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Fiorella Kostoris Padoa Schioppa

The Jubilee and Debt Remittances from the Jewish and Christian Perspectives: Past and Recent History

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by Fiorella Kostoris Padoa Schioppa

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ABSTRACT

In the Torah (or Pentateuch) there is a solid conceptual and religious foundation for the remittance of debts of a predominantly monetary nature by each individual who admits his limits and errors on the occasion of Kippur every 50 years, that is, on average once in a lifetime, in the Jubilee. In this circumstance, the penitent must recognize that nothing that has come into his possession, originally belonging to the indebted person, is actually his property, because everything belongs exclusively to God, who therefore imposes the restitution to the debtor of all goods, including credit, as an act of justice and social equity. However, there is no concrete implementation of this biblical dictate in the Jewish world, at least starting from the 6th century BCE, because since then the tribes of Israel have no longer all been found in that Country. Quite the reverse, in the Catholic context there has been a Jubilee practice since 1300, at irregular intervals, increasingly closer in the last 125 years, depending on the needs and motivations of the Church, of remission of debts in a spiritual, non—financial sense, consisting of various forms of forgiveness and mercy, similar to those granted by the Pope to those who are capable of recognizing their faults and sins. In this context there is no specifically New Testament-based religious foundation, as the New Testament never mentions the word Jubilee. From both Jewish and Catholic perspectives, the individual debt relief in the Jubilee Year presumes personal repentance, which, by definition, can never exist in collective legal entities. Already from this viewpoint, we understand that the current movements in favor of debt relief by rich Countries towards less fortunate others cannot, strictly speaking, be of biblical derivation, and therefore in fact deserve a separate examination. In general, the modern promoters of the forgiveness of monetary debts of developing Countries, particularly the Heavily Indebted Poor Countries (HIPC), although in lexical terms they refer to the Jubilee deadlines, are based only partially on the biblical logic or on analogies with the history and spiritual approach of the Jubilees, leaving various questions open not so much on their practicability, but on their opportunity, sustainability and the effectiveness for the purposes of fighting poverty, promoting growth in the long run and achieving economic and political self-determination. Not by chance, however, they come particularly from Christian organizations (imbued with the feelings of collective guilt), as well as from groups of both believers in other religions and non-believers of a Third-Worldist type, and from institutions and banks, private or public, national or international (such as the World Bank) which are inspired by brilliant maître à pénser, including even a Nobel Prize winner in Economics Joseph Stiglitz (of Jewish origin), who is however strongly contested by other celebrities among the economists, such as the Indian Jagdish Bhagwati, former MIT professor of Stiglitz himself.

[1] I presented an earlier, abbreviated English version of this paper on June 10, 2025 at the International Conference on "The Economics of the Jubilee: Social Justice, Indulgence, and Debt Remittances," organized at Luiss University by Rosario Forlenza and Kristina Stoeckl. A second, slightly expanded version was discussed on December 15, 2025 at the Emuna Italia seminar on "Public Finance, Sustainability, and Debt Remittance in Different Cultures," held at John Cabot University. I gave a talk on a third draft version of this paper at the EUARE Conference on July 1st, 2026, where I received many helpful comments which I took into account. Finally, I am grateful for the various suggestions I received during the peer review of a referee report prior to the circulation of this Working Paper in the Emuna Series.

(I) INTRODUCTION AND CONCLUSION

The topic of the Jubilee was a hot topic in the hot Roman summer of the 2025 Jubilee Year, also because nearly 30 million pilgrims[2] flocked to the world capital of Catholicism. They were not, in fact, concentrated near the basilicas they were supposed to visit in order to "exit from obligation"[3] in the legitimate hope of gaining indulgences (not buying them, as was the tradition in papal Rome in the 14th and 15th centuries; it was precisely a spiritual reaction to this practice that sparked Martin Luther's Protestant Reformation with his famous 95 Theses — it is unknown whether or not[4] they were posted on the door of the castle church in Wittenberg, Germany, in 1517).

