

**No. 9914**

**(Sense-of-the-Assembly)**

**CONCERNING "JUBILEE 2000" AND THE CANCELLATION OF DEBTS  
OF THE MOST HEAVILY INDEBTED COUNTRIES OF THE WORLD**

ADOPTED by the General Assembly

Background Information:

**Jubilee 2000 - the world-wide debt cancellation campaign**

Jubilee 2000 is a debt cancellation campaign which started in Britain in 1996, and has now spread to different churches, denominations, and organizations in over 50 countries around the world. The campaign aims to free the heavily indebted poor countries (HIPCs) from the shackles of foreign debt, which is responsible for the grinding poverty in these countries. It also aims to communicate to the rich countries and lending institutions, such as the World Bank and the International Monetary Fund (IMF), that debt-servicing of these loans has been made by these poor countries all these years at the expense of sacrificing basic social services for its population. It aims to impress upon the rich countries and lending institutions the fact that these debts were incurred largely during the regime of ruthless and corrupt government officials of these poor countries who squandered these funds for personal benefit. Moreover, payments made by these poor countries for many years have more than sufficiently paid for these obligations.

At the Eighth Assembly of the World Council of Churches in Harare, Zimbabwe in December 1998, delegates from over 300 national churches unanimously voted to "Let the Trumpet Sound a Jubilee Call to End the Stranglehold of Debt on Impoverished Peoples," calling for relief from the heavy burden of debt for the poorest nations.

**What is the basis of the Jubilee 2000 Debt Cancellation Campaign?**

This campaign is based on the biblical injunctions from the Book of Leviticus, Chapter 25, which states the law of Jubilee: that on the 50th year all foreclosed properties, because of debts, be returned to the original owners. Also, in Deuteronomy 15:1-2, the law states that at the end of the seventh year, creditors should release their neighbor of their brother's debts. The organizers of the debt cancellation campaign believe that as we enter the new millennium, it is only just and necessary that the very poor and heavily indebted countries be given relief from the bondage of foreign debt, and be allowed to have a fresh start in life.

---

**Why is foreign debt largely the cause of the impoverishment of these countries?**

Payment of the debt drains scarce resources, which could be used to improve livelihood, health care, and education of children and youth. These debts are paid in U.S. dollars or British sterling, so poorer countries must concentrate on exports to raise the needed funds. Many of these countries have experienced long-term declines in prices of their primary exports (i.e., coffee, cocoa, cotton, sugar, coconut, etc.), and the concomitant economic upheaval as a result of globalization and the GATT-WTO agreements.

**With the cancellation of foreign debts by the very poor countries, will the rich countries and their big lending institutions experience heavy losses?**

No. The truth is that these poor countries' debts have long been paid. In 1980, third world countries owed a total amount of US\$568 billion to the rich countries and its lending institutions. From 1980 to 1997, these poor countries have remitted a total of US\$2.9 trillion in interest and principal payments. For every dollar lent to the poor countries, \$6 is returned to the rich countries and its lending institutions as debt service payments.

According to Peruvian economist Oscar Ugarteche, between 1985 and 1995, the world's ten richest countries doubled their per capita gross domestic product, whereas in the ten poorest countries it declined by 30 percent. In the same period, the ratio of income disparity between the richest country and poorest country grew from 70 times to 430 times.

**Which are the heavily indebted poor countries?**

According to World Bank figures, the 41 most severely indebted low-income countries - 33 of them in Africa - owed approximately \$220 billion in foreign debt. This translates to an African child inheriting \$379 in debt at birth in countries where the annual income is often \$100 or less. In 1996, Uganda spent \$3 per person on health care, but spent \$17 per person on debt servicing.

The Latin American and Caribbean countries' total debt is around U.S. \$657 billion, or 41% of their Gross National Product. According to World Bank figures, Latin America's debt amounted to \$60 billion in the mid-70s; by 1980, it was \$204 billion, and by 1990, \$433 billion. By the end of 1999, as interest continues to pile up, it is expected to reach \$706 billion, and Latin American governments are paying \$123 billion this year alone in debt service. Between 1982 and 1996, the region sent \$739 billion to banks and international institutions in the North.

Bolivia, which has the highest child mortality rate in the continent, spends half of all its export earnings to pay its debt. Brazil, which recently suffered economic recession, owes a total of US\$110 billion. In order to meet its foreign debt obligations, Brazil has become the largest deforester in the world, at the rate of 50,000 square kilometers every year. Brazil was recently given a bailout fund of US\$41.5 billion when its economy collapsed, but this amount is not even

enough to meet their interest payments. In Nicaragua, even before the devastation of Hurricane Mitch last year, the debt burden for each child was \$2,000 where annual income is only \$390. These countries spend four times as much in debt servicing than they do on health care.

