

A Debt-free Start!

English Language Teaching Materials
on

World Debt
and the Jubilee 2000
Project



Clear Word

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The exercises were originally published in:

“Year 2000 - English Language Resources on Millennium Topics” by Ken Fitchew, published by Clear Word (address above), ISBN: 0-9537816-0-7

Introduction

These two units are designed for use in English teaching classes. They provide an introduction to the problems of international debt for poor countries, and the proposals for debt relief to mark the year 2000.

The exercises are part of a collection of English teaching resources in ‘Year 2000’, published by Clear Word (see below left). These two exercises are based on ideas from ‘Breaking the Chains’ published by the Jubilee 2000 coalition.

The exercises are accompanied by a cassette, which provides a listening exercise for each unit, in the form of an interview.

To the Teacher

These two English-teaching exercises have retained the unit and page numbers from the publication ‘Year 2000’, from which they are taken. Both are aimed at introducing the problem of the debt of poorer countries, and the campaign of Jubilee 2000 for much of this debt to be cancelled in the year 2000.

Unit 7 is suitable for lower intermediate or intermediate classes. It includes vocabulary on lending and borrowing, a listening exercise on the cassette and a short writing exercise.

Unit 8 is for upper intermediate or advanced groups. It includes discussion, more difficult reading and listening exercises and a writing exercise.

Teachers’ notes are provided at the beginning of each unit. These are followed by the photocopiable worksheet, marked **Photocopiable** in the footer.



The two listening exercises are on the accompanying cassette. Teachers are strongly recommended to obtain the cassette from Jubilee 2000 since it uses native speaker voices. However, the tapescripts are included in the Teachers Notes for each unit, and so teachers can make their own recordings if the cassette is not available.

Both the units are modular, and so it is possible to use just part of a unit as a ‘filler’ in a lesson, or for homework.

Ken Fitchew

May 2000

7

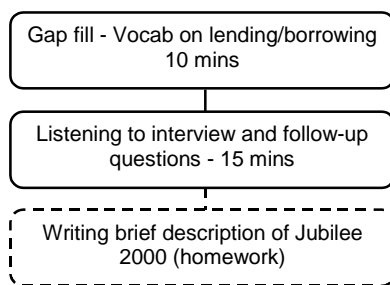
7 Jubilee 2000: A debt-free start for a billion people (A)

Level: Lower intermediate to intermediate

Language Points: Listening, vocabulary on lending/borrowing, writing.


Background: This exercise focuses on a project to celebrate the Millennium by assisting poorer countries of the world. Jubilee 2000 proposes that much (not all) of the debts of poorer countries should be cancelled. A gap-fill revises vocabulary on lending/borrowing, leading to a listening exercise. The subject lends itself to ad hoc class discussion with appropriate groups.

Overview:



Preparation: Photocopy the work sheet (page 25) for each student. Find Recording B on the cassette.

Procedure:

- 1 Hand out the sheets and ask the students to complete the gap-fill exercise.
Answers: (1) lent, (2) borrowed, (3) owed, (4) pay back, (5) owe/borrowed, (6) in debt, (7) pay back/repay, (8) owe, (9) borrow, (10) interest, (11) borrow, (12) interest, (13) cancelled, (14) lent, (15) loan.
- 2 Ask the students to circle the answers to the 'reflection points'. Spend a minute or two in open discussion on the questions.
- 3 Explain that some countries have borrowed money and cannot afford to pay it back. (The reading exercise and tapescript from the next unit will help provide background to this - see pages 26 and 29)
- 4  Listen to Recording B. First make sure that the students understand the questions. When you have finished, check the answers to the questions. and listen to the recording a second time.

- 5 The final exercise is for writing practice, and could be set as homework. Make sure that the students practise using the new vocabulary.



