

Debt Relief - 2000

Issue

International debt, which requires the poorest nations of the world to divert scarce resources from health care, food assistance, education, and other social services to meet their payments.

Background

Due to international forces beyond their control, the poor nations are burdened with debt which has impoverished them. In the favorable economy of the 1970's, international monetary institutions made low interest loans to the poor countries, primarily in Africa, but also in Latin America and other parts of the world. The early 1980's brought recession and a rapid, marked increase in interest rates. Prices for raw materials, the primary source of income for most low-income nations, collapsed, leading to an inability of poor nations to cover their debts.

The International Monetary Fund and World Bank have sought to keep these nations afloat, but required "structural adjustments" that reduced public expenditure for human services. According to the Social Action Committee of the Reform Synagogues of Great Britain, "each year these poor countries are paying the rich lending countries three times more than they receive in aid."

In an April 2000 memorandum, the Religious Action Center of Reform Judaism indicated, "By the end of the decade over half the population in Sub-Saharan Africa – some 300 million people – will be living in poverty, which the United States Development Program defines as those living on less than \$1.00 a day. The poorest nations are caught in a cycle of debt they cannot escape, borrowing more money to make payments on old debts. In some cases, debt payments consume thirty to forty percent of countries' budgets. In 1997, before the devastation of Hurricane Mitch, Nicaragua spent more than half of all government revenue on debt payments."

Because of the diversion of resources from social service areas that may include health care, education, food assistance, and economic development to pay the huge debt payments, the people of poor nations pay an enormous and horrifying human cost. A 1997 UN Human Development Report indicated that cancellation of the international debt for the twenty most impoverished nations could free sufficient funds for health care to save about 7 million children's lives within a year.

The current United States Administration has pledged to forgive 100% of the debt owed to the United States, provided that the countries would demonstrate that saved funds were being allocated to education and reducing poverty. Congressional leaders approved an appropriations agreement for partial debt relief in November 1999. Other measures regarding debt relief and debt cancellation have also been introduced in Congress. The Canadian government has endorsed debt relief.

Jubilee 2000, a worldwide movement working to bring about elimination of this devastating debt, is based on the concept of jubilee found in Leviticus 25:8-55. The Union of American Hebrew Congregations and the European region of the World Union for Progressive Judaism have joined the Jubilee 2000 campaign. In Britain, Reform, and Liberal Social Action efforts have focused on the campaign.

For more information on WRJ and Social Justice, visit www.wrj.org/social-justice-home

Resolution

In accordance with its deep commitment to the health and well being of children and families and to the eradication of poverty worldwide, Women of Reform Judaism resolves to:

1. Call on governments and international organizations for debt forgiveness for poor nations;
2. Inform its affiliates worldwide about the ravages caused by the burden of debt payments;
3. Urge U.S. sisterhoods to advocate debt forgiveness with the appropriate government officials; and
4. Work with like-minded coalitions and groups to seek debt forgiveness where appropriate.