

The Discourse of Debt: Who owes who?

Rosie VENNOR

A man is standing by a running tap. It flows rapidly, pooling in great puddles around him. He spots a woman walking by. This woman is in debt to him. Ten years ago she borrowed a bucket of water to grow some seeds that he had sold to her (the seeds were faulty and the harvest failed). With interest, she now owes him ten large containers of water. The woman is on her way to her own tap, two hours walk away, to fetch water for her children. He waits. The sun rises overhead and begins to fall again. The woman returns. He takes the full bucket from her and she goes home to her children, empty-handed. The same will happen again tomorrow. The man is standing by a running tap. It flows rapidly, pooling in great puddles around him.

Introduction

The world's poorest countries pay almost \$100 million every day to the rich world.

Jubilee Debt campaign¹

Debt is a word on everyone's lips. We are particularly conscious of individual debt and of the global debt crisis affecting the world's financial markets. However, in the midst of this, let us not lose sight of the \$400 billion worth of unpayable debt that keeps some of the poorest countries of the world in poverty, and robs the world's poorest people of basic healthcare and education. The majority of this debt is left over from reckless lending by the rich world in the 1960s and 1970s, and although some progress has been made in terms of debt cancellation,

thanks to impassioned campaigning both in the global South and North, there is still a long way to go. The Jubilee Debt Campaign is calling for full cancellation of all unjust and unpayable debts, an end to the harmful conditions attached to debt cancellation, and transparency in all future discussions and negotiations.

I'm not an economist. What interests me most is the discourse of debt, the stories we construct, the questions we should ask, and the new narratives that we need to unearth to get to the heart of who owes who?

The Language of Debt

Language might seem like a strange place to start, but I think it is central to how we think about the issues surrounding debt. Words and phrases in campaigning become commonplace and we forget to interrogate them for what they might be hiding. Environmental campaigners are abandoning the term 'climate change' because it is either ignored as something innocuous or it is increasingly hijacked by conservative climate-sceptics as something natural, not caused by our overconsumption of resources. Instead we find new phrases like 'climate chaos' and 'climate crisis', which better emphasise the potential catastrophic impact of global warming if it is not averted, particularly on the world's poorest communities. If 'climate change' has been deconstructed in the world of environmental campaigning, then phrases like 'debt relief' certainly need some careful attention. Debt relief is at best a euphemism; at worst it is masking the true picture of past and present injustices.



Rosie is Links Worker for British SCM. She lives in Birmingham, a city where ten years ago 70,000 people gathered for a peaceful demonstration urging the G7 leaders to cancel unpayable and unjust poor country debt.

Italy has one doctor for every 238 people.

Malawi has one doctor for every 25,000 people.

The language of debt ‘forgiveness’ paints a simplistic picture of the North as beneficial donor and the South as guilty debtor and in doing so is perpetuating a myth. What we need to talk about and uncover is unpayable debt, unjust debt and illegitimate debt. These phrases were first used by campaigners in the South but I’m pleased to see that they are increasingly entering the rhetoric of all debt campaigners. Debts on loans that were knowingly and irresponsibly given by the North to dictators and oppressive regimes thirty years ago are illegitimate and should be cancelled in full. We should also include under the umbrella term of unjust debts those incurred when projects failed due to bad advice by lenders and those which built up when money was lent on unfair terms at excessively high interest rates. Language matters a great deal; it needs to more accurately reflect and reveal the power structures involved in international debt.

Turning the Tables

Who is aiding who, and who owes who a debt? That is the question we have to ask today.

Kumi NAIDOO²

Who is aiding who? It’s a good question and one that doesn’t get asked often enough. The \$100 million a day that the poorest countries are paying as debt to the rich world, scandal though that is, is a mere trickle compared to the torrent of wealth they are losing to the North in terms of people and resources. Think of the so-called ‘brain drain’ – the migration of highly skilled people from the South to the North – and the benefits we reap in the rich world from doctors, nurses and technicians, who were trained at no cost to our economy and yet sustain our health services, while children die in countries like Malawi for want of adequate

healthcare. Italy has one doctor for every 238 people. Malawi has one doctor for every 25,000 people. That’s before we begin to add up the mineral wealth of poor countries that is siphoned off every day by multinational companies with very little profit invested in the communities it came from. There is a continual accumulation of wealth in the North at the cost of the South. Who is aiding who? Let us keep asking the question.