Tapescript - Recording B (2' 11")

- K Sally, you support the organisation Jubilee 2000. What's the purpose of Jubilee 2000?
- S Jubilee 2000 wants to help the poor countries in the world. The rich countries lent a lot of money to these poor countries. But now the interest rates are high, and the poor countries can't pay. They can't even pay the interest, and certainly can't pay back the money that they borrowed. In fact many countries pay more in interest each year than they receive in help. It is clear that some countries will never be able to pay this money back. So we think that the richer countries must do something about this.
- K What exactly is Jubilee 2000 asking for?
- S We believe that the richer countries should cancel this debt, so that the poor countries have a chance for a better future.
- K Do you mean all debt?
- S No, some countries can pay at least something. But we think that a lot of debt is 'unpayable' - that's it can't ever be paid back. This is the debt we think should be cancelled.
- K Why are you asking for this now?
- S We believe it would be good to do this for the year 2000. Lots of people want to celebrate the year 2000. So we think that it would be a very good and generous to celebrate it in this way, and it will give the poor countries a new start.
- K Where did the name Jubilee 2000 come from?
- S Well, in the Hebrew scriptures, it says that debts should be cancelled after every 50 years. This was the Year of the Jubilee. So, people thought that it would be good to make the year 2000 a year to cancel debts - a modern Jubilee.
- K Who are members of Jubilee 2000?
- S Jubilee 2000 is a sort of umbrella organisation. There are groups in 50 different countries. In Britain over 90 different organisations belong to it, including aid agencies, religious groups and many other groups with a concern to help people.
- K Thank you very much.

Jubilee 2000: A debt-free start for a billion people (A)

- 1 Use a word from the box to complete the sentences. You may need to change the form of the verb. You need to use some words more than once.

Last week Wayne (1) _____ me 10 dollars. Yesterday I (2) _____ another 10 dollars from him, so now I (3) _____ him 20 dollars. Tomorrow my company will pay me a month's salary, and in the evening I will see Wayne and (4) _____ the money that I (5) _____. I don't like being (6) _____, and like to (7) _____ what I (8) _____ as soon as I can.

If you (9) _____ from a bank, you have to pay (10) _____ on the money that you borrow. The total amount that you owe is the amount that you (11) _____ plus the (12) _____.

"Hello, Wayne! I'm sorry that I am late. My train was (13) _____, and I had to wait one hour for the next one. Here is the money that you (14) _____ me. Thanks very much for the (15) _____. It was really helpful."

lend	interest	borrow	owe	pay back	loan	in debt	cancel
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- 2 Read the following statements. Circle the statements that apply to you.

A

- 1 I never borrow money.
- 2 I sometimes borrow money from family or friends.
- 3 I buy things using credit cards or loans.

C


- 1 I can always pay back the money that I owe.
- 2 I don't have enough money for monthly re-payments and have to miss out on other things.
- 3 I don't know how I will ever pay back all I owe.

D

- 1 If people borrow money, they should pay it back.
- 2 Banks should not lend money to people that don't earn enough to pay it back.
- 3 You shouldn't borrow money if you think it might be hard to pay it back.

F

- 1 I only lend money to people who are sure to pay it back.
- 2 I never lend money - it always leads to trouble.
- 3 If you let someone off a debt, they want to borrow more.

- 3  Listen to a recording in which Sally Rush, a mother and student in Ipswich, answers questions about Jubilee 2000.

Q1 Who does Jubilee 2000 wish to help?

Q2 What is Jubilee 2000 asking for?

Q3 In how many countries are there Jubilee 2000 groups?

- 4 Write a short paragraph describing Jubilee 2000.

8

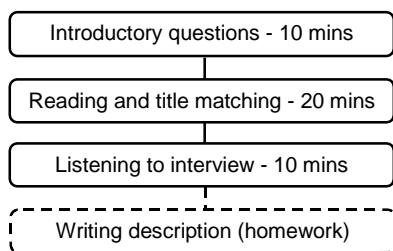
8 Jubilee 2000: A debt-free start for a billion people (B)

Level: Upper intermediate to advanced

Language Points: Reading; vocabulary (finance); listening; writing a summary.

Background: This focuses on a project to celebrate the Millennium by assisting poorer countries of the world. The core is a reading exercise describing the background, followed by a taped interview giving a little more detail on the project. However, the subject lends itself to ad hoc class discussion with appropriate groups.

