

Drop ~~it!~~

The magazine for Debt Justice

SUMMER 2022



**Stop BlackRock:
Cancel the Debt**



The new name for Jubilee Debt Campaign

A message from Heidi Chow,

Executive Director of Debt Justice



No one should be forced into debt just to put food on the table or to keep the lights on.

Yet right now, 54 countries are in debt crisis and almost half of all adults in the UK are in debt or fear falling into debt in the face of soaring living costs.

Why we need Debt Justice.

Welcome to your summer issue of *Drop It!* Earlier this year we relaunched our organisation, changing our name from Jubilee Debt Campaign to Debt Justice. Thank you so much for all your feedback and ongoing support. Together we celebrated our past campaign successes and reaffirmed our commitment to win debt justice at this time of crisis.

Over the past few years debts have been on the rise, making our campaigns and calls for action more urgent than ever. That is one of the reasons why we relaunched our organisation this spring, to appeal to new activists and supporters so we can grow the movement for debt justice. Thank you so much for your continued support for our campaigns, it really is the backbone of our work, and together I know we can build a powerful, global movement for change.

In this issue of *Drop It!* you'll find updates on our campaigns, as well as highlights from our 26 year history. I look forward to campaigning alongside you in the years to come!

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Heidi Chow
Executive Director, Debt Justice



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BlackRock, Zambia and the global debt crisis

Right now, there are 54 countries in debt crisis. This means that debt is undermining governments' abilities to protect the basic economic and social rights of citizens.

Debt levels shot up during the pandemic, and in response the G20 introduced a new international process called the Common Framework, through which countries should be able to get their debts reduced and even cancelled.

Zambia is one of the first countries to try and apply for debt relief through this process. The country is in a huge debt crisis, with spending on social services falling by 21% between 2019 and 2021. The country urgently needs debt cancellation to help meet the needs of its citizens and fund healthcare, education and other social services. Altogether, Zambia is spending three times

more on debt repayments than health, education and sanitation combined.

The asset manager and financial giant BlackRock is one of their biggest lenders. It could make \$180 million profit for itself and its clients out of its investment in Zambian bonds if the debts are paid in full, which is 110% return on BlackRock's original investment.

Some countries that have lent to Zambia, including China, France and Japan have already suspended some of Zambia's debts. But so far BlackRock is refusing to change its policy, despite calls from Zambian civil society leaders and the government. Isaac Mwaipopo, a member of the Zambian Debt Alliance said:

"Zambia's debt crisis is preventing people getting access to healthcare, education and other social services. We urgently need all of Zambia's lenders, including BlackRock, to agree to cancel debt so we can recover from the Covid pandemic and the economic crisis we face. Loans were given at high interest rates, and have been trading at low prices, so it is only fair lenders agree significant debt cancellation, rather than making mass profit out of the Zambian people."

→ **Read more:** www.debtjustice.org.uk/StopBlackRock

Campaigners protesting outside BlackRock's head office in London



GLOBAL DEBT CRISIS

What happens with Zambia's debt will have a real impact for other countries. If the Zambian government are able to win debt cancellation from BlackRock through the Common Framework process, then it will encourage

more countries to apply for debt relief. But if they aren't able to make any progress then countries will be left in limbo, paying off huge debts while cutting their spending on public services.

Right now, the Zambian government is in negotiations with BlackRock. They are calling on the company to do the right thing and cancel enough debt to make it sustainable, debt

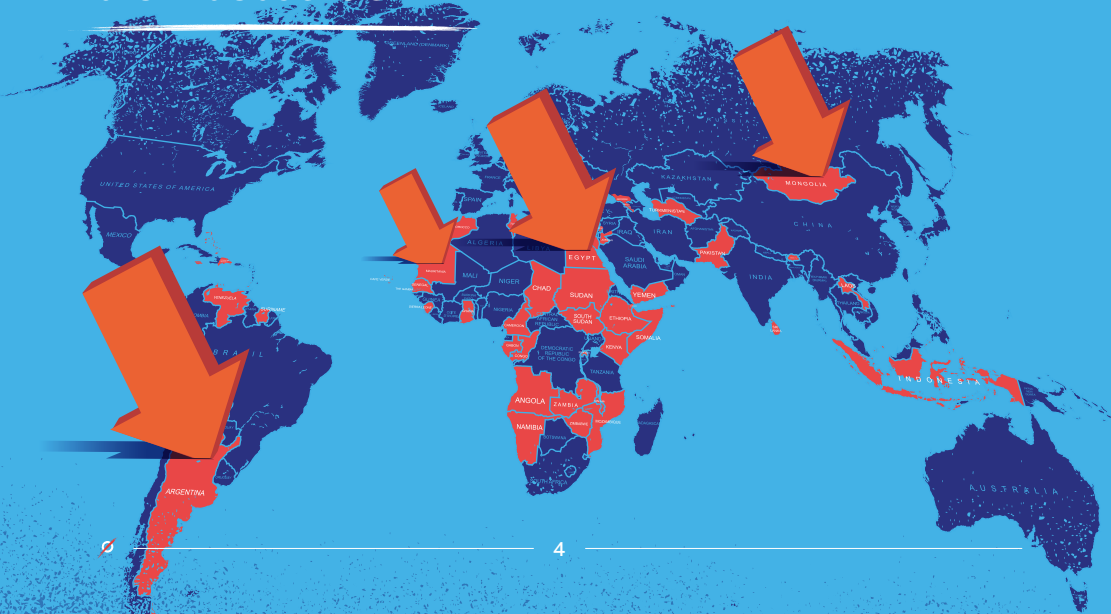
through which BlackRock are currently making such enormous profits.