This large influx of tourists, brought about by the Jubilee, should already suggest that there is a significant and consciously promoted economic effect of a factor that is in itself spiritual, as was notoriously the case in Rome in the late Middle Ages, up until the early 16th century, with the sale of indulgences, declared by the Popes to cover the costs of the construction of St. Peter's Basilica: a situation explicitly described in Luther's Thesis number 86 and not only never denied by the Holy See, but even reiterated also to finance other expenses, such as, for example, the Papacy's debt for Leo X's wars against France. It was a condition of Vatican financial crisis denied, however, by Martin Luther who, in Thesis 86, states: "Why doesn't the Pope, whose wealth today is more crass than that of the richest Crassians, at least build the St. Peter's Basilica with his own money, instead of with that of the poor faithful?" And previously, in Thesis 84 he writes: "What is this new piety of God and the Pope, which consists in granting for money to the impious and the enemy the liberation of a pious soul and friend of God, while refraining, on the other hand, from liberating it freely through charity?"

In any case, of all the financial aspects that in history and in the present in some way concern the Jubilee, this essay intends to offer an analysis only with regard to those connected to the forgiveness of debts, which, like indulgences, is also an expression of a possible dual component — spiritual and economic. To investigate both, it is best to start from the biblical foundations of the Jubilee, to arrive up to the present day, to today's movements of both religious and secular or non-denominational inspiration in favor of debt relief, particularly towards developing Countries.

In short, the thesis that will emerge from this text can be summarized as follows: in the Torah there is a solid conceptual and religious foundation for the remittance of debts of a predominantly monetary nature by each individual who, on the occasion of Kippur every 50 years, that is, on average once in a lifetime, in the Jubilee, admits his limits and errors[5], including the failure to provide sufficient assistance to one's

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2 From the first Catholic Jubilee of 1300, according to Dante, the influx of pilgrims to Rome was such that it became necessary to regulate the direction of pedestrian traffic on the bridge in front of Castel Sant'Angelo (Inferno XVIII, 28-33): "as, in the year of Jubilee, the Romans / confronted by great crowds, contrived a plan / that let the people pass across the bridge, / for to one side went all who had their eyes /upon the Castle, heading toward St. Peter's, / and to the other, those who faced the Mount" (translation by Allen Mandelbaum).

3 Pope Boniface VIII convoked the first Catholic Jubilee with the Papal Bull "*Antiquorum habet fida ratio*" at the end of 1299. This papal bull granted plenary indulgence to every person who visited the Basilicas of St. Peter and St. Paul Outside the Walls 30 times (if Roman) or 15 times (if foreign) during the Holy Year 1300, a Holy Year that, according to that source, was to be repeated every 100 years. Many Jubilee requirements have changed since then. The Catholic Jubilee rite best known today is the opening of the Holy Door, understood as a symbol of the offered path to salvation, and the visit to the four major Basilicas of Rome, which include, in addition to the two already mentioned, St. John Lateran and St. Mary the Great.

4 Pani (2016, 213) refutes the idea that the 95 theses were posted on the doors of the church, but not all historians agree with this assertion, which remains controversial and explicitly says that "indulgences in favor of the living and the dead were granted by Julius II in 1507 and by Leo X in 1513, for the construction of St. Peter's Basilica".

5 This conclusion regarding the need for individual repentance is based on the coincidence between the observance of the Jubilee (for which the Torah does not stipulate such a requirement) and the Day of Atonement, which occurs every 50 years and is entirely centered on the repentance of each individual, considered both as an individual and as a member of their community.

fellow human beings before they became poor and fell into debt and are forced to become slaves. According to Maimonides, “whoever increases the number of slaves in his possession adds sins and transgressions to the world every day.” Indeed, as Maimonides reminds us in the *Mishneh Torah* [1170–1180], particularly in *Matanot Aniyim* (Book 7, Chapter 10, Sefaria, www.sefaria.org), the interpretation of the passage in Leviticus 25:35 (“And if your brother becomes poor (…) you shall support him, even if he is a stranger”) is that “you should support him before he falls or becomes needy”. It is no coincidence that Leviticus 25:39 further states that “if your brother becomes poor (…) you shall not make him work as a slave”.

