



LEAVING HOME

How Debt and International Economic Policies Impact Migration

Every year millions of people make the difficult and often heartbreaking decision to leave their homes to search for a better life abroad. More than 1.8 million immigrants arrive in the United States each year, most having left homes in impoverished countries. While the immigration debate has focused on domestic border and immigration policy, we cannot have sustainable, comprehensive immigration reform without addressing the root causes of migration, “push factors,” that cause people to leave their homes.*



Poverty, political instability, violence, environmental degradation - migrants leave for many reasons. These push factors are intensified by huge debts owed by many impoverished countries to the international financial institutions and rich countries.

Like personal debt, a country's debt forces it to prioritize payments above all else. Debt takes away money from education, health care, clean water, and other life-saving needs. Unlike personal debt, countries can't declare bankruptcy, leaving them in a brutal cycle of debt and poverty. **Debt cancellation and more just economic policies can break this cycle and are critical parts of comprehensive immigration reform.**

Migration to the U.S. from Heavily Indebted Countries

Impoverished countries need resources to fight poverty and often take out loans to do so. **Heavily indebted countries send more undocumented immigrants to the U.S. than countries with lower debt burdens.** Unfortunately, many countries' past debts never helped the poorest due to corruption, war, and bad lending practices. Latin America's debt increased exponentially during the debt crisis of the 1980's. Dictators borrowed money freely and the United States overlooked human rights violations to loan to political allies during the Cold War.

Now citizens in democratic countries are paying the price for these odious and illegitimate debts.

EL SALVADOR: A brutal civil war in the 1980s drove nearly 300,000 people to flee to the United States, making it the second-largest country of origin for undocumented immigrants. Even after the 1992 peace agreement, El Salvador's heavy debt burden forced the country to pay debts, instead of rebuilding the country or fighting poverty.

Debt Exacerbates Poverty and Reduces Economic Opportunities

The economic crisis will push an estimated 90 million more people into extreme poverty by 2011. As poverty and lack of economic opportunity worsen, more people around the world cross borders to find jobs and send money home. Debt makes this situation even worse. The African continent, for example, pays out more in debt service payments to wealthy countries than the continent receives in aid.

KENYA: Kenya pays as much debt servicing as it spends on water, health, agriculture, roads, transport, and the finance ministry combined. The current debt relief deal, the Heavily Indebted Poor Countries Initiative, does not include Kenya, despite its high rate of poverty and millions living with HIV/AIDS.



Economic Conditions Increase Desperation

Debt forces countries to divert money from fighting poverty, but economic policies attached to debts also impact the poor. Historically called Structural Adjustment Programs, economic conditions imposed by the International Monetary Fund and World Bank forced countries to privatize key industries, reduce trade barriers, and keep wages down, making impoverished people more vulnerable. **Today, thanks to international campaigning, economic conditions are more relaxed, but the institutions still prioritize low spending and little investment in reducing poverty.** Jeffrey Sachs calls this “Belt tightening for people who can’t afford belts.”

NICARAGUA: Structural Adjustment Programs meant major cuts in education for the impoverished country. Public schools were forced to charge monthly fees. As a result over one million children, half of the school aged population, were unable to attend school in 2006. Nicaragua finally received debt cancellation in 2007-2008 and used its savings to increase investments in health by \$54.3 million and in education by \$121 million.

MALAWI: In 2006, Malawi suffered from severe drought which led to famine amidst an ongoing HIV/AIDS crisis. Even as the UN called for massive donor assistance, the IMF forced Malawi to cut healthcare expenditures and threatened punishment for overspending. Between the IMF-enforced budget cuts and its general lack of resources, Malawi was unable

The Jubilee Act: Easing Migration’s Push Factors

Along with just trading relationships, increased foreign assistance, and humane domestic immigration policies, debt cancellation is an important element of a comprehensive immigration strategy. **The Jubilee Act for Responsible Lending and Expanded Debt Cancellation (HR4405)** would ease push factors by enabling countries to refocus their budgets toward fighting poverty.

The Jubilee Act:

1. Gives 22 additional countries the chance to qualify for debt cancellation, creating opportunity for developing countries to address push factors that force people from their homes.
2. Calls for the removal of harmful conditions attached to debt cancellation, such as freezing salaries and of healthcare workers.
3. Recognizes past mistakes of unsustainable lending and harmful economic conditions and will create a framework to avoid another debt crisis and crushing poverty.
4. Requires responsible lending from the IMF, World Bank and other creditors to prevent future unsustainable debts.

to pay its doctors, forcing many to relocate to the U.K. Malawi now has only 1 doctor per 88,000 people, compared to 1 doctor per every 600 people in the U.K. In these instances the IMF exacerbated push factors by preventing a country from adequately addressing poverty related issues such as hunger and access to healthcare.

Join the Movement: Get involved today by visiting www.jubileeusa.org.

JUBILEE USA NETWORK is an alliance of 75 religious denominations and faith communities, human rights, environmental, labor, and community groups working for the definitive cancellation of crushing debts to fight poverty and injustice in Asia, Africa, and Latin America.

**Sources available at www.jubileeusa.org*