

# DROP THE DEBT

Spring 2003

NEWS and ACTION from Jubilee USA Network, Washington, DC

## Enslaved by Debt

Reflection on a Recent Delegation to Haiti

By Marie Clarke

"Debt costs lives." Nowhere is this more evident than in Haiti, where people are literally paying for the debt with their lives and livelihood. As an "indebted" nation, Haiti is not only required to pay down their debt, but also forced to adhere to economic policy prescriptions of the creditor nations and institutions that have crippled Haiti's health, education and water systems and eroded their food security. In short, the debt in Haiti has brought a proud nation, the first nation built out of a successful slave rebellion, to its knees. In a country where the people threw off their bonds of oppression, they have been captured and enslaved by debt.

Haiti's first "debt" was 150 million francs owed to France as the price of their freedom. After winning their freedom, slaves were required to pay for that freedom in order to be eligible participants in the world market. That payment was considered "debt." Haiti is currently paying down a \$1.2 billion debt at \$50-80 million each year, twice the public health budget, three times the education budget and four times the agriculture budget. Debt makes up 35% of Haiti's GDP.

Creditors are denying Haiti new loans and desperately needed humanitarian aid. They claim that this is because the current government cannot service its debt. Because debt payments

*continued on page 4*



TOP: Empty beds in Haiti because Doctor's are on strike for not getting paid for one month  
BOTTOM: Doctor in Cange describes Haiti's only free AIDS/TB treatment



## Women's Journey to Africa: Joining Hearts to Fight Debt and AIDS

By Mara Vanderslice

I am privileged to be one of more than thirty women from around the United States who will join Jubilee USA on a delegation to

South Africa and Zambia on April 21-May 4th to see the frontlines of the debt crisis and its impact on the fight against

AIDS. The vision for this trip came to Jubilee from Lynn McMullen, formerly the director of hunger advocacy organization, RESULTS. When she shared the idea of taking dozens of women to Africa to bear witness to what is happening with the AIDS crisis and unite our response, we jumped at this opportunity to build our movement. Now the vision is a reality as 35 women have signed up- lawyers, nuns, artists, teachers, high school students and retired women. From New York to Alabama and Indiana to Seattle, WA we have been amazed at the interest from around the country.

For many of us, our passion for economic justice and debt cancellation has been strengthened and inspired by seeing first-hand the effects of poverty on people's lives. To bring change to our world, we first have to understand the challenges we face as a global community. We have to venture outside the confines of

*continued on page 2*



### INSIDE THIS ISSUE

Enslaved by Debt . . . . .	1
Women's Journey to Africa . . . . .	1
Policy Update . . . . .	3
Jubilee Congregations . . . . .	6



*"...proclaim liberty throughout the land to all its inhabitants; it shall be a jubilee for you..."*  
— Leviticus 25:10

Jubilee USA Network began as Jubilee 2000/USA in 1997 when a diverse gathering of people and organizations came together in response to the international call for Jubilee debt cancellation. Now over 70 organizations including labor, churches, religious communities and institutions, AIDS activists, trade campaigners and over 9,000 individuals are active members of the Jubilee USA Network. Together we are a strong, diverse and growing network dedicated to working for a world free of debt for billions of people.

In the Jubilee Year as quoted above in Leviticus, those enslaved because of debts are freed, lands lost because of debt are returned, and community torn by inequality is restored. Today international debt has become a new form of slavery. Debt slavery means poor people working harder and harder in a vain effort to keep up with the interest payments on debts owed to rich countries including the US and international financial institutions such as the International Monetary Fund (IMF) and the World Bank. Jubilee USA Network brings together people to turn this reality around by active solidarity with partners worldwide, targeted and timely advocacy strategies and educational outreach. Please join us in working for Jubilee justice.

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Marie Clarke

our lives and neighborhoods. We have to cross the barriers that divide people and, indeed, that separate whole worlds from one another. I have found that there is nothing like traveling to another land to meet the people, see the children's smiles, taste the food and smell the air to understand the human connection the binds us. This connection is revealed when we find that the aspirations we have as women for our families here are the same as the aspirations that women in Africa have for their families. At the heart of the Women's Journey to Africa is the desire to not just go and see but to stand in solidarity with our brothers and sisters in their fight for justice and dignity. We go because we recognize that our liberation is tied to the liberation of our neighbors throughout the world.

On this trip we will visit AIDS orphanages, hospitals, Jubilee activists and governmental officials to learn about the AIDS crisis and the impact of debt on people's lives. Our partners in South Africa and Zambia will educate us so that we might join hands to fight poverty and AIDS.