In this circumstance, the penitent must recognize that nothing that has come into his possession, originally belonging to the indebted person, is actually his property, because everything belongs exclusively to God, who therefore imposes the restitution to the debtor of all goods, including credit, as an act of justice and social equity. However, there is no concrete implementation of this biblical dictate in the Jewish world, at least starting from the 6th century BCE, because since then the tribes of Israel have no longer all been found in that Country. Quite the reverse, in the Catholic context, there has been a Jubilee practice since 1300, at irregular intervals, increasingly closer in the last 125 years, depending on the needs and motivations of the Church, of remission of debts in a spiritual, non—financial sense, consisting of various forms of forgiveness and mercy, similar to those granted by the Pope to those who are capable of recognizing their faults and sins. In this context, however, there is no specific religious basis in the New Testament, which never mentions the word Jubilee (Section II).

In the interpretation of the present paper, from both Jewish and Catholic perspectives, the individual debt relief in the Jubilee Year presumes personal repentance, which, by definition, can never exist in collective legal entities. Already from this viewpoint, we understand that the current movements in favor of debt relief by rich Countries towards less fortunate others cannot, strictly speaking, be of biblical derivation (III.1), and therefore in fact deserve a separate examination. In general, the modern promoters of the forgiveness of monetary debts of developing Countries, particularly the Heavily Indebted Poor Countries (HIPC), although in lexical terms they refer to the Jubilee deadlines, are based only partially on the biblical logic or on analogies with the history and spiritual approach of the Jubilees (III.2), leaving various questions open not so much on their practicability, but on their opportunity, sustainability and the effectiveness for the purposes of fighting poverty, promoting growth in the long run and achieving economic and political self-determination. Not by chance, however, they come particularly from Christian organizations (imbued with the feelings of collective guilt), as well as from groups of both believers in other religions and non-believers of a Third-Worldist type, and from institutions and banks, private or public, national or international (such as the World Bank) which are inspired by brilliant *maître à pénser*, including even a Nobel Prize winner in Economics, Joseph Stiglitz (of Jewish origin), who is however strongly contested by other celebrities among the economists, such as the Indian Jagdish Bhagwati, former MIT professor of Stiglitz himself (Section III).

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(II) INDIVIDUAL DEBT FORGIVENESS DURING THE JUBILEE

The biblical foundation for the Jubilee is found primarily[6] in Leviticus 25:8-25, where it is written (Leviticus 25:9-10) that "in the seventh month, on the tenth day of the month, on the Day of Atonement, you shall sound the Shofar throughout all your land. And you shall sanctify the fiftieth year and proclaim liberty throughout the land to all its inhabitants: it is the Jubilee." This word comes from *Yovel,* which in Hebrew means ram,[7] whose horn is the *Shofar,* which is blown only during solemn holidays such as Yom Kippur. Leviticus 25:13 adds: "In the year of Jubilee, each of you shall return to his possession." In this year, therefore, everyone shall regain his original property — the land and fields, the house (with minor exceptions), a life free from slavery, and money. Consequently (Antonucci 2000, 10), every 50 years "economic differences are abolished, giving each family what each family had received in equal terms when the Jewish settlement in the land of Israel began. The Jubilee signifies social rebirth, collective freedom and the regeneration of society".

It is worth remembering that, in this sense, it represents an extension of both the Shabbat (on which God rested on the seventh day after the creation of the world, and therefore all creation must do so), and above all of the Sabbatical Year[8] every 7 years (when the earth must be rested, slaves freed, and debts forgiven[9]), while every 7 x 7 years the Jubilee Year occurs (in the Jewish calculation, the 50th

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6 The Jubilee is also mentioned in Leviticus 25 and Numbers 36:4 in relation to female dowries that are not subject to restitution every 50 years and more obscurely in another passage of the Tanach, in Isaiah 61:1-2, to which Catholic sources refer in relation to the Jubilee.

7 The English translation of the Hebrew Bible cited in this work is always taken from Rabbi Dario Disegni (1988).

8 There are at least three passages in the Torah dedicated to the Sabbatical Year: Exodus 23:10-11; Leviticus 25:1-7; Deuteronomy 15:1-11. There are also references to the Sabbatical Year in the rest of the Bible, beyond the Pentateuch, and in the Talmud.