Overview:



Preparation: Photocopy the work sheet (2 sides, pages 28-29). Find recording C on the cassette if you plan to use that part of the exercise.

Procedure:

- Handout the worksheets and ask the students to circle the answers to the 'reflection points'. Spend a minute or two in open discussion on the questions.
- Tell the students that they are going to read about a programme to reduce the debt of poorer countries of the world. The reading text describes how the problem arose.
- The reading exercise offers the chance for teaching some new vocabulary, particularly related to finance.

Finance: *generate, wealth, industrialising, massive profits, deposit, interest, investments, loan, inflation, low and middle income, debt, return, value, cash crop, indebted, creditor, default, reschedule, privatise, burden, budget.*

Other: *bad news, awash, shock waves, burden, eaten up.*

Answers: 1-D, 2-H, 3-B, 4-I, 5-C, 6-E, 7-A, 8-F.

- Listen to the taped interview with a member of staff of Jubilee 2000, asking the students to make notes of new information that they have learned.
- If you include the exercise on summary writing, make it clear that the purpose is to provide a summary of the Jubilee 2000 project. It is not a summary of the article, which concentrated on the

historical background. The introduction to the article and the information on the tape are more relevant.

Remind the students to think carefully about who is likely to read the summary. Here is a possible answer.

"The Jubilee 2000 Campaign aims to solve the problem of debt for the poorer countries of the world. Many of these countries cannot afford even basic needs like health and education because they have to pay so much interest on their debt. Jubilee 2000 suggests that cancelling much of this debt would be a positive way of celebrating the start of the new Millennium, allowing these poorer countries a fresh start from the year 2000."



Tapescrpt - Recording C (3' 48")

- K Nick, to start with, can you tell us simply, what is the aim of Jubilee 2000?
- N The aim of Jubilee 2000 is to cancel the poorest countries debts as the best way to celebrate the Millennium. We want the money that is now being paid to the rich countries to be used instead for health, education, sanitation and clean water.
- K What's the scale of the problem? Have you got any figures to help us understand this?
- N Well the 52 poorest countries are owed 350 billion dollars [Note - this was a mistake - it means 'owes'], and the scale is a huge one really. For every one pound we give in aid to the poorest countries, we get back nine pounds in debt repayments.
- K Who do you mean by 'we'?
- N We being the countries, the rich countries, the rich industrialised countries in the North.
- K Have you any personal experience of the Third World, as we might term it?
- N Well, I stayed in Tanzania for a short while, and one thing I noticed very soon after I arrived was that the students in the local school only studied in the first - in the morning, and not the afternoon. And when I asked why this was, they said that they had had such huge cutbacks in their education budgets, that they - that students were only having one bowl of black tea in the morning, and nothing till evening. So they had no energy to study in the afternoon. And that very clearly brought back to me that when countries are paying money on debts and not in education, that affects very ordinary students.
- K Has this always been a problem, or has it arisen just in the last few years?
- N Countries have been in debt for many centuries, but the particular scale of this problem is new. It really happened in the 1980s, when some

countries like Mexico said that they could no longer pay the huge amounts of debt that had built up. And that problem has particularly struck Africa now, so almost the entire continent of countries have debts that they will never be able to repay.

- K So what exactly are Jubilee 2000 proposing? Is it that all debt is cancelled?
- N Jubilee 2000 is proposing to cancel the unpayable debt of the world's poorest countries - that does not - for about 52 countries, we estimate, most of them will need total cancellation; some of them will need partial cancellation. The key thing is to release the money that has been used on paying debts into the areas that do need it - for development and for attacking poverty.
- K I gather Jubilee 2000 is actually made up of many groups, from many different countries. Who are you, and where did the name come from?

N The name Jubilee comes from the Hebrew scriptures, and it was a principle that the Jews were called upon to follow, which was that every 50 years, debts should be cancelled, slaves should be freed, and land should be restored to its original owners. It was a principle that said that society becomes unequal, and you need to address this at periodic intervals. So Jubilee 2000 was inspired by that principle. And we are saying that year 2000 is a key time to cancel debts, to give countries the chance to start again. And we have about 100 organisations, churches, women's organisations, trades unions, the music industry, a whole number of organisations have come together to support this in Britain. And there are also over 60 campaigns like us around the world, all united in calling for a debt-free start to the next Millennium.

