed – though it does include a 'sunset clause' which means the law must be reconsidered by the government in 12 months time.

The law is a step towards making international lending and the wider financial system a little more just and responsible and hopefully this landmark legislation will set an example to other governments. There are already attempts to bring a similar law in the US. But in terms of cleaning up the financial system and the way that it works there is still a long way to go.

WHAT MORE CAN BE DONE?

"Like slavery and apartheid, poverty is not natural. It is man-made, and can be overcome by the actions of human beings."

Nelson Mandela, 2005

Photo: Jess Hurd

'Put People First' demonstration, London, March 2009

New system needed

We have seen that debt, in large amounts and on a long-term basis, empowers those in society with resources and money and disempowers those without. On a global scale, developing country debt has been used to ensure billions of dollars flow from the poorest to the richest countries in the world. It has been used to force policies on developing countries. It has exacerbated the disparities in income, wealth and power in the world. And, despite some steps forward, it continues to play this role today.

Jubilee Debt Campaign does not believe it is possible to address the causes of global poverty without tackling the ongoing debt crisis. We are calling for immediate action to make the international financial system work in a more just way.

Recommendations

1. Audit and cancel unjust debts

Current debt cancellation schemes fail to directly address an issue at the heart of the debt crisis – toxic lending. We have seen that many countries are still repaying large amounts of money on the basis of projects that harmed their people or environment, involved large-scale corruption, carried extortionate rates of interest or were illegally transacted in the first place. This money needs to be cancelled.

The first step is an audit – a full, public, open examination of past lending. Then what is judged to be illegitimate needs to be cancelled. Governments and campaigners in the global South who are conducting their own audits should be supported.

2. Establish an International Debt Court

As long as unjust lending goes on and historic injustices are not rectified, we need an international body capable of independently judging debt disputes. This 'debt court' should be based in a neutral space, like the United Nations. It would give borrower countries a clear way out of paying unjust debts and, as lenders would know there was a chance they wouldn't be repaid if their loans weren't fair, it would also limit irresponsible lending.

3. Ensure lending is just

Money is still being lent in a reckless manner, with government assistance. British businesses receive financial backing to allow them to export and invest in developing countries, but all too often this supports arms sales and dubious or environmentally damaging projects. This has to stop.

Strict standards need to be imposed to ensure all lending complies with human rights, improves the environment, is used to develop the industry of the country concerned, and has the support of its citizens. In other words, to make sure finance works for the poorest rather than the richest.

4. Stop forcing countries to change their policies

It has been shown time and again that the 'conditions' laid down by lending countries and institutions are very good for the profits of large multinational corporations, but can be disastrous for local producers and industries that are unable to compete with them, as well as being bad for democracy.

Aid and loan conditions must be removed immediately, allowing ordinary citizens, rather than international institutions, to hold their governments to account.

This is just the beginning...

These reforms would make international lending a good deal fairer. It would help Southern countries to fight poverty, allow the conditions for democracy to flourish and improve the gaping inequality that currently haunts the world. But to be really effective they need to be made in conjunction with further changes to the global economy that many campaign groups are calling for. These include:

- Closing down 'tax havens' so that wealthy companies and individuals cannot avoid paying desperately needed taxes in Southern countries;
- Enabling governments to regulate the flow of money coming in and out of their economies so they cannot be attacked by speculators;
- Allowing governments to support local industries and producers so they are not dependent on imported food or services run by multinationals.

It all amounts to giving Southern governments, and ultimately ordinary people throughout the developing world, control over their own economies. Without it these countries will remain in a state of forced dependency on rich nations.

PROFIT BEFORE PEOPLE? Comparing the cost of the recent bank bailouts with poor country debt

Lloyds TSB **$24 billion** Bangladesh **$20.5 billion**

Royal Bank of Scotland (RBS) **$29 billion**

Cambodia **$3.4 billion** Ecuador **$16.5 billion** Jamaica **$7.9 billion**

Northern Rock **$36 billion**

Kenya **$6.5 billion** Liberia **$2.7 billion** Nepal **$3.4 billion**

AIG (US insurance giant) **$170 billion**

Philippines **$60.3 billion**

Fannie Mae & Freddie Mac (US mortgage lenders) **$200 billion**

Sub-Saharan Africa **$173 billion**

Photo: Steven Woodward/Jubilee Debt Campaign

Debt campaigners on the 'Put People First' demonstration, London, March 2009.

Today, countries that are extremely rich in natural resources are amongst the poorest in the world. As their resources leave the country to fuel wealth elsewhere, they are further indebted, dependent on loans which exacerbate their long-term problems. From this arises poverty, conflict, environmental destruction, human rights abuses and many other problems that confront humanity.

