



## **SESSION 6: LIFE & DEBT—PERSPECTIVES FROM THE GLOBAL SOUTH**

**OVERVIEW:** *How can we understand the emergence of the “remittances phenomena” from the historical experience of the global South? How should our understanding of migration, third world debt, colonization and racism inform our strategic demands on the industry? From our governments? This session has been developed in consultation with Jubilee South, a network of debt cancellation campaigns in the global South.*

### **WHAT ARE THE GOALS OF THE SESSION?**

1. To link TIGRA work as part of global campaign against debt & racism
2. To apply frames used by global South campaigns in our work
3. To put remittances, the industry, and Western Union in a global context
4. To deepen our economic literacy

### **HANDOUTS**

- Profile of Debt repudiation campaigns from Ecuador, South Africa and Norway
- “Paying with Our Lives” flowchart
- “Making History...” illustration
- To prepare beforehand:
  - Presentation of Data on Scale of Debt

### **AGENDA & FLOW**

- 10 Minutes    **Introductions, and Overview of Session**
- last in the series of Power & Love curriculum
  - developed in coordination with Jubilee South, a global network of organizations and campaigns to eradicate third world debt
  - important for TIGRA to see our work as connected to, and inspired by, the work and ideas from the global South to better link local and global.
- 5 Minutes    **Brainstorm:** “What are the ways we are in debt?”
- mortgage, credit card, etc., etc.
- “When growing up, what did our parents say about people in debt?”
- irresponsible, don’t know how to take care of their business, they’re probably gamblers, they deserve it because they’re trying to show-off
- “Knowing what we know now, what’s the effect of being in debt?”
- stressful, we have to try to make ends meet, that’s what being “successful” is supposed to be.
- We don’t think too highly of people in debt. We think that they deserve it. It takes a toll on people’s lives. Let’s see how much we’re in debt.
- 10 Minutes    **Input from Facilitator** (put up on butcher paper):
1. Individuals in the United States owe \$7 trillion to financial insti-

tutions—debt service is \$1 trillion/year, nearly a fifth of all workers' wages.

2. Between 1989 and 2001, credit card debt almost tripled from \$238 to \$692 billion.
3. Average Latino household now spends 20 cents for every dollar earned just to service their debt.
4. Payday outlets charge up to 650% interest on short-term loans. Concentration outside of military bases to victimize poor families.

*Bonus Question:* One of the main reasons why people leave their countries is the collapse of their domestic economy. How much do third world countries owe banks and governments in the “developed” world?

- a. \$100B
- b. \$603B
- c. \$1.4T
- d. 2.7T

ANSWER: D. (a) was in 1970, (b) 1980, and (c) in 1990.

5 Minutes **Summary:**

- Being in debt has consequences for individuals, and for countries.
- Debt for individuals & countries increases over time. Never out of debt.
- What we want to answer is: who benefits? Who loses? And in the final analysis, “who really owes whom?”

5 Minutes **Life & Debt—the experience of the global South**

- Developed with Jubilee South, and profiles efforts of three organizations in their network.
- Jubilee South is a network of debt campaigns, social movements, people's organizations, communities, NGOs and political formations. The Jubilee South network aims to and is in the process of emerging and developing as an international South movement on the debt. It has members from over 40 countries from the regions of Latin America and the Caribbean, Africa and Asia/Pacific, composed of 85 groups.

**Ask people to stand up. Practice theater movements.**

- Reach up to the sky like a big tree
- now you're a tree in a typhoon...the typhoon has passed...

We'll do Theater Skits of THREE examples of how the global South has experienced debt, and put forward ideas of addressing debt.

- We hope to learn how they've tackled this issue, and apply it to our experience with Money Transfer Industry.

25 Minutes **Profile of three countries: South Africa, Norway, Ecuador**

- Divide into three groups. Give profile.
- Directions: Read the profile to each other. Do a short skit that shows people the central idea of how these organizations dealt with debt. And then after your skit, tell us about your profile.