- K Thank you very much.



A debt-free start for a billion people

Millions of people in the world's poorest countries are enslaved by debts that they can never repay. These debts started as easy credit, encouraged by rich lenders, but now leave families living in poverty. The Jubilee 2000 Coalition believes the time has come to do something about it. Our aim is to celebrate the new millennium by lifting the burden of unpayable debt from the poorest countries. We are calling for:

Cancellation by the year 2000 of the unpayable debt owed by the world's poorest countries under a fair and transparent process.

Third world debt - how it all began

1 D

In the early part of this century, Western countries saw their colonies in Africa, Asia and Latin America as sources of raw materials.

2

In the 1960s, when many developing countries were newly independent, the US dollar began to lose value. This was bad news for the major oil-producing countries, whose oil was priced in dollars. The money they made through exports now bought less. In 1973, these Middle East countries limited oil production, which resulted in a price increase of more than 400 percent. The oil-producing countries made massive profits, which they deposited in Western commercial banks.

3

The banks were awash with money, and had to pay interest to the depositors. One way to earn interest was to lend the money out again, and they turned to many low and middle income countries who needed money for development and to meet the rising cost of oil. Banks lent without much thought about how the money would be used or repaid.

4

Some countries, like Mexico and Venezuela, took out loans to repay previous debts. Others sought to increase agricultural and industrial development. In some cases this was for good projects, such as building hospitals and schools - but this investment didn't offer immediate returns, so ability to pay back the loan was limited. Many governments started big development projects, often with advice and technical assistance from 'foreign experts', some of which proved of little value.

5

In the mid 1970s, developing countries found the prices of raw materials such as tea, cotton, coffee and cocoa were decreasing. In 1987 African countries had to grow six times more cotton than in 1972 to buy an imported truck. This drop in prices was partly due to "free-market" policies. But it was also because too many countries, advised to increase their exports, were producing the same crops. Then came the second blow. In the early 1980s, interest rates and oil prices rose again.

The trap was sprung - the poorest countries were earning less than ever for their exports and paying more than ever on their loans and on what they needed to import. They had to borrow more money just to pay the interest.

6

Mexico was one of the most indebted countries, and it was caught in this trap. In 1982 it told its creditors that it could not repay its debts. This sent shock waves around the international financial community. The International Monetary Fund (IMF) and World Bank stepped in with new loans and rescheduling (not cancellation) packages.

This was not to release developing countries from their plight: first and foremost it was to stop widespread banking collapse in the West. Debts continued to rise. Poor countries had, in effect, gone bankrupt. But when a country goes bankrupt, it is not protected in the same way that a company or trader is.

7

In the 1980s the IMF and World Bank took over lending to countries which could no longer borrow commercially. As part of any debt rescheduling and new loans, the countries had to agree to Structural Adjustment Programmes (SAPs). The conditions attached to these programmes often require: cuts in spending on health and education, currency devaluation, privatising state industries, increasing exports, e.g. planting cash crops rather than subsistence food crops and encouraging international investment.

8

The most recent attempt to resolve the debt crisis is the Heavily Indebted Poor Countries Initiative launched by the World Bank and IMF in 1996. For the first time it recognised that the problem would not be solved by simply delaying payments. There are however, four problems:

- HIPC only cancels 'uncollectable' debt - that part of their debt that poor countries have no hope of ever repaying. It still leaves them with a huge burden of debt repayments (Mozambique, for example, paid \$113 million per year before HIPC, and will pay \$100 million per year after HIPC.)
- The terms of the HIPC 'relief' are decided entirely by the creditors acting in secret.
- The process is very slow (3 to 6 years) and complex.
- Debt relief is conditional on at least 3 years of an even stricter SAP, even though the United Nations agencies and the World Bank's own chief economist consider that these programmes increase poverty levels and slow development.

Adapted from *Breaking the Chains*, © Jubilee 2000 Coalition, 1999