What will matter most is what we do when we return to share what we have seen. Many of the women will host Mother's Day events to share the stories of the women and mothers that they meet in South Africa and Zambia. The original concept of Mother's Day was one of mother's uniting in political action for a better world. We want to start to take this holiday from being about Hallmark cards and roses to encouraging mothers to speak out for the dreams in their hearts: dreams of a healed world, of a world where no mother has to watch her children die due to lack of medical treatment or clean water, a world where life is valued above debt payments to rich creditors.

You do not have to go on the trip to challenge yourself to cross boundaries in your life and in your advocacy for justice. To join in the spirit of the Women's Journey to Africa, you can participate in or host a Mother's Day event in your area. Contact us to learn about where Mother's Day events are being planned or to get support and tips about planning a Mother's Day event. An event can be anything from a large community parade to a small press conference with community leaders or a teach-in at your school or faith community.

We will have photographs and videos from the trip that you can use in your outreach and education work for Jubilee. Don't hesitate to pick up the spirit of the trip and join us in spreading the word about what we can do to proclaim Jubilee with the mothers and peoples of Africa.

**The trip is sponsored by Jubilee USA Network, Global AIDS Alliance ([www.globalaidsalliance.org](http://www.globalaidsalliance.org)), Mother's Acting Up ([www.mothersactingup.org](http://www.mothersactingup.org)) and the Global Citizens' Democratic Union.**



# POLICY UPDATE

By Rick Rowden

For the latest on legislation and policy, visit our website at [www.jubileeusa.org](http://www.jubileeusa.org) or join the policy working group by sending an email to [j2000-policy-subscribe@yahoogroups.com](mailto:j2000-policy-subscribe@yahoogroups.com).

## Jubilee's Ideal "Visionary" Legislation

Throughout 2003 Jubilee USA will finalize the draft of its long-term ideal "visionary legislation". This legislation will call for 100% debt cancellation, de-linking of debt cancellation from structural adjustment and other harmful economic policy conditions and provide debt cancellation for more than just the 42 HIPC countries, and other features that we believe will constitute our ideal vision. Watch for it!

## 5%-10% Legislation

In the House, Representatives Chris Smith and Barney Frank introduced the Debt Relief Enhancement Act of 2003 (H.R. 1376), also known as "the 5%-10% bill," with language similar to the bill introduced in the 107th Congressional session. Senators Joseph Biden and Rick Santorum could reintroduce it as a stand-alone piece of legislation, but current consensus is the bill is more likely to pass if attached to the larger Senate AIDS bill. If passed enough debt relief will be provided so that no country that currently qualifies for debt relief under the Heavily-Indebted Poor Country Initiative (HIPC) pays more than 5% of their budget on annual debt payments (10% if the country is not facing a health crisis).

## The Waters' Bill

Representative Maxine Waters introduced "The Debt Cancellation for the New Millennium Act," co-sponsored by Reps. James Leach, Barney Frank, and Barbara Lee. This legislation calls for most of the items in our visionary legislation, including full debt cancellation, de-linking access to debt relief from mandatory harmful economic policy reforms that are currently tied to debt cancellation, the immediate suspension of debt service (annual payments) and the expansion of the number of countries eligible for debt relief. Unfortunately, this bill would still have debt relief flowing through the existing HIPC structure that is administered by the IMF and World Bank and preserves the Poverty Reduction Strategy Papers, which can be a vehicle for structural adjustment programs.

## International Development Agency (IDA) Replenishment

Last year we worked to condition any funding for the soft lending arm of the World Bank (IDA) that lends to the most impoverished countries, on debt cancellation, ending structural adjustment and other reforms. The replenishment never actually went through Congress, so we are watching to see if it comes up again this year. If so, Jubilee will try to condition any appropriations on the reforms we want to see at the institution.

## The Sovereign Debt Restructuring Mechanism (SDRM) or a fair and transparent arbitration process (FTAP)?

Jubilee USA will soon release its position on the IMF's proposed Sovereign Debt Restructuring Mechanism (SDRM), which describes a list of the proposal's limitations. It will also spell out what we would rather see if any such mechanism is to be created: a fair and transparent arbitration process. Check our website to see the statement.

## Action Alert – Call Now to Cancel Debt!

The 5-10% bills are moving, so please call your Representative today and ask him or her to co-sponsor HR 1376. Just call 202-224-3121 and ask for your Representative by name.

