

Jubilee USA and Debt

Around the world, nearly 700 million people live in extreme poverty. After more than two decades of progress in reducing poverty, the pandemic caused it to start growing again. Part of the problem is that the world's poorest countries cannot afford to fully fund important public services like health care and education and provide basic infrastructure. In many of those countries, debt is a big reason why.

The Jubilee movement began with an interfaith call for debt cancellation in the 1990s. Inspired by scripture and universal faith traditions, Jewish, Christian and Muslim religious groups called for tackling the structural causes of poverty and canceling the debt of poor countries. They formed the group that would become Jubilee USA. Instead of paying debt, resources should go to reducing poverty and providing healthcare and education for those most in need, they argued.

Since the late 1990s, the Jubilee movement won more than \$130 billion in debt relief for the world's poorest economies. These agreements enabled investments in schools, hospitals and other social infrastructure. In Sub-Saharan Africa alone, 54 million kids have gone to school who never would have seen the inside of a classroom.

But developing countries together still owe \$8 trillion. In more than half of them, at least 25% of their budget goes to pay debt every year.

Debt and the Pandemic

The COVID-19 pandemic is more than a health crisis: it is an economic, political, and social crisis, all made worse by debt. In 2020, six countries defaulted on their sovereign debts. In response, the G20 began two initiatives: the Debt Service Suspension Initiative, which allowed low-income countries to apply for a pause on debt payments, and the Common Framework for Debt Treatment, which promised to coordinate debt relief if a borrowing country requests it.

While both efforts are welcome, they only apply to a limited group of countries and do not address debt owed to private entities. Since eight in ten people who entered poverty during COVID-19 live in middle-income countries, it is critical to include these nations in any debt relief initiative. Additionally, there are no mechanisms to relieve sovereign debt with commercial banks, investment funds, commodity traders, or other private lenders.

How You Can Help

1. Contact your Senators and Representative and ask them to support debt relief. Call the US Capitol switchboard at (202) 224-3121 and ask to be connected to your senators and then your representative. You will need to call three times to reach all of them.
Sample call script:
My name is _____. I am a constituent from [city, state]. Please support debt cancellation and aid to help developing countries deal with the health and economic effects of the COVID crisis and recover with resilience. Please legislate protections to shield borrowing countries from private creditor lawsuits that would strip them of debt relief benefits.
2. Sign our urgent G20/IMF petition to cancel debt and expand aid to bolster health care for countries affected by COVID-19.
<https://tinyurl.com/7vhjkttn>
3. Facilitate a discussion group using the materials in this packet.
4. Spread the word about cancelling debt as part of the global response to COVID-19.

For more information, check out www.jubileeusa.org or contact Communications and Operations Manager Olivia Engling at olivia@jubileeusa.org.