The Church of Scotland is a founding member of the Jubilee Scotland coalition. Now 15 years on from the coalition’s creation, the Church remains a core partner in the campaign for debt justice and we have partnered together to reflect on one of the movement’s most successful and high profile campaigns: Make Poverty History, examine threats of a new Debt Crisis and highlight ways to take action moving forward.

Making Poverty History

This year we celebrate the 10th anniversary of Make Poverty History and the $130 billion of debt that has been cancelled for 36 countries with huge improvements for spending on health, education and citizen based needs. Since 2005 for the countries participating in the World Bank’s Heavily Indebted Poor Countries initiative:

- Their debt payments have fallen from 10% of government revenue to 4%
- The proportion of children completing primary school has increased from 51% to 66%
- The number of women dying in childbirth has fallen from 680 per 100,000 births to 500

Country Highlight: Malawi

Malawi reached completion point in the HIPC programme in 2008 and its total external debt had been reduced from over $3.2 billion to $750 million. During its final year in the HIPC programme spending on healthcare was up to 83% and spending on education was up 56%.

The Church of Scotland and Make Poverty History

What was it that made Make Poverty History so successful? In addition to the passion and dedication of the organisations and individuals driving the movement, MPH creatively and effectively utilised classic campaigning techniques to have a huge impact. Many of these are still hugely important today and can help us have an even bigger impact with our campaigns.

Movement Building

Bringing people, organisations, faith groups together was a huge part of Make Poverty History’s success. No where was this more evident than at Edinburgh’s historic march ahead of the G8 summit. Working in coalition with core partners including Christian Aid, other big aid agencies and Jubilee Scotland the Church of Scotland played a lead role in organising the event which would see over 220,000 people take to Edinburgh’s streets making the march the largest single protest ever held in Scotland.

Are there groups in your area that you think should be working on debt justice? Think about reaching out to see if they would like to co-host an event and hear someone from Jubilee Scotland come talk about campaigning for debt justice here in Scotland.
Eye Catching

Church of Scotland leaders along with the wider faith community recognized the need to raise public awareness debt relief with our leaders and the public. Answering this call to action, 40 female ministers of mixed denominations gathered in festival square to collect petition signatures and then begin their march down the High Street to Holyrood. Gathering manifesto signatures along the way and carrying huge Make Poverty History placards the ministers successfully brought the issues directly to MSPs and First Minister, Mr Jack McConnell.

There are a lot of great elements in this story. One is the amazing use of visuals – nothing that had to get designed or professionally printed but that was still eye catching and got the message across. The clergy members started their march at a statue of an African woman and child for significance and a great easy way to do something eye catching is to make a banner or sign with a call for debt justice, get a group together and take a photo in front a local landmark. These are great to include in letters to MSPs or other decision makers.

Engaging decision makers

In addition to the creative march and petition to the First Minister the Church of Scotland also teamed up with Christian Aid to engage Gordon Brown as a key speaker during a rally following the big march helping to draw big crowds and demonstrate political support at the highest levels.

With Scottish elections coming up next year now is great time for your decision makers to hear from you. Even if it's just an email or sending in a campaign action card.

Awareness Raising

Make Poverty History's bands become iconic worldwide - a quick and easy way for people to state their support for ending global poverty. Over the white band days throughout 2005 8 million people wore bands in the UK alone. The Church of Scotland not only helped capture people's imagination selling bands but even helped John Knox get in on the action by giving his statue its very own band.
Everyone can be an Activist

Throughout 2005 7,000 schools across the UK took part in the ‘Send My Friend to School’ activities as part of Make Poverty History. The Church of Scotland's World Mission Council engaged young change makers in Edinburgh congregations and beyond to create buddies (life size children made out of paper each representing one of the 100 million children unable to attend school). All buddies were then sent directly to G8 decision makers at the Gleneagles summit.

Engaging kids with social justice issues at an early age is an important way to keep building the movement. You could team up with a school in your area and include the kids in the photo visual mentioned above or even get them started on political engagement by writing to MSPs.

Continuing the Campaign: Debt Justice over the last 10 ten years

In the decade since Make Poverty History the debt justice movement has continued its global campaign to challenge unjust and unsustainable debt. Campaign focal points and successes over the years include:

- Banning vulture funds from operating on British soil. Vulture funds refer to hedge funds which buy up poor country debts cheap, and then drag the country through the courts until they pay the original amount in full.
- Securing pro-poor investment of the International Monetary Fund’s gold sale proceeds
- Cancellation of Haiti's outstanding debt to the UK
- Ensuring critical UK climate funds did not create new unjust debt and are given as grants not loans
- Creating a debt arbitration framework right here in Scotland

The New Debt Crisis

Campaigning for debt justice has never been more urgent. Even with the successes of Make Poverty History and campaigns since there are many countries still burdened by high debt payments and many seeing their debt burdens grow due to increasingly severe natural disasters. More importantly many structural issues remain with our global economic system that continue to create new unjust debt.

