



Maryknoll Office for Global Concerns Policy Briefs 2024

Global Debt Crisis Needs Jubilee

See

Inspired by the gospel and Maryknoll missionaries' commitment to stand with vulnerable communities around the world, we offer See-Judge-Act briefs as resources on the intersection of global policy and Catholic social thought.

A quarter of a century ago, the “Jubilee 2000” campaign led to the cancellation of more than \$100 billion in debt owed by 35 of the world’s poorest countries. Twenty-five years later, global public debt keeps rising, forcing many lower-income countries to spend more on debt repayments than on climate, health, and education priorities.

The German Catholic Bishops Conference’s [Global Sovereign Debt Monitor](#) reveals that, in 2024, countries in the Global South will have to make more debt service payments to their external creditors than ever before. In 130 of the 152 countries surveyed in the Global South, 55% are critically or very critically indebted, in contrast to only 37% before the covid-19 pandemic.

More than USD 1 billion a day is needed for debt service payments. According to the UN report titled [A World of Debt](#), more than 3.3 billion people – almost half of the world’s population – live in countries that spend more on debt service than on education or healthcare. The UN Secretary-General calls this downward spiral a ‘systemic failure’ of the global community.

Heavily indebted countries are often compelled to export extensively because earning a foreign trade surplus is the only way to obtain the hard currency required for debt repayments. This often forces countries to take drastic measures: they restrict their citizens’ consumption, neglect sustainable development and labor rights, and harm the environment. These connections highlight that the global debt crisis is a major cause of famines and a significant reason for the world’s failure to achieve the UN’s Sustainable Development Goals.

No lasting solution to the debt crisis has emerged. Existing debt workout mechanisms are inadequate and heavily influenced by the interests of creditors.

In response to debt crises, many countries must adopt extensive austerity measures – partly because creditors are rarely willing to cancel their claims. This often means

deep cuts to basic social services. In **Sri Lanka**, for example, the steep rise in food and energy prices severely impacts people’s daily lives. At the same time, social benefits are reduced, with access to free education and universal healthcare increasingly restricted. As a result, malnutrition, school dropouts, and youth unemployment are all increasing.

The situation in **sub-Saharan Africa** is particularly problematic: The [Global Sovereign Debt Monitor 2024](#) finds that 67% of sub-Saharan African countries belong to the group of critically or very critically indebted countries. One of the reasons for this is that in 2022, the economy in sub-Saharan Africa grew much more slowly than other regions of the Global South. Although public debt is growing in all regions, only in Africa it is growing faster than GDP.

Heavily indebted countries like Sri Lanka, Malawi, Zambia, and Ghana need the fiscal leeway necessary

Spotlight on Africa

The majority of African countries spent more in 2023 repaying external debts than on healthcare or education – and in some cases both.

- In **South Sudan**, where millions are facing hunger, more than 10 times more is spent on external debt than on healthcare.
- In **Malawi**, where just 15% of children finish secondary school, twice as much is spent on debt as education.
- In **Kenya**, deadly protests erupted this summer after the government attempted to raise taxes to mitigate a debt crisis that saw interest payments swell to absorb almost 60% of total government revenues.

- *Between Life and Debt* by Christian Aid

for pursuing development and transforming into sustainable societies. This means addressing the climate crisis must take center stage – something only debt relief can allow.

A major challenge remains to unite all stakeholders and creditors to negotiate adequate debt relief. Unfortunately, the creditor landscape is more complex than it was 25 years ago. Most claims against the Global South now are held by private creditors, including many hedge funds licensed in the state of New York and in the UK, followed by the World Bank and IMF. However, official bilateral creditors such as the United States and EU nations also are important. They can work to ensure fair debt relief. They especially have political sway over private and multilateral creditors: 70% of claims against the Global South are held by entities in the EU and G7 nations.




Prayer: May the grace of the Jubilee reawaken in us, Pilgrims of Hope, the yearning for heavenly treasures and pour over all the earth the joy and peace of our Redeemer. Amen.

Judge

Pope Francis [announced](#) 2025 to be a Jubilee year in the Catholic church, a year of forgiveness, reconciliation, and hope that occurs every 25 years. The vision of Jubilee is most fully explained in the Book of Leviticus (25: 1-55) as a time to cancel debts, restore community, and establish freedom from debt bondage.

The Jubilee 2025 vision includes principles of Catholic Social Teaching such as upholding life and dignity of the person, care for the common good, preferential option for poor and vulnerable, and care for creation.

Jubilee 2025 also puts to right the three principles of justice that are violated by the debt crisis: fairness in all agreements, allocation of income and wealth in light of those with unmet needs, and participation of all in society.

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Maryknoll Experience



"Living a life of sharing in Tanzania tells me I am never alone. I depend on my neighbor and my neighbor depends on me. We wait for the rains knowing without them there'll be no harvest. Hunger would be our lot. But today we are together and we have what we need for right now. We sit chatting, laughing and singing as we prepare the maize for the evening meal. Yes, there's always laughter. Why not, we are alive and God is caring for us."

– Sr. Patricia Gallogly, MM

Act

Three Ways to Take Action

- **Sign up** to receive our action alerts to tell your elected officials to end unjust debt and renew hope.
www.maryknollogc.org
- **Join** the Jubilee USA Network to connect with Catholics around the world for Jubilee actions in 2025.
<https://www.jubileeusa.org/>
- **Share** this resource with those around you.