

## *Jubilee 2000*

**T**he approaching new millennium has thrown up two very different campaigns.

The first, which is probably the better known, is the 'Y2K' campaign. This stems from the belated realisation that many of the world's computers will fail to cope with the change in centuries. The boffins are predicting anything from credit-card confusion to plane crashes and 100-year overdue telephone bills.

A year or so after this problem was identified, governments and multi-nationals lumbered into action, deploying phalanxes of consultants and technicians to rewrite software, develop contingency plans and generally ensure that jet-setting and financial transactions continue.

### **Jubilee 2000**

It is hard to imagine the archetypal starving African child or the unemployed breadwinners in the *favelas* of Rio de Janeiro getting too excited at the knowledge that the rich and famous will be able to fly safely back from their first holiday of the new millennium; and that their plastic money will retain its consumerist currency.

The Jubilee 2000 campaign - we may call it 'J2K' for convenience - seeks to highlight the appalling consequences of the debt burden facing the countries of the South. It is now common knowledge that indebted countries spend more

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servicing their debt than they do on any other item; indeed, some of the poorest, such as Zambia and Mozambique, spend more on debt-servicing than they do on health and education combined.

J2K is based on the Old Testament notion of jubilee - once every 50 years land and property were to be returned to their original owners, debts set aside and a fresh start made in 'economic' relationships. In this way, the common good of the community was reasserted over the inequalities and concentrations of wealth that had occurred during the previous period.

A number of considerations have prompted the resurrection of the jubilee idea. It has long been clear that the South's debt is effectively not repayable. While no one knows how large a sum is actually involved, it is probably in the region of \$400-billion. Many of the poorest countries cannot even keep up with interest payments. There is no light at the end of the tunnel, only a future in which all foreign-exchange earnings, and more still, go to meeting the interest.

J2K argues that these countries are effectively bankrupt, and that they should be allowed to go into a form of liquidation, with a once-off, final payment to their creditors. It is worth bearing in mind that, crushing as

the interest on \$400-billion may be to the countries of the South, it is relatively small stuff to the economies of the North. The cancellation of the debt would be a minimal attempt by the North to make redress for centuries of exploitation of the South.

### Support

The campaign was first mooted by church leaders, Pope John Paul II in particular. It has been taken up with enthusiasm by NGOs and development agencies and by a few governments, mostly in the South.

The response so far from the major creditors, both governments and institutions, has, unsurprisingly, been muted. While some members of the G7 have acknowledged the underlying virtue of the campaign, their commitment to its ideals has not been anywhere near firm enough to override the intransigence of others, notably Germany and Japan, the two nations which gained most in 'no strings attached' aid 50 years ago.

### South Africa

South Africa's debt problem is unlike that of most other Southern countries. Financial sanctions severed the apartheid government's access to international loans, forcing it to turn to local sources. As a result, over 90% of government debt is owed to local banks, pension funds, insurers and the like.

This does not mean that the campaign is inappropriate in South Africa. Much of the current debt was built up by the



*Rev Charity Majiza, SACC General Secretary and Archbishop Hurley at the launch of Jubilee 2000 in South Africa.*

## JUBILEE 2000 SOUTH AFRICA

previous government and used to shore up apartheid. Many of those who now benefit from the interest earned on the debt (through pension funds and other investments) are precisely those who benefited most under apartheid.

A cogent argument can be made, therefore, for a review of at least a large part of the repayment of our government debt.

The South African Jubilee 2000 campaign was launched at a conference in Cape Town in November. A national committee has been elected and a plan of action for 1999 and 2000 is in preparation. ★

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