9 Laras (1997) writes: “The Sabbatical Year or Year of Remission falls every seventh year: every seventh year the land must rest, it is a sort of Shabbat for the land as there is a Shabbat for man. The land must also cease to be used, worked, exploited, and what the land produces spontaneously must benefit the most exposed categories, the weak, such as foreigners, the poor, widows and orphans. In the Sabbatical Year, in addition to the prohibition of working the land, there is the duty of remitting debts in favor of debtors”, unless the *Prozbul* (a sort of transfer of credit to the rabbinical office) is used. To recall the biblical rules on the Sabbatical Year, it is appropriate to remember that “the land must rest every seventh year as the land itself must observe a Shabbat to the Lord” (Leviticus 25,2); and yet Jeremiah 34:14-17 writes: “Every seventh year each of you must free any fellow Hebrews who have sold themselves to you. After they have served you six years, you must let them go free. Your ancestors, however, did not listen to me or pay attention to me. Recently you repented and did what is right in my sight: Each of you proclaimed freedom to your own people. You even made a covenant before me in the house that bears my Name. But now you have turned around and profaned my name; each of you has taken back the male and female slaves you had set free to go where they wished. You have forced them to become your slaves again. Therefore this is what the Lord says: You have not obeyed me; you have not proclaimed freedom to your own people. So I now proclaim ‘freedom’ for you, declares the Lord—‘freedom’ to fall by the sword, plague and famine. I will make you abhorrent to all the kingdoms of the earth”. See also Ezekiel 46:17, which specifies: “If, however, he makes a gift from his inheritance to one of his servants, the servant may keep it until the year of freedom; then it will revert to”. That the restitution of possessions originally belonging to others and that the liberation of land and people are biblical principles of general validity, not limited to the Jubilee every 50 years, is also demonstrated by the comments of Maimonides [1170-1180] on the Shevita (Sabbatical Year), within the *Mishneh Torah* [1170-1180] in Chapters 9 and 10 of Book 7 (Sefaria, www.sefaria.org), in particular in the Chapters he dedicated to the *Shemita* (Year of remission or emancipation/liberation) and later by the *Shulchan ‘Arukh*, which literally means the spread table, the main code of Jewish law (*Halakhah*) written by Yoseph Caro in Safed in 1563 (but the first printed edition appeared in Venice in 1565), in whose *Compendium* (Ha-Levi, 1992, 414) we read: “A positive precept is to abstain from working the land and from working on trees in the Sabbatical Year. Now the precept is in force by provision rabbinic (CCLXXIII, 1). The prohibited works are sowing and pruning, harvesting and grape-picking, and plowing (CCLXXIII, 2). According to the *Shulchan ‘Arukh* (Ha-Levi, 1992), the Sabbatical Year means that at the end of it every loan that one has made to his neighbor is forgiven, whether there is a document supporting the loan or whether it was stipulated orally (CCLXXVII, 2); therefore, when the sun has set on the eve of Rosh Hashanah of the Year following the Sabbatical Year, the debt is cancelled (CCLXXVII, 7): however, whoever repays the loan after the Sabbatical Year has passed is approved by the Masters (CCLXXVII, 10). The Masters, however, established the *Prozbul* to prevent the Sabbatical Year from causing the remission of debts: whoever wishes to avail himself of this institution, in order not to lose his credits, must contact the rabbinical office of his city, by the eve of *Rosh Hashanah* of the year following the Sabbatical Year, to settle his credits by means of the *Prozbul* (CCLXXVII, 6).

year[10] begins on the 49th, just as the Shabbat begins on Friday evening when the first stars appear). With a sort of strengthening of the Sabbatical Year, in the Jubilee one must return houses, properties, lands, all debts must be forgiven and above all freedom must be restored to those who have sold themselves into slavery. The most attentive exegetes today unanimously maintain that all the norms of the Sabbatical Year are also adopted in the Jubilee, but the vice versa is not always true: "According to the Halakhah, there are two precepts of the Jubilee that do not apply to the Sabbatical Year", namely the restitution of lands and houses to previous owners and the general remission of debts in the absence of *Prozbul*, because – as Klenicki recalls (2000, 55—57) – just as "a Jewish slave sold to a pagan did not go free in the seventh year but only in the Jubilee", the creditor did not forgive the debt to the foreigner nor did the foreigner ever forgive it in the Sabbatical Year, but only in the Jubilee."