15 Minutes **Skits & short profiles**

10 Minutes **Summarize Key Themes:** *(Write on easel pad)*

- Flip the script on who is a “creditor” and the “debtor”-- The North “owes” the South for stealing our wealth.

- Concept of “illegitimate debt”—this was “forced” on us
- Demand for reparations as a call for justice

**Adapting these Themes in the Money Transfer Industry**

5 Minutes

A. Re-cap of how it works: use “arrows” from first session

5 Minutes

B. Examples of **investments** of Industry: (*prep on easel pad*)

1. **Goldman Sachs** is one of **Western Union’s** investors, and they are the key players in promoting bonds that dig countries further into debt;
2. **Wells Fargo** provides financing to **Payday loans** and other “fringe banking” companies that take advantage of poor & people of color;
3. **CitiGroup** is main shareholder of Climax Mining which is engaged in gold and copper mining that endanger tribal lands in the Philippines.

5 Minutes

**Our families pay for their greed with our lives. <handout>**

Remitter sends money from...	Charges per year	# of work hours at Min. wage in state	# of work days in Mexico City, San Salvador, Manila (\$5/day)
California	\$224	33 hours	45 days of work
North Carolina	\$273	53 hours	55 days of work
New York	\$247	36.5 hours	49.3 days of work

If we didn’t have to pay these charges, we can pull 33 million people globally out of poverty.

15 Minutes

**Learning from the global South:** If we were to learn from our brothers and sisters from the global South, those that said, “We are the creditors, the North are the debtors”, what would we say to this industry that has taken advantage of our love and our money?

- We are the backbone of this industry, therefore we have a say on how you deal with us.

**• Take the Pulse and a Poll:**

Q1: What should we tell the industry on how they invest our money?

- should they invest in bonds that lead to more debt?
- should they invest it in projects that displace communities?
- where else should they invest, or not invest in?

Q2: What should we tell the industry on how they can do reparations?

- invest \$1 per transaction to projects that assist communities?
- issue an apology for exploiting our expression of love?
- what else?

- We will Integrate this poll into the Transnational Community Benefits Agreement, as the platform of demands on the industry.

5 Minutes

**Concluding Remarks**

- This campaign is part of the global South effort to reclaim dignity for our families, communities, and peoples.
- Our contribution to this as people in the North is to “flip the script” with an industry that has taken advantaged of our families across borders.

**Total Time: 2 hours**

## HANDOUT

Power of Love & Money curriculum, Session #6: "Life & Debt"

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**IF WE DIDN'T PAY THESE CHARGES, WE WOULD PULL 33 MILLION PEOPLE AROUND THE WORLD OUT OF POVERTY.**

## **Apartheid Debt as Illegitimate Debt: Reparations Now!**

During the 1970's and up until the mid-1980's, Barclays Bank was a major financier for the Apartheid regime. Barclays helped the Apartheid regime to acquire over US\$478 million worth of loans from 1972-1978, and, between 1982 and 1984 Barclays' loans to South Africa totaled US\$725.4 million.

Today, apartheid, which was universally condemned as a crime against humanity lives on through the apartheid debt.

However, the banks and businesses consistently ignored attempts to engage with them in discussion about their role in supporting broad social programmes for the reconstruction and development of affected communities and in compensating specific individuals for the damage that they made possible. Multinational corporations must be put on notice that complicity in crimes against humanity does not pay.

Jubilee South Africa demands that Barclays National Bank Ltd must apologize to the South African people for the support it gave to the Apartheid regime, it must pay reparations to those who have suffered from its actions. This is a unique opportunity for Barclays to approach South African society in an ethical and constructive manner, and to break with its unpleasant past.

In addition, Jubilee South Africa calls on all multinational corporations that were complicit in implementing and sustaining the system of apartheid to:

- Acknowledge that profiting from apartheid was a crime against humanity and was wrong;
- Respect the right of citizens to legal recourse and not to use their economic and political power to unduly influence the positions of public representatives and decision-makers to stop the call for reparations;
- Acknowledge that the rule of international human rights law must be upheld; and to
- Immediately provide reparations to the people of South Africa without having to wait for the lawsuit to take its course.