In April, Debt Justice campaigners paid BlackRock a visit, taking our message to their London and Edinburgh offices. Thousands of us signed petitions, contacted them on social media and helped get media coverage for our campaign. But in order to make sure they feel even more pressure, we need thousands more of us to get involved in the campaign.



→ **Take action:** send back the enclosed card or joining online at www.debtjustice.org.uk/StopBlackRock

Right now 54 countries are in debt crisis





GLOBAL DEBT CRISIS

The colonial roots of Jamaica's debt

Many countries current debt crises are rooted in the economic and social exploitation of the past, that has created the economy we know today.

Jamaica is a Caribbean island with a population of 3 million people. It is currently in debt crisis, diverting almost a quarter of government revenue this year in debt repayments to wealthy lenders that could otherwise be spent on improving the lives of citizens.

The roots of Jamaica's debt can be traced back to colonialism. As a former British colony, Jamaica experienced centuries of slavery, plunder and exploitation at the hands of its colonial rulers. The country gained independence in 1962 after decades of struggle, but inherited a weak economy in a global system already rigged against them, undermining its ability

to provide for the population. This colonial legacy meant Jamaica had no choice but to borrow.

Powerful wealthy creditors were more than happy to lend - they could make a large profit from charging high interest rates if paid back in full. But a series of economic shocks in the 1970s and 80s pushed Jamaica into debt crisis meaning the government could no longer repay.

Facing a debt crisis, Jamaica turned to the IMF and World Bank for assistance - institutions dominated by former colonial powers. Rather than provide debt relief and force irresponsible creditors to take responsibility, the IMF and World Bank provided new loans to Jamaica and

forced it to implement economic reforms in return.

These reforms, including opening up to foreign trade and cutting public spending, were supposed to enable it to repay loans in the future. But in reality, wealthy corporations and governments benefitted from greater access to Jamaica's market while its economy stagnated, and people suffered.

Middle-income countries are often excluded from debt relief initiatives and so Jamaica has had little choice but to continue to seek support from the IMF time and time again. While Jamaica may have

👏 People are unable to finance themselves when it comes to medication. So they have to live on the mercy of other people, or they die.

Interview with community and health workers in Jamaica

gained independence, it is still experiencing plunder and exploitation from former colonial powers through debt, like so many other countries.

→ **Take action:** Add your name to our campaigns for debt cancellation
www.debtjustice.org.uk/campaigns





Debt and the Cost of Living crisis in the UK

Our recent polling which was splashed on the front page of the Daily Mirror found that a staggering 25 million people, half of UK adults, are now in debt or concerned about falling into debt. Three million people also believe they will fall into debt over the next six months as the latest cost of living crisis pushes more UK households into the red.

This crisis has been years in the making, with stagnating wages and savage cuts to the social safety net forcing increasing numbers of people to borrow to survive. After the pandemic hit, gaps in government support meant the number of people who were 'over-indebted' reached around 8.5 million - that's nearly 15% of adults finding bills and debt repayments a heavy burden. Our recent analysis, reported in the Guardian, calculated that a further 1.3 million people became over-indebted last year, before inflation hit a four decade high.

The crisis is now impossible for politicians and the media to ignore, but unfortunately there is still a

considerable gap between the depth of the crisis and the seriousness of the solutions emanating from Westminster. As well as taking urgent action to prevent more people being pushed into debt, we need to tackle the existing household debt burden.

