

# Jubilee Debt Campaign: Civil Society Voice in Global Debt Governance

Highlights Jubilee 2000 was a highly successful global campaign to bring about debt relief for developing countries, which galvanised activists into a shared global project and brought them into negotiations with creditors. The Jubilee campaign lodged the concept of odious debt in the public consciousness. Its successes proved that debt relief was not only economically and politically feasible, but also could lead to desirable social outcomes.

#### Introduction

Through the 1970s, lending to many developing countries ballooned, fuelled in part by high levels of OPEC oil surpluses made available to these countries through European banks. However, by the early 1980s, high interest rates and declining demand for many developing country commodities meant that this debt had become a trap. Many countries in Latin America and Africa were paying out more in debt service than they were receiving in borrowing. The result was economic decline and a reversal in development gains with heavy social costs.

The response of international lenders to the debt crisis of developing countries brought suffering and social unrest, and led to protest and civil society activism in the global South. Concerns among civil society groups in Northern countries mobilised activists and non-governmental organisations (NGOs), who formed the UK-based *Debt Crisis Network* in 1985 to analyse developing countries' debts and to campaign for debt relief (Advocacy International n.d.). In 1994 (thanks to early pressure from a small group of evangelical Christians), this campaign was named 'Jubilee 2000', in reference to a biblical cancellation of debt. The year 2000 was chosen as the movement's focal point. The campaign became a substantive global force for the cancellation of debt for dozens of countries, with consequent benefits in areas such as education, housing, and health care.

## **Timeline**

1973	1982	1994	1999	2000	2005
Oil crisis. Developing countries experience influx of loans, raising debt levels	Mexico declares it is unable to service its debt	Start of global debt campaign, building on national protests and advocacy	'Jubilee South' emerges as separate entity of southern activists	Jubilee 2000 dissolves as planned, with successors carrying on its work	Multilateral Debt Relief Initiative announced at G7 Summit

#### How It Works

Global economic policies on issues like debt are usually the preserve of a narrow circle of policy-makers and economists, with little involvement of the citizens most affected by the decisions. As a result, the impact of such policies on their livelihoods and social development are often poorly reflected in decision-making. However, Jubilee 2000 challenged these dynamics and put the links between debt and poverty back on the agenda.

Building on earlier efforts by campaigners from the Global South to have the debts of the poorest countries cancelled, the campaign was led by a broad civil society coalition which included NGOs, faith-based organisations, trade unions, and multi-ethnic associations, among others. Millions of people in both creditor and debtor countries were mobilised in support, under this common global *brand*. Jubilee 2000 *franchises* were set up in more than 60 countries (Advocacy International n.d.), with the UK group coordinating the movement.

The activists negotiated with the World Bank and the International Monetary Fund (IMF) for major debt relief in 1999. Although the Jubilee 2000 campaign was dissolved once the millennium was reached, campaigning carried on through the work of successor organisations. These helped bring about the Multilateral Debt Relief Initiative announced at the G7 summit at Gleneagles, Scotland, in 2005.

The case does raise questions, however, regarding whether southern voices were marginalised. Southern activists had successfully introduced the concept of *odious* debts amassed by military dictatorships and the moral right to challenge these (Collins 1999). While many Southern activists sought a more explicitly political movement, many Northern activists were more focused on the unsustainability of particular debts and favoured different strategies. These divisions came to a head around the Cologne G8 summit in 1999, when 'Jubilee South' coalesced as a distinct entity.

# **Enabling Participation**

The Jubilee campaign successfully challenged and increased transparency and accountability of powerful global economic and policy actors, allowing previously excluded voices to be heard in the process. Core to success was the ability of the campaign to mobilise across different dimensions. It linked global moments, such as G7 or IMF meetings with national campaigns in 60 countries, and often also with local (sub-national) groups at village or district level (Gaventa 2007).

Alongside challenging powerful actors and increasing transparency, activists took advantage of new opportunities for consultation. Ultimately, the campaign enabled activists to sit at the table with global decision-makers (e.g. IMF) and negotiate around the Highly Indebted Poor Country (HIPC) initiative (Gaventa 2007). Finally, the campaign also carried out mass mobilisations to add pressure to these other efforts. The campaign's strongest image was the human chains it organised at major international political summits, mirroring developing

countries' chains of debt. These included the 50,000-person chain that surrounded the G7 meeting in Birmingham in 1998 (Collins 1999).

At the heart of the movement was also the belief that ordinary people could grasp complex international finance issues and be empowered to act. Alongside technical analysis and NGO advocacy, a vital element was raising public awareness of debt and its links to poverty. These efforts were supported by public education and strengthening economic literacy.

The rift that emerged within the movement, however, highlights the challenge of speaking to global policy-makers with one voice. It also points to the disproportionate influence that Northern campaigners had due to having better access to technical skills, resources, and networks (Collins 1999).

#### **Outcomes**

The Jubilee campaign led to the clearance of approximately US\$100billion of debt (at present value) owed by more than 35 countries to foreign creditors, according to the World Bank. The resulting savings were subsequently available for work to reduce poverty and fund health and education programmes. The campaign led to greater awareness in debtor nations of the nature and scale of the debt, helped local activists to challenge the corruption behind much lending and borrowing, and increased the accountability of governments to their people. The movement mobilised millions of people across the world, including a record-breaking global petition signed by more than 21 million people and showed the ground-breaking use of the Internet for worldwide outreach and education (Advocacy International n.d.).

## References

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Image: <u>Jubilee human pie chart</u>
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Funding Supported by a grant from the Open Society Foundation.

This Case Summary forms part of the collection of materials produced for the 'Linking Participation and Economic Advancement' project led by the Institute of Development Studies. This research project recognises that economic processes impact the lives and livelihoods of people who frequently have little or no power in these processes. Through this research we identify alternatives: ways that communities, governments and enterprises are making economic decisions in which 'ordinary' people have a real voice.

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