Who owes who a debt? Another important question. To answer it we need the oral stories of slavery and the transatlantic slave trade, the stories of colonialism and the stripping of resources that has occurred over generations. We also need to acknowledge the legacy that these injustices have left behind. We need the stories of the earth itself – of deforestation, pollution and loss of bio-diversity – and of people displaced from ancestral land in the name of profit and development. Who owes who a debt? It’s an uncomfortable question, but let us listen carefully to the answers.

Climate – a new Narrative

Unless the carbon debt is tackled, we will all be environmentally bankrupt.

Andrew SIMMS

(New Economics Foundation)³

There is a growing awareness of the concept of ecological debt and this calls for a new narrative of global debt. Industrialised countries in the North have built up huge carbon debts in recent generations. We are not only using up more than our fair share of fossil fuels but in doing so we are altering the climate itself, a burden which will be felt most by the world’s poorest countries, as floods, the rising sea-level and temperature changes make vast areas



of land in the global South uninhabitable. The Jubilee Debt Campaign estimates that the rich world owes an annual carbon debt of more than \$1 trillion. With the serious consequences of this debt in mind, we can no longer characterise the global South as indebted; the poorest countries are in carbon credit.

Earlier this year the UK government announced a new scheme (the international Environmental Transformation Fund) to help the poorest countries in the world respond to climate change. The hidden, and worrying, detail was that the help will be offered mainly in the form of loans, which will need to be paid back with interest. The incongruity of further indebting poor countries to enable them to respond to a crisis that we have made is something that needs to be challenged. Ecological debt needs to be the central narrative of international conversations around finance and development in the years to come.

Theologies of Debt

If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew.

Qur'an 2:280

We don't need to look far for spiritual narratives around debt. We are steeped in the language and stories of debt, bondage, freedom and justice, throughout the Old and New Testament. The Jubilee Debt Campaign takes its name from the biblical year of Jubilee which speaks of release from debts, re-ordering and redistribution of wealth. In our interconnected world, we can also look to our Muslim brothers and sisters for alternatives to unjust debt. One of the pillars of Islam, *zakar* or almsgiving, prevents accumulation of money in the hands of the wealthy, continually moving

it from the rich to the poor. The Qur'an also condemns the practice of interest (*riba* in Arabic):⁴

Those who devour interest will not stand except as he stands who has been driven to madness by the touch of Satan ... Allah has permitted trade and forbidden interest ... Allah will deprive interest of all blessing (2:275-6)

That phrase 'devour interest' stands out. To devour something implies greed and over consumption. We fool ourselves if we think that overindulgence will bring us blessing and life in all its fullness. It will always be at the expense of the poorest. We are not created as creditors and debtors; we are created as connected people. Fullness of life does not come from uninhibited growth and consumption – but from an equal sharing of risk and responsibility. We need ears to hear and learn from the unjust stories of the past and present, and we need new storytellers who will speak truth to power and deliver us all from unjust debts.

Take Action

Go to www.jubileedebtcampaign.org.uk for up to date campaign details and resources from the UK based Jubilee Debt Campaign. The website also lists contact details for Jubilee Debt movements in other countries.

(Endnotes)

- 1 <http://www.jubileedebtcampaign.org.uk>
- 2 Speaking at the Journey to Justice event in Birmingham 18 May 2008. Watch the speech on Youtube here: <http://www.youtube.com/watch?v=o3jXGDV5avo>
- 3 Andrew SIMMS, 2001. *An Environmental War Economy: The lessons of ecological debt and global warming*. New Economics Foundation.
- 4 Ajaz Ahmed KHAN and Helen MOULD, 2008. *Islam and Debt*, Islamic Relief.