Every single day millions of pounds of bad debt is devalued by lenders and sold on through the so called 'secondary debt market'. Hard to collect arrears from banks, energy companies and high-cost lenders is bought by debt collectors for pennies in the pound on the expectation that will collect more than the amount they paid for. This opaque market is considerable in size, estimated to be around £59 billion 2019,

COST OF LIVING CRISIS IN THE UK

25 million people

half of UK adults, are now in debt or concerned about falling into debt



14 million

could be unable to afford energy price hikes



Credit card borrowing is rising at its fastest annual rate in 17 years

and generates returns of up to 800% for those that can successfully extract money out of people in debt.

We are proposing that the government buys out up to £6 billion of hard to collect debts on the secondary debt market, which we estimate would purchase debt with a face value of around £30 billion. To ensure this 'jubilee fund' is revenue neutral just £6 billion would be collected. This would unlock £24 billion worth of debt relief, giving millions of people struggling with debt a fresh start.

No more sticking plasters, we need solutions that match the scale of the crisis.



🍌🍌 Our campaign challenges the idea that debt is the natural solution to the effects of poverty and privation. On the contrary, it tightens the grip of privation, disables public services, and prevents people from taking charge of their lives.


Rowan Williams, Former Archbishop of Canterbury

The UK's personal debt crisis has been hitting the headlines. More and more people are being forced to turn to debt just to pay for essentials.



The debt trap

People get into debt for different reasons, but once in debt it's very hard to break free. This is Linda's story explaining why it's so hard to get out of debt.

 Initially I got into debt because my now ex husband enjoyed acquiring, and spending on, a large number of credit cards which he put in my name and expected me to pay. On our divorce he left me to pay his debts.

I tried over many years to get clear but, inevitably, it was like Sisyphus pushing a rock up a hill. Ultimately, having left my job as a teacher and becoming self-employed, I concluded that the only way out was bankruptcy.

Once the year of bankruptcy is over credit card companies encourage you to take and use cards as a means of improving your credit score. Unfortunately, because of your record, these are

at even higher rates. I tried to use them only in emergency situations such as high car repair bills but they have a habit of building and it takes very little in the way of a financial problem or temporary reduction in income to cause the further use of the credit card and so the cycle continues.

By careful budgeting I'm hopeful that I will clear my debt by this time next year (40 years after the initial use of a card) but it has been very stressful.

If you or anyone you know anyone who is having problems with debt contact information for debt advice agencies is shared below.

IN ACTION

We've been a campaigning force for over 26 years.

These pictures tell the story of some of our shared campaigning history.



1999 On the steps of St Pauls in London as part of the Jubilee 2000 campaign



2005 Calling for Debt Justice at the Make Poverty History rally



2006 World Poverty Day rally

2012 Stop vulture funds

2021 Campaigning at the COP26 summit in Glasgow



DEBT ADVICE

We don't provide debt advice, please contact the organisations below if you need debt advice or support.

ADVICE

Christians Against Poverty

www.capuk.org

Tel: 0800 328 0006

Citizens Advice:

www.citizensadvice.org.uk

Tel: 0808 223 1133

StepChange:

www.stepchange.org

Tel: 0800 138 1111

National Debtline:

www.nationaldebtline.org

Tel: 0808 808 4000

You can also search free and independent advice agencies in your community using: www.advicelocal.uk and <https://advicefinder.turn2us.org.uk>

SUPPORT

These organisations can help with advice and support for the worry and stress that often accompanies problem debts.

The Samaritans:

www.samaritans.org

Tel: 116 123

Mind: www.mind.org.uk

Tel: 0300 123 3393



Order campaigning materials
and more editions of Drop It!
www.debtjustice.org.uk/materials

ABOUT DEBT JUSTICE

We are a campaigning organisation dedicated to ending unjust debt and building a fair economy for all, here in the UK and across the world.

STAY CONNECTED

 @dropthedeht

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BLACKROCK: Cancel Zambia's Debt

Zambia is in the middle of a huge debt crisis. Debt payments are more than health, education and social protection spending combined.

As one of Zambia's biggest lenders, Blackrock refused the request to suspend debt repayments during the pandemic as did other global banks.

If paid back in full BlackRock could make 110% profit. The government is currently negotiating with BlackRock as to whether or not they will cancel their debts.

Stand with Zambian campaigners calling for BlackRock to #CancelTheDebt

Add your name to the petition.

Please sign and tear off the card below and send it back to us.

→ or you can take action online:

www.debtjustice.org.uk/stopblackrock



Detach here

BlackRock: Cancel Zambia's Debt

Our world can be one where countries like Zambia don't have to choose between funding public services and debt repayments.

Larry Fink, CEO of BlackRock, I'm calling on you to cancel Zambia's debt now.

Signed

Name

Address

Postcode

Email

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**Larry Fink,
BlackRock CEO:
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