The setting of the Jewish Jubilee Year on Yom Kippur every 50 years is very significant. And from Kol Nidre, the prayer with which the Day of Atonement begins each year, we understand that it is necessary to repent even for one's simple limitations and mistakes: "All the vows, obligations, oaths, and anathemas we have thoughtlessly made upon ourselves[11], and every privation or renunciation we have mistakenly imposed upon ourselves, whether by word, vow, or oath, from the past Day of Atonement until this coming Day (may it be propitious to us!), we do repent. May they be deemed absolved, forgiven, annulled, and void, and made of no effect; they shall not bind us nor have power over us; we revoke them all: let them all be declared invalid, annulled, dissolved, void, and as if they had not happened; let them have no force or effect; The vows shall not be reckoned vows; the obligations shall not be obligatory; nor the oaths be oaths. And it shall be forgiven all the congregation of the children of Israel, and the stranger among them, seeing all the people were in ignorance". In the context of the Jubilee, Yom Kippur, the Day of Atonement, presumably also entails repentance for the sin of failing to help our fellow human beings before they become poor, fall into debt and are forced to give up their own freedom. This interpretation can be found both in the Talmudic text *Pirkei Avot* (Ethics of the Fathers, 2:8, 1968, 8–11), which states that "whoever increases the number of servants increases theft" and in Maimonides' *Mishneh Torah* [1170–1180]. In particular, in *Matanot Aniyim* (Book 7, Chapter 10, Sefaria, www.sefaria.org), Maimonides argues that the passage in Leviticus 25:35 ("If your brother

[10] Lefebvre (2015, 34) writes: "the Hebrew counting was inclusive. (…) When Scripture speaks of the Shabbat day on its own, it is called «the seventh day» (…) When, however, the Shabbat is counted with respect to the previous Shabbat, it is called «the eighth day»".

[11] It is worth while recalling that the reference to the "rashly uttered vows" was very important in the Middle Ages and at the beginning of the Modern Age, as it referred to the forced conversions imposed particularly on Jews under torture in various circumstances—for instance, when they were coerced at swordpoint by the Crusaders or subjected to summary proceedings by the Catholic Inquisition. This is discussed, for example, by the great British Rabbi Jonathan Sacks (2019), who recently passed away and who writes: "Yet the prayer survived all attempts to have it dislodged. One theory, advanced by Joseph Bloch in 1917 and adopted by Chief Rabbi J.H. Hertz, is that it had its origins in the forced conversion of Spanish Jews to Christianity under the Visigoths in the seventh century. These Jews, the first marranos, publicly abandoned their faith rather than face torture and death, but they remained Jews in secret. On the Day of Atonement, they made their way back to the synagogue and prayed to have their vow of conversion annulled. (…) The Hebrew word teshuvah — usually translated as 'penitence' — in fact means something else: returning, retracing our steps, coming home. It belongs to the biblical vision in which sin means dislocation, and punishment is exile: Adam and Eve's exile from Eden, Israel's exile from its land. A sin is an act that does not belong, one that transgresses the moral boundaries of the world. One who acts in ways that do not belong fi nds eventually that he does not belong. Increasingly he places himself outside the relationships — of family, community and of being at one with history — that make him who he is. The most characteristic sense of sin is less one of guilt than of being lost. Teshuvah means fi nding your way back home again. That, on Yom Kippur, is what Jews do. The synagogue is full of the faces of those who rarely visit it. During the year — albeit less dramatically than their medieval predecessors — they may have been marranos, hidden Jews. They have worn other masks, carried different identities. But this night, the music of Kol Nidrei has spoken to them and they say: this is my place. Among my people and its faith. I am a Jew".

becomes poor (…) you shall support him, even if he is a stranger") means that "you should support him before he falls [into poverty] or becomes needy". It is no coincidence that Leviticus 25:39 further states that "if your brother becomes poor (…) you shall not make him work as a slave".

From this perspective, it should not be overlooked that the 50-year time span in which Leviticus calls for repentance for personal limitations, mistakes and errors, with a consequent necessity for an act of justice and fairness towards our debtors, corresponds to the average life expectancy of adults at the time to which that biblical text dates back (according to some, around 1400 BCE, after the Exodus from Egypt, a period that falls between the end of the Bronze Age – 3rd/2nd millennium BCE – and the beginning of the Iron Age – 9th century BCE – while, according to others, in a much later, post-exilic period, after 586 BCE, in the middle of the Iron Age). In any case, it is estimated that in the Late Bronze Age and throughout the Iron Age, people, after the age of 15,[12] enjoyed an average life expectancy of between 40 and 60 years. Therefore, the act of forgiveness of individual debts, in the Jewish Jubilee perspective in which the Levitical rules were written, occurred approximately once in the lifetime of every creditor and every debtor.[13]

The Jubilee frequency for Jews cannot, therefore, be random or flexible, and the individual repentance, with the consequent adaptation to the rules imposed by God on the remittance of debts, can only occur on a specific day of the 50th year, that of Yom Kippur, with absolution after the Atonement, at the end of 25 hours of fasting, to the sound of the Shofar, which each year concludes that day.