**Timely updates and alerts for each of the policy initiatives will be posted on our web site at [www.jubileeusa.org](http://www.jubileeusa.org).**



Mother and child with burns



Baby girl in the hospital being treated for malnutrition

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**Enslaved by Debt**, *continued from page 1*

must be made in the form of foreign capital and Haiti has only two weeks' reserve in their central bank, it cannot service its debt. Jubilee USA and Jubilee Haiti argue that the debt is legitimate and should not be serviced at all. Forty percent of Haiti's current debt was accrued by the dictator Duvalier. According to international law, this debt is odious as it was a debt incurred in the name of the people but has not served the interest of the people. The people of Haiti have been handed a bill for their oppression.

The real impact of the debt is felt more deeply than the red numbers on a budget line. It is felt in the daily lives of the Haitian people, 40% of whom have no access to clean and potable water in the best of times. During the dry season, even those with intermittent access to potable water have days, weeks or months with no water or water only for a few hours during the day. One family described leaving a bucket under the tap turned on so that they could catch the water when it started, but the water turned off again after only a few minutes. The only water in the bucket was brown as a result of traveling through pipes that rusted from lack of use. In some urban areas the only running water is the sewer. We saw pictures of children standing in the sewer trying to collect clean water from a broken spot in the pipe. These children are forced to steal the water because their families cannot pay the fees. The loans that are being held up, allegedly because Haiti is unable to service its debt, would fund water systems.

Debt is felt at breakfast time, as most of the population is not able to feed their families more than once a day. Food security has been eroded as Haiti has been forced to depend on food imports. Rice production provides a good example. In 1985, Haiti produced 125,000 metric tons of rice annually and imported only 7,000 tons from the U.S. After over almost two decades of commercial liberalization imposed by creditors, today Haiti imports 225,000 metric tons from the U.S. Haitian farmers cannot compete with foreign rice as Haiti has been forced to take away agricultural subsidies as a part of their agree-

ments with creditors. The Deputy Chief of Mission in the U.S. Embassy commented that President Aristide should not have taken away subsidies as it has crippled Haiti's agricultural industry, yet the U.S. in their leadership role at the IMF has been one of the primary agents in forcing developing nations to strip away subsidies.

Debt is felt in the sorrow of being unable to send your children to school as a result of user fees for primary education. Families that can pull together only enough resources to send one child are forced to choose which child to send to school. The Ministry of Education is so under funded that while President Aristide prioritized building schools, tripling the number of schools in Haiti, the Ministry is now unable to pay teachers, resulting in a teacher's strike. Now even the Haitian children who can afford to pay the fees for their education have no one to teach them. These new school buildings should be teeming with life and the sounds of children learning and playing, yet they sit empty and silent. The loans in question would provide money for education.

Adults felt the debt strongly when suddenly the transportation prices skyrocketed as the government finally buckled under international pressure and removed the gas subsidies. Suddenly the cost for the average worker to get to his or her job climbed to 40 Haitian gourdes. These same workers make only 36 gourdes, or less than one dollar per day.



Learning from Jubilee Haiti



Woman being treated for drug resistant TB

This launched the country into turmoil and resulted in a transportation strike.

Debt is felt sometimes most strongly when Haitians get sick. Like the Ministry of Education, the Ministry of Health is unable to provide adequate services to patients or pay salaries to the doctors and nurses. In a visit to the primary hospital in Port au Prince, we spent twenty minutes at a fancy x-ray machine only to find out that it does not work and there is no money to fix it. The nurses and doctors were on strike as they had not been paid in over a month. Even when the doctors are being paid, the hospitals and clinics are often empty or only partially filled. This is not because Haiti is an extraordinarily healthy country. The people of Haiti cannot afford to pay the user fees on health to get into the door of the clinic, much less the fees for x-rays, prescriptions, blood tests etcetera. The conditions of the hospital and the clinics are horrifying. We passed a man sitting on a dusty bench outside, holding on to his catheter. A woman at a clinic in a small town was lying naked on a hard metal platform, strapped down in preparation for a c-section. She was fully awake and alone as she waited for her surgery. If a Haitian goes to an emergency room and receives care, but cannot pay the fee, he or she is held in the hospital until a family or community member is able to raise the money for the release of the patient. This has led to some women having their newborns "kidnapped" to get them out of the hospital.

AIDS and TB are the largest killers in Haiti. Haiti has a 10% HIV infection rate in the city and 4% in rural areas. There is only one facility in Haiti that can treat people who are living with AIDS so the vast majority of the population doesn't bother being tested, as there is little hope for treatment. Fees also deter testing. The one spark of hope for health care in Haiti is found in Cange, in the Central Plateau, where a magnificent facility has a strong partnership with the Ministry of Health and provides free healthcare and treatment for HIV/AIDS and drug-resistant TB. The Haitian doctors radiate confidence and excitement when they declare proudly that they have the medicines and are aggressively treating the people. This facility is located in a squatter settlement that is a result of an Export Credit Agency (ECA) backed dam that displaced the community, increased Haiti's debt and has not provided power to the community.

