

DROP THE DEBT

WHY DROP THE DEBT?

Debt cancellation is a matter of human need and a matter of justice. In the world's most impoverished nations, most people do not have access to clean water, education, adequate housing or basic health care. Instead of providing these basic services to their citizens, countries use their precious resources to pay debt service to wealthy nations and institutions.

"MUST WE STARVE OUR CHILDREN TO PAY OUR DEBTS?"

JULIUS NYERERE, FORMER PRESIDENT OF TANZANIA

DEBT COSTS LIVES

In impoverished countries, almost 11 million children die before their 5th birthday. Most die from diseases that are easily preventable in rich countries. Debt service payments take away resources that impoverished countries could use to prevent disease and provide adequate care.

THEY ALREADY PAID

These nations have already paid back their debts time and again. The debt crisis set in when interest rates skyrocketed and compound interest made repayment impossible.

FACT: Between 1970 and 2002, Africa received US\$540 billion in loans, paid back US\$550 billion, but still owes US\$295 billion.

STRINGS ATTACHED

The conditions that come with new loans and debt cancellation hurt the poor. Conditions such as the privatization of water and electricity, elimination of protections for local industry, and strict limits on government spending keep essential human services out of reach of the people.

FACT: Current debt relief schemes are conditioned on the requirement that countries implement harmful economic policies.

DON'T OWE:

Much of the debt is a result of "bad faith" lending in which banks pushed developing nations to take new loans or knowingly lent money to corrupt governments. Many of the loans should be considered odious or illegitimate. This money never helped the citizens. It was stolen by dictators. It was used for irresponsible projects that failed to serve a greater purpose or it caused harm to the people or the environment.

FACT: \$10 billion of the \$30 billion lent by the World Bank to Indonesia was stolen by the Indonesian dictator Suharto.



THIS IS WHY DEBT CAMPAIGNS FROM AROUND THE WORLD SAY:

"DON'T OWE, WON'T PAY!"

DEBT CANCELLATION GETS RESULTS:

In 2005, the world leaders of the Group of Eight (G-8) committed to a new deal on debt cancellation. One year after, 20 countries have had most of their debt cancelled and 20 more are eligible. Nations are spending their freed-up resources on education, health, infrastructure, and access to water. For example, Ghana is spending their money on basic infrastructure and Burundi eliminated school fees so 300,000 additional children could enroll.

FACT: Zambia can now provide free healthcare to all citizens in rural areas and hired 4,500 new teachers in 2005.

"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

TO REACH THE MILLENNIUM DEVELOPMENT GOALS:

Around the world, rich and impoverished countries are working to achieve the Millennium Development Goals (MDGs), targets which would cut extreme poverty in half by 2015. Over 60 countries need immediate debt cancellation without harmful economic conditions to reach the MDGs by 2015.

DEBT CANCELLATION IS ADDING BY SUBTRACTING:

Debt cancellation allows countries to use their own resources for poverty eradication. Savings from debt service can be allocated for health care, education, and fighting HIV/AIDS, leaving countries less reliant on foreign aid.

FACT: For every dollar Africa receives in aid, it pays \$2.30 in debt service.

DEBT SUCKS:

Debt sucks the natural resources out of a country, forcing countries to become dependent on international creditors for more aid and new loans. Countries are forced to use the revenues from the export of their resources to service the debts, leaving little room for the government to use the money to benefit its citizens.

FACT: Under pressure from the International Monetary Fund, Ecuador has spent 70 percent of its oil revenues toward servicing its debt in recent years.

DEBT IS A NEW KIND OF SLAVERY:

International debt slavery means that countries are caught in a debt trap that they can't escape. Instead of improving the lives of their citizens, countries spend their money on debt payments. Instead of being free to invest in their own countries, countries are forced to implement harmful economic conditions that take away their sovereignty.

"PROCLAIM LIBERTY THROUGHOUT THE LANDS AND TO ALL THE INHABITANTS THEREOF, IT SHALL BE A JUBILEE FOR YOU."

LEVITICUS 25:10

ECONOMIC JUSTICE IS PART OF OUR FAITH TRADITIONS:

Texts in both the Hebrew Scriptures and the New Testament call for a Jubilee Year every fifty years and a Sabbath Year every seven. In these years, those enslaved because of debts are freed and equal relations among community members are restored, preventing a situation of ongoing exploitation in which the rich accumulate ever more wealth at the expense of the poor. The holy Qu'ran also challenges debt by harshly criticizing usury.

YOU HAVE THE POWER!

Thanks to the work of the work of people of faith and conscience around the world in the past decade, we saw 100 percent debt cancellation for a number of countries. This is a precedent-setting first step, though there is a long way to go. You can help generate the political will needed to achieve full debt cancellation. The United States has the most influence of any nation over creditors and international banks; our Congress could leverage full debt cancellation for impoverished countries. However, they won't act unless they know you care.

FACT: You have the power to make freedom from debt a reality. Join us today!

**LEARN MORE AT WWW.JUBILEEUSA.ORG
OR CALL US TO GET INVOLVED AT 202-546-4470.**