The precise Jubilee norms dictated by the Torah to the Jews, which will be discussed in more details shortly, have, however, remained a "dead letter" for them at least for the last 2,500 years, because in the most accredited rabbinic interpretation they cannot be systematically applied unless the Jewish people live all in Israel within their respective tribes.[14] In the words of Maimonides [1170-1180] expressed in the book of the *Mishneh Torah* (Book 8, Chapter 10 of *Shemita*, Sefaria, www.sefaria.org), the Jubilee has not been observed since well before the destruction of the First Temple in 586 BCE, at the hands of the Babylonian King Nebuchadnezzar: in fact, it has not been observed since "the tribes of Reuben and Gad and half of the tribe of Menasseh were exiled about 18 years before the remaining seven and a half tribes, 130 years before the destruction of the Temple and the exile of the tribe of Judah". And Antonucci (2000, 21) concludes that in Israel "the first Jubilee was celebrated in the sixty—fourth year after the Jews entered Eretz Israel. (..) And it was observed 17 times,[15]" that is, for at least 850 years!

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[12] In the Bronze and Iron Ages, life expectancy at birth was much lower, around 28-36 years, due to high neonatal, infant and youth mortality.

[13] John Bergsma (2017, 155) also notes this when, without providing the reason, he states that "the Jubilee vision of a society that, at least once in each average lifetime, erased all debt and all forced servitude, and restored all ancestral property to the appropriate families, has inspired the impoverished, oppressed, enslaved, and otherwise disadvantaged to dream of a more perfect social order".

[14] The *Shulchan Aruch* (Ha-Levi, 1992, 419-420) in this regard states as follows: "May the blessed Lord grant that the light of His presence be revealed upon the people chosen by Him, when all Israel returns to its land and each of its individuals to the territory of the tribe of their fathers: then the Sabbatical Year will be in force according to the Torah in all its smallest details; the sound of the Jubilee Shofar will be heard once every 50 years on the day of Yom Kippur, the Lord will proclaim freedom in the Country for all its inhabitants thanks to our complete redemption. Amen". On this subject one can also read different theses, but currently all commentators tend to conclude exactly in the same way: "The Jubilee must be observed only when the Sanctuary exists and the majority of the people are in Erez Israel and therefore today the regulations relating to it are not applied" (Disegni, 1988, 209).

[15] Luigino Bruni (2025), however, disagrees: "It is likely that the people of Israel did not celebrate the Jubilee Year throughout their history, as the Prophets' repeated denunciations of unfreed slaves, unforgiven debts, and unrestored lands also tell us. Not even Christians managed to make the sharing of goods their normal economy; they did not enter into the Sabbatical

On the other hand, it is immediately clear that, from the Catholic perspective, the Jubilee has no precise foundation in the Gospels, given that, as Cardinal Ravasi (2024) recalls, "the word Jubilee never appears in the New Testament." In fact, Antonucci (2000, 1) emphasizes that "there is no real continuity between the Jewish and the Catholic Jubilee (...) [and the latter is] viewed with great annoyance by other Christian denominations." There is only a vague reference in Luke 4:18—19, regarding "the Year of Mercy of the Lord," a formula identical to that of Isaiah 61:1—2.[16] To identify its meaning, Cardinal Ravasi (2024) recalls that in the Greek version of the Bible, the word aphesis is used, which means "remission," "liberation," or even "forgiveness." In the Cardinal's opinion, this "Year of Grace of the Lord includes four fundamental gestures," connected "to the 'good news' for the poor, to freedom in the strict and broad sense, and to the cure of physical and spiritual blindness.[17] The ideal goal of the authentic Christian Jubilee is, therefore, this spiritual, moral, and existential tetralogy."