In Cange first world health care is being provided to the poorest of the poor. How is this possible? They have won money from the Global Fund to Fight AIDS, TB and Malaria. How could this be replicated elsewhere in Haiti, we asked? The response: cancel the debt and fund the Ministry of Health, so that the Ministry will have the resources to replicate this model throughout the country. The loans held up would provide funding for health.

Currently, Haiti is not considered eligible for debt relief under the IMF and World Bank program, HIPC (the Heavily Indebted Poor Country initiative). Originally this was because Haiti was not indebted enough to meet the eligibility criteria of 150% debt to export ratio. Once Haiti met that threshold, Haiti was not eligible because President Preval was not willing to privatize all national industries at the rate the institutions desired. Currently, Haiti is not eligible because they are not currently in an IMF program, nor able to borrow from the IMF.

The external debt of Haiti is more than a question of the bottom line of a national budget; it is a matter of life and death, of health, education, food security and livelihood for the people of Haiti. Not only should the illegitimate debt be annulled, and reparations paid for the "debt" that resulted from Haiti buying freedom, but also any remaining debt should be cancelled because of the moral imperative to preserve life.

# Jubilee Congregations

## Faith Communities *Giving Back*

By Marguerite Smalls

*"Is not this the fast that I have chosen? to loose the bands of wickedness, to undo the heavy burdens, and to let the oppressed go free, and that ye break every yoke?" (Isaiah 58:6)*

The Jubilee Congregations Program, the newest program of the Jubilee USA Network, is fully underway. The program was created to give faith communities across the country the opportunity to become involved in the growing debt cancellation movement from the perspective of their faith and to channel their support into simple strategic action. As Jubilee Congregations, parishes and religious communities across the country are asked to:

- **PRAY** for 100% third-world debt cancellation;
- **CONTRIBUTE** \$1 per member (or special collection offering) to the Jubilee USA Network to support its efforts in seeking debt cancellation;
- **SEND** one letter per member to an elected official asking them to support debt cancellation legislation; and
- **PROVIDE** a contact person that will promote the Jubilee debt cancellation movement in the congregation with informational materials and educational activities.

The Jubilee Congregations Program has been met with tremendous response from faith communities that see debt cancellation as achievable. "I am excited about the Jubilee Congregations because debt cancellation is a goal that I strongly believe will be achieved in my lifetime", says Bill Leshner, of the San Francisco Bay Area Jubilee Debt Cancellation Coalition. To date, the greatest response has been received from the Pacifica Synod in California, who pledged \$100,000 over the next two years in support of the Jubilee Congregations Program.

Additionally, Jubilee has received numerous requests from people eager to turn their faith into action and receive information on how to institute the Jubilee Congregations Program at their parishes and faith communities.

Upon becoming a Jubilee Congregation, communities will receive a handsome banner to be hung at its place of worship that recognizes it as a Jubilee Congregation, a packet of theological resources that will include worship materials, sermon notes, service outline, musical selections and other materials on debt and a host of activities for sustained involvement in Jubilee's efforts. They will also be recognized on the Jubilee USA Website.

It is our fervent hope that Jubilee Congregations will make not only financial commitments, but also become active in the debt cancellation movement through prayers, letter writing and other actions.

*HAVE YOUR FAITH COMMUNITY BECOME  
A JUBILEE CONGREGATION TODAY!*

**For more information on the Jubilee Congregations Program,**  
**please contact:** Mara Vanderslice at 202-783-0129 or [mara@jubileeusa.org](mailto:mara@jubileeusa.org).

## JUBILEE CONGREGATIONS

Jubilee USA would like to gratefully acknowledge the following parishes that have recently joined the Jubilee Congregations Program:

Blackfeet United Methodist Church  
Montana

Fairmount Presbyterian Church  
Cleveland, OH

First Congregational Church, UCC  
Alameda, CA

First Lutheran Church  
San Diego, CA\*

Resurrection Lutheran Church  
Oakland, CA

St. Andrew Lutheran Church  
San Diego, CA\*

St. Lawrence O'Toole/St. Cyril Church  
Oakland, CA

Sisters of Notre Dame de Namur  
Belmont, CA

Trinity Lutheran Church  
Victorville, CA\*

Victory Church  
Stone Mountain, GA

\*Denotes Pacifica Synod Congregations