Reckless lending, tax evasion, hidden debts from private financing and on-going loan conditionalities have all contributed to the increasing global debt levels since 2011 with a new boom in lending taking place in some of the world's most impoverished countries. External loans to low income countries increased by 75 per cent between 2008 and 2012 and lending to sub-Saharan African countries has doubled over that same time period.

Zambia

Despite receiving debt relief under the Heavily indebted poor country initiative new research shows that by 2020 Zambia could be spending over 20% of government revenue on foreign debt payments.
Nepal
Increasingly severe natural disasters due to climate change are also increasing debt burdens for vulnerable countries. Nepal, in addition to its current $3.5 billion in external debt, following two devastating earthquakes is being burdened with $150 million more in loans from the IMF – which decided that the devastation caused by the earthquakes was not enough to qualify Nepal for debt relief under the IMF's disaster relief scheme.

Pakistan continues to suffer from high debt payments
Despite having a debt of more than 200% of exports for the majority of the 2000's Pakistan creditors did not deem the country eligible for debt relief under HIPC. Pakistan's heavy debt burden has a terrible impact on people's lives and the country's ability to achieve many of the Millennium Development Goals. Without concrete action on debt relief this debt will undoubtedly also prevent headway towards the Sustainable Development Goals.

So what is driving this increase in lending? There are a few central issues at work here which we explore below.

1. More 'aid' being given as loans
Strong campaigning here in the UK has meant that the UK government gives direct aid as grants. The International Development Select Committee however is looking to change that by giving aid as loans to middle income and some low income countries. In addition funding the UK contributes to international financial institutions like the World Bank and African Development Bank are then given as loans as part of Banks policies. In 2013 £1.8 billion of UK aid was used for loans' and it is currently the largest contributor to the World Bank's International Development Association (IDA) which oversees lending to low income countries. The debt created by these loans can undermine progress towards the Sustainable Development Goals as well as efforts by the Scottish Government and Scottish NGOs working overseas to reduce poverty.

2. Hidden debts through Public Private Partnerships (PPPs)

PPPs are heavily promoted and pushed by lenders especially international financial institutions and development banks through aid, loans and debt relief. Touted as the best solution for infrastructure investment they are also a way to hide debts from the public. According to the World Bank PPPs account for 15-20% of infrastructure investment in developing countries. This is despite the fact the research suggests PPPs are actually the most expensive way to invest in infrastructure. Costs to governments through PPPs are higher because private sector borrowing costs more; it demands higher profits and negotiation processes tend to favour the private sector. It also means that debt payment obligations created by PPPs are not included in debt sustainability assessments which in turn presents a much less clear understanding of a governments true ability to pay. The UK government, despite the disastrous record of the Private Finance Initiative (PFI) here at home, is actively promoting PPPs abroad both unilaterally and through the World Bank.

3. Increasing sale of developing county bonds
With interest rates low across much of the 'Western' world private investors are increasingly seeker higher returns elsewhere. This has combined with developing country governments looking towards the bond market as a way to secure much needed revenue. The private investors are willing to overlook the risks of buying up developing country debts in return for the higher interest rates.

4. Debt cycles
Underscoring all of the above is the on-going cycle of debt caused by the fact that there is no fair and transparent mechanism for sovereign debt workouts. While 36 countries received debt relief
under HIPC, many heavily indebted countries did not, such as Pakistan mentioned above. These countries continue to have to borrow simply to keep paying off old loans. In November 2014 the UN General Assembly voted to develop a framework for sovereign debt arbitration. Unfortunately resistance from rich creditor countries has severely hindered the process. But over the past several years Jubilee Scotland has been working with the Scottish Arbitration Centre, academics and international debt experts to develop a framework for sovereign debt arbitration right here in Scotland. Together with Fiona Hyslop, Cabinet Secretary for Culture, Europe and External affairs the framework was launched in 2012. Find out more about the framework on the Jubilee Scotland website on the resources page.

The challenges above, while large, are not insurmountable. People across the world are increasingly aware of the need for fundamental changes to our global economic system and here in Scotland we can help ensure the Scottish government and our representatives in Westminster are taking a stand for debt justice.

Take Action!

1. **Write or email your MP** and ask them to sign the early day motion on ‘Prevention of Debt Crises in Developing Countries’ which calls on the UK government to:
   - Keep giving UK aid as grants not loans, and stop supporting irresponsible lending
   - Support tax justice by backing a UN Intergovernmental Tax Body
   - Support fair global rules on debt at the UN

   Find your MP at: [www.theyworkforyou.com](http://www.theyworkforyou.com) and you can check who has already signed [here](http://www.theyworkforyou.com)

2. Join the EU wide petition calling for [debt cancellation for Greece](#)

3. Sign Jubilee Scotland's [Debt Justice Pledge](#)

4. Invite Jubilee Scotland to come speak at an event to learn more about debt justice campaigning in Scotland – email Ashley at [ashley@jubileescotland.org.uk](mailto:ashley@jubileescotland.org.uk)

Photo credit: BBC news http://news.bbc.co.uk/1/hi/scotland/4577327


Calculated by Jubilee Debt Campaign from DfID International Development Statistics