Since there are no Christian sacred texts to which the Catholic perspective can strictly adhere, it is understandable that the practice of Jubilees in Rome appears to be endowed with great flexibility and adaptability to the institutional needs of the Church, primarily in terms of their motivations and frequency. The interval between Jubilees has almost never been equal to the canonical 50 biblical years, nor even to the 100 years evoked by the first papal bull of Boniface VIII mentioned above. Indeed – starting from the Jubilee of 1450 established by Nicholas V, and up to that of 1775 decided by Clement XIV and presided over by Pius VI – the frequency was always every twenty-five years and became very high in the 20th and 21st centuries: in the last 125 years, 10 Jubilees have been proclaimed – in 1900, 1925, 1933/34, 1950, 1966, 1975, 1983/84, 2000, 2015/2016, 2025 between the ordinary and extraordinary ones – while in the 19th century there had been only one Jubilee.

It is easy, therefore, to reach the first conclusion: that the Torah provides specific and precise rules for the Jubilee, which, however, have never been put into practice by Jews in the past 2,500 years, as they were dispersed throughout the Diaspora. Meanwhile, the exclusively Christian sacred texts offer nothing more than vague references to "Holy Years," "Years of Benevolence," or "Mercy or Grace of the Lord."

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economy of the Kingdom." This does not mean that certain rules cannot/should not be followed even if the Jubilee Year, as a whole, is not observed.

[16] The words of Isaiah 61:1-2 are: "(...) The Lord has sent me to bring good news to the poor (...) to proclaim the Year of the Lord's Mercy". The English translation of the Gospel texts cited in this paper always correspond to the translation from the Italian version provided by C.E.I. (1974) (https://www.laparola.net/testo.php?riferimento=Isaia+61%2C1-2.10-11&versioni%5B%5D=C.E.I.), unless otherwise specified. Other catholic translations of the Bible assage (Nardoni, 1960), instead state: “The Lord has sent me to bring good news to the poor; to heal the broken hearted; to call the captivess to liberty and the prisoners to release; to proclaim the Year of the Lord’s Favour”.

[17] Cardinal Ravasi (2024) adds: “Of these four gestures, the first is «evangelizing the poor»: the Greek verb is precisely the one that has at its base the word gospel, the «good news», the «happy message» of the Kingdom of God. The recipients are the «poor», that is, the last of the earth, those who do not have the strength of political and economic power but have a heart open to the adherence of faith. The Jubilee is destined to bring back to the center of the Church the humble, the poor, the miserable, those who externally and internally depend on the hands of God and those of their brothers. Freedom is the second Jubilee act, an act that – as we have seen – was already in the Jubilee of Israel. Jesus, however, also refers to prisoners in a strict and metaphorical sense and here we anticipate the words that he will repeat in the scene of judgment at the end of the story: «I was in prison and you came to me» (Matthew 25, 36). The third commitment is to give back "sight to the blind," a gesture that Jesus often performed during his earthly existence: let us think only of the famous episode of the man born blind (John 9). This was, according to the Old Testament and Jewish tradition, the sign of the coming of the Messiah. Indeed, in the darkness that envelopes the blind man, there is not only the expression of great suffering but also a symbol. There is, in fact, an interior blindness that does not coincide with physical blindness and is the inability to see deeply, with the eyes of the heart and soul. A blindness that is difficult to dispel, perhaps more so than physical blindness, which grips so many people into whose souls a ray of light must be shone. Finally, as a fourth and final commitment, the liberation from oppression is proposed, which is not only the slavery mentioned above in relation to the Jewish Jubilee, but includes all the suffering and evil that oppress the body and the spirit. This is what Christ's entire public ministry will attest to.”

These, in turn, produce a Jubilee practice that is increasingly frequent and highly flexible in terms of time and motivation among Catholics.