**Excerpted from: <http://www.apartheidreparations.ch/en/suedafrika.php>**

## **Ecological Debt**

Ecological Debt is the obligation and responsibility that the industrialized countries of the North have with the countries of the Third World, for the looting and use of its natural goods: petroleum, minerals, forests, and marine resources; to the cost of the human energy of their people and of the destruction of their natural heritage and sources of sustenance.

The Ecological Debt was initiated during the colonial era and continues increasing up to the present time.

Indeed the living standard the North enjoys owes a great deal to the immense flow of natural resources, financial resources and work, (either as slave labor or underpaid and-valued workers) of the countries of the Third World, which do not take into account the social and environmental damages caused by the extraction of these goods. That is to say that we, the impoverished countries of the South, are subsidizing the rich countries of the North.

Using this definition, the poor of the Third World are the principal creditors of the ecological debt. The debtors are the wealthy of this planet:

- 20% of the world's population living in the highest income countries make 86% of all consumer purchases while the poorest fifth buy a minuscule 1.3%;
- The richest fifth consume 58% of all the energy used by humans while the poorest 20% use less than 4%.
- For every \$1 borrowed in 1980, third world countries have paid back \$7 to the North, but still owes \$3. This has led so-called "debtor" countries to open up their economies to multinational corporations that extract wealth to the North.

The first step to repay this debt is for unconditional repudiation of all debts "owed" by the global South to governments, banks, and corporations of the North.

**Excerpted from: Accion Ecologica, a network of organizations committed to sustainable development in Ecuador.**  
**[www.accionecologica.org/webae/index.php](http://www.accionecologica.org/webae/index.php)**

## **Debt Cancellation w/o Conditions: Norway sets Standard for Rich Nations**

In October 2006, the Norwegian government took the unprecedented step of accepting that its own bad lending in the past was responsible for debts being paid by five poor countries – and cancelled these debts without conditions. Kjetil G. Abildsnes, chair of Jubilee Norway, described it as "simply historic". The Norwegian Jubilee Campaign and Norwegian Church Aid have long been campaigning for cancellation of Norway's illegitimate debts.

Norway is canceling, without conditions, a total of US \$80 million of debts being paid by Ecuador, Egypt, Jamaica, Peru and Sierra Leone. The debts came from loans incurred through Norway's 'Ship Export Campaign' between 1976 and 1980. During the campaign, Norway propped up its own shipbuilding industry by encouraging poor countries to take out loans to buy Norwegian-built ships. Many of the ships were useless (such as big fishing ships sold for use on the narrow Nile River) or had to be rebuilt.

The Norwegian government, in its statement, accepted that the loans were made without conducting proper "needs assessment and risk analyses" and that many of the projects were "economically unsustainable". It concluded that the loans should not have been made, that the campaign was a "development policy failure" and that Norway therefore "has a shared responsibility for the debts that followed".

A statement from Jubilee South after the victory reads:

“(Your campaign) has a special place in our hearts as you were one of the very first Campaigns in the north to be in full solidarity with Jubilee South efforts to raise the issue of illegitimate debt globally and even made illegitimate debt as the major focus of your campaign. It would not have been possible without your tireless efforts, especially in the early days when the issue was not too popular and the challenges seemed almost insurmountable.”

Excerpted & edited content from Jubilee Debt Campaign in the UK & Financial Times Limited

# Making History Through the Power of Love & Money

Follow the Arrows:



\$0.85  
financial transaction

\$1.00  
SAP, loans, free trade



Banks  
Corporations  
Governments

\$1.00  
sending love  
through remesas

\$7.00  
privatization, devaluation &  
reduction of public services  
still owes \$3.00



natural disasters

poverty

war



moving to provide for family

poverty

hard work

loneliness

racism