

Debt cancellation, relief still a top issue

WASHINGTON – In January, as many of the world's political movers and shakers met in Davos, Switzerland, for the World Economic Forum, thousands of would-be societal movers and shakers met in Nairobi, Kenya, for the seventh World Social Forum.

According to two U.S. participants in the social forum who recently returned from Kenya, there was one message aimed at participants of the economic forum: Debt cancellation and relief for the world's poorest nations are still high on the to-do list.

"Debt is a big object of talk in international circles and civil-society groups," said Marie Dennis, director of the Washington-based Maryknoll Office for Global Concerns.

She was one of about 15 from Maryknoll attending the Jan. 20-25 social forum, which she said drew 70,000 participants from all over the world.

Dennis is also a member of the board of Jubilee USA, a coalition of more than 60 faith-based and nongovernmental organizations working for debt relief.

In a telephone interview Feb. 9 with Catholic News Service, Dennis said 2007 is considered a jubilee year in the same way that 2000 was. "It's the seventh year since the jubilee year," she said, and "in the Judeo-Christian tradition" the seventh year is a jubilee year.

As activists raised their voices for debt reduction and relief for heavily indebted poor countries during the Great Jubilee of the Year 2000, "this is the year to take another big step forward" on those issues, she said.

"Some of that happened at the World Social Forum. There was a very clear call that the world debt crisis is not just a financial problem for the countries of the South (the Southern Hemisphere), but a political problem," she said.

Dennis added the United States has a “mixed record” on debt relief.

“I think there are times when the U.S. has played a positive role. In the ‘90s there was a time when the U.S. was pushing for debt cancellation programs,” she said. “Most recently, the U.S. pushed very hard at the Inter-American Development Bank to cancel the debt of the most heavily indebted countries in Latin America.”

However, she said, the United States insists that “right reform” of a nation’s economy be implemented “in conjunction with debt cancellation, and that has continued to cause a problem in many countries.”

Dennis said the 2007 call is for “more debt cancellation for more countries at a deeper level, without conditions, but also a cancellation or elimination of debt that is illegitimate and odious, which is beginning to be recognized as a serious issue and needs much, much more attention.”

She said Tanzanian delegates to the World Social Forum “talked about the positive impact on education in Tanzania” after debts were alleviated there. “New schools were built, but there are more schools (yet) to go. More teachers are needed, more supplies,” she said.

Father Seamus Finn, director of the Justice, Peace & Integrity of Creation Office for his order, the Missionary Oblates of Mary Immaculate, was one of 27 Oblates at the social forum; 12 were from Africa, representing eight African nations.

Father Finn said he thinks social activists are “much more savvy” than they had been in dealing with institutions such as the World Bank and International Monetary Fund and answering their questions.

“There’s the question always – which I think is true at a personal level and a household level, and economists would say it’s true at a global level – if you forgive a debt you’ve got to find a way to account for that hole,” Father Finn, another Jubilee USA board member, told CNS Feb. 9.

“That’s the argument at the core here. If the IMF cancels the debt, where are they going to get the resources to get it? They’re going to have an imbalance on their balance sheet,” he said.

By the same token, many heavily indebted nations have paid far more in interest on their loans than what the principal originally was.

“On some of these indebtedness and repayments, we’re going back to the ‘80s,” Father Finn said.

“The system put these kinds of burdens and quantified them – this amount of money, this amount of interest. Any reasonable person would say, ‘Geez, there’s got to be some way to put an end to this and get out of this.’ ... That’s got to be another part of the discussion.”