It doesn't have to be this way. Millions of people around the world supported debt cancellation in the year 2000. We have made some steps towards justice, but far more radical action is needed if we are to genuinely 'make poverty history.' It will not be easy. Neither was abolishing slavery, or winning the right to vote. But if enough people get active, then it really is possible**...it depends on you.**

> **"It will be public opinion and public outrage that will bring about change to cancel the debt."**
>
> Kenneth Kaunda, former President of Zambia

DISCUSSION POINTS

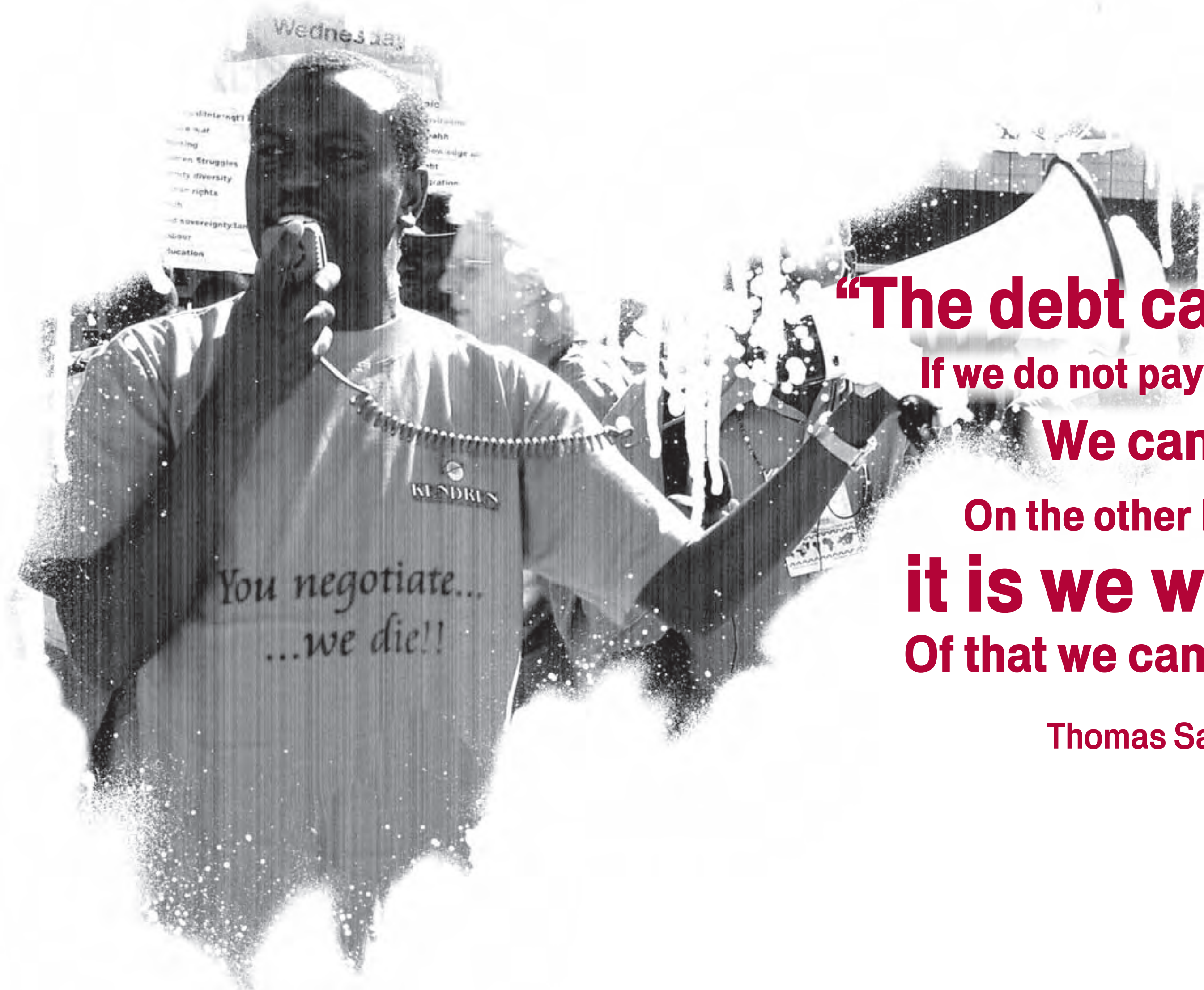
- Do you know anyone who is or has been in debt? What did they do to get themselves out of the situation? What would you do?
- Some people argue that a debt is a debt and there's never an excuse not to pay what is owed. Do you agree? In what circumstances might it be acceptable to not pay a debt?
- It what way could being in debt be like being enslaved? Do you agree with the comparison?
- How could debt allow a person (or state) to have control over another?
- What difference do you think debt has made to developing countries? What might have happened without the debt?
- Why do you think more countries don't refuse to pay their debts? What does this say about power relations in the world?
- Which terms do you prefer: *Third World / First World; developing world / developed world; global North / global South.* Why? Do you see any problems with them?

"We know through history that daring and persisting to struggle for what seems to be the impossible has given rise to major advances in human civilisation."

- What do you understand by the term 'struggle' here? Name some advances which you believe have resulted from 'struggle' in human history.

"Like slavery and apartheid, poverty is not natural. It is manmade, and can be overcome by the actions of human beings."

- Do you believe poverty is natural or manmade? Why?



"The debt cannot be repaid.

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We can be sure of that.

On the other hand, if we pay,

it is we who will die.

Of that we can be equally sure."

Thomas Sankara, President of Burkina Faso
1983–1987

About this text

This booklet was written primarily to be used by advanced school students. We think it is particularly useful as a resource for A-level students, and it is appropriate for the social studies area of the Scottish Curriculum for Excellence, at Fourth or Senior levels. It can also be used for GCSE or university courses and is a good introductory text for adults on international debt and its role in international development and finance.

Jubilee Debt Campaign

Jubilee Scotland – Campaigning to end global debt slavery

MRDF – Methodist Relief & Development Fund