In the Philippines, for every 100 deaths, 62 have died without the benefit of medical attention. Thirty-two percent of its population is afflicted with tuberculosis, one of the highest rates in the world. There are 1.2 million Filipinos with vitamin A deficiency resulting in blindness. In the area of infant mortality, of 1,000 live births, 55.3 die in infancy; for every 1,000 deliveries, one mother dies. Yearly, 2000 women die of pregnancy-related causes. In the area of education, for every 100 children who enter elementary school, only 63 will graduate from elementary school; only 40 will finish high school, and only 10 can finish college or university studies. A total of 70% of the population live below the poverty level, while 21 million are without homes, or living as squatters. Forty-one percent of the country's national budget goes to debt servicing.

### **What are the benefits of debt cancellation?**

In 1997, the U.N. Development Program suggested that if severely indebted African countries were relieved of this burden, available funds could "save the lives of about 21 million children by 2000, and provide 90 million girls and women with access to education." Investing in people by educating them, building their skills, promoting their health and well-being would engender peace and stability. Given that chronic poverty often leads to social unrest, debt relief could increase global security and decrease the necessity of costly interventions - a far better alternative than spending for armaments and destroying precious life and property.

### **Resolution**

WHEREAS, one of the powerful symbols of God's transforming reign is the call in Deuteronomy 15 for the celebration of a Jubilee Year in which debts are canceled and the oppressed are set free; and

WHEREAS, delegates from over 300 national churches at the Eighth Assembly of the World Council of Churches meeting in Harare, Zimbabwe, in December 1998, unanimously voted to "Let the Trumpet Sound a Jubilee Call to End the Stranglehold of Debt on Impoverished Peoples," and

WHEREAS, numerous religious and international organizations are joining in the campaign designated "Jubilee 2000" which calls for cancellation of the external debt of the most heavily indebted countries; and

WHEREAS, both borrowers and lenders share the responsibility for amassing this debt; and

WHEREAS, these countries do not have the resources to repay their debts and attempting to make

the interest payments imposes great hardships such as cutbacks in health services and education and the diverting of economies to produce agricultural exports rather than agricultural products for their own people; and

WHEREAS, the growing plight of peoples in these countries also affects other parts of the world community, since suffering and instability in any part of the world today undermines the prospects for all; and

WHEREAS, financial institutions such as the World Bank also recognize the danger of growing indebtedness, stating that "without debt reduction, the debt will be perpetuated, domestic and foreign investment discouraged, and capital flight invited,"; and

WHEREAS, "Jubilee 2000" is seen not as an end in itself but as an important step in responding to the Gospel's call "to bring good news to the poor, to proclaim release to the captives, to let the oppressed go free, and to proclaim the year of the Lord's favor" (Luke 4:18-19, NRSV);

THEREFORE, BE IT RESOLVED that the General Assembly of the Christian Church (Disciples of Christ), meeting in Cincinnati, Ohio, October 8-12, 1999, adds its voice to those of other concerned persons and faith communities around the world through "Jubilee 2000" in calling for the cancellation of the external debts of the most indebted countries of the world; and

BE IT FURTHER RESOLVED that the General Assembly calls on international financial institutions, such as the International Monetary Fund (IMF) and the World Bank to work with these countries to ensure that the benefits of debt cancellation accrue to the poor, to create mechanisms to prevent recurrence of such crushing debts, and to develop sustainable economics that respect factors of justice, fair treatment, and that protect and promote human rights and the natural environment; and

BE IT FURTHER RESOLVED that the General Assembly call on the general units of the Christian Church (Disciples of Christ), particularly the Divisions of Overseas Ministries, Homeland Ministries and Higher Education, the Council on Christian Unity and regional offices, to continue to strengthen understanding of "Jubilee 2000", the injustice of the current global economic structure and the vision of God's peaceful reign by offering guidance and resources to assist congregations.

BE IT FURTHER RESOLVED that the General Assembly call on congregations of the Christian Church (Disciples of Christ) to establish "Jubilee 2000" as a priority for congregational attention and participation, through:

1. offering congregational education programs on the biblical vision of Jubilee and its implications for the present-day world community, especially the problem of growing debt and economic globalization, using

such resources as those available from General Units and on the Jubilee 2000 webpage ([www.j2000usa.org](http://www.j2000usa.org)) ;

2. encouraging participation of members in community ecumenical actions designed to develop citizen support for debt cancellation;
3. building support for a U.S. public policy favoring prompt debt cancellation, in keeping with the aim of "Jubilee 2000" and the legislative strategies of the National Council of Churches of Christ; and
4. supporting active relationships with other religious communities for the purpose of helping debtor countries to build economic viability, social stability, and democracy, and to lift the burdens of poverty and human deprivation.

Common Global Ministries Board of the Division of Overseas Ministries of  
the Christian Church (Disciples of Christ)  
Central Christian Church, Lexington, Kentucky  
Euclid Avenue Christian Church, Cleveland, Ohio  
University Church, Chicago, Illinois  
Downey Avenue Christian Church, Indianapolis, Indiana  
Park Avenue Christian Church, New York, New York