The implications of individual repentance during the Jubilee Year are also completely different from the Jewish and Catholic perspectives. The first, governed by the Torah, do not consist of an act of kindness or forgiveness, but of one of justice and social equity, imposed by God on every individual, because nothing of what the creditor has taken from the debtor [the land or the house (with the exception of those in a walled city[18] or in the possession of the Levites) and even personal freedom] or of what the debtor owes to the creditor for the loan received in the give—and—take relationship (in any case exempt from interest charges between co—religionists[19]), in fact belongs to the creditor, since the one and only owner of everything is God. In Leviticus 25, 23, it is precisely written: “The land must not be sold permanently, because the land is mine and you reside in my land as foreigners and strangers. Throughout the land that you hold as a possession, you must provide for the redemption of the land”. And Leviticus 25:55 concludes: " For unto Me the children of Israel are servants; they are My servants whom I brought forth out of the land of Egypt: I am the Lord your God". What slave, in fact, would have the right even to presume to possess another man forever? And could someone who has only temporarily enjoyed the property of others even imagine not returning it to those who originally owned it (i.e., the tribes of Israel), according to the will originally expressed by the sole legitimate owner, the Eternal Father?

There is no doubt, therefore, that from the Jewish perspective, the individual remission of debts during the Jubilee is not only an act of justice and social equity, to be exercised at least once in each of our lifetimes, following the recognition that all creation belongs exclusively to God, being merely temporarily lent in a sort of free loan to one or to another living being, so that debt forgiveness implies the restoration of the equal status originally intended by the Lord; but, furthermore, this restitution always concerns goods of predominantly economic value, such as land, housing, credit, and even personal freedom. More generally, the close connection for each person between the sacred (Jubilee repentance) and the profane (the monetary value of debt forgiveness) is typical of almost all ancient societies,[20] such as the

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[18] Bergsma (2017, 155-158) explains it thus: “The Jubilee legislation was clearly directed toward, and designed for, a tribal agrarian subsistence economy that characterized the people of Israel prior to the rise of the monarchy. (…) City life is exceptional and need not follow the sacred regulations. (…) In verses 29–34, the Jubilee legislation addresses the issue of property owned within major urban centers (walled cities), and essentially excuses them from the operation of the Jubilee. They may be redeemed within a year, but otherwise may be sold in perpetuity. Urban property does not have the sacral character and the close association with familial identity possessed by agricultural land in the countryside. (…) It serves to demonstrate that urban property — indeed, urban life generally — is not the concern of the legislator. The legislator envisions a society of Israelites spread throughout the land, living on and working their ancestral agricultural plots. This structure of society is normative and needs to be preserved; city life is exceptional and need not follow the sacred regulations”.

[19] In this regard, see at least three passages in the Old Testament: Leviticus 25:35-39 (“If any of your fellows become poor and are unable to support themselves among you, help them as you would a foreigner and stranger, so they can continue to live among you. Do not take interest or any profit from them, but fear your God, so that they may continue to live among you. You must not lend them money at interest or sell them food at a profit. I am the Lord your God, who brought you out of Egypt to give you the land of Canaan and to be your God”); Exodus 22: 26 (“If thou at all take thy neighbour's raiment to pledge, thou shalt deliver it unto him by that the sun goeth down”); Deuteronomy 23:19-20 (“You shall not lend to your brother on interest, whether it be interest on money, or interest on food, or anything else”). And then also read in the New Testament Luke 6:35 (“But love your enemies, and do good, and lend, expecting nothing in return, and your reward will be great, and you will be sons of the Most High, for he is kind to the ungrateful and the evil”).

[20] Indeed, in broader terms — not limited to the analysis of Judaism — Coomber (2023, 3) argues that “In the ancient world, little divided environmental phenomena from the spiritual realm. Rates of rainfall and the flow of rivers, the spread of crop-killing diseases and pests, and other natural events were often connected to either the will or the neglect of divine actors. It was for this reason that communities believed the pursuit of divine favor to be essential. Ensuring fruitful harvests and avoiding the catastrophic consequences of successive crop failures were believed to depend upon the successful navigation of religious rituals and observances. Thus, these religious practices were designed to guide planting and harvest seasons, to regulate relationships between neighbors, and to determine the management of arable lands. Numerous texts within the

Jewish one, while it is almost forgotten by more modern societies, inspired by Catholicism. Indeed, as Lefebvre (2015, 33) recalls, not only during the Jubilee, but throughout "the Hebrew calendar" a profound relaship is evident "relating a nation's theology (its beliefs about the divine) to its economy (its participation in the bounty of the land)"

To better understand what is meant by individual debt forgiveness in the Catholic Jubilee, it should be remembered that while it is never precisely described in the Christian sacred books, there is an obvious and useful analogy in the Gospel, in relation to the text of the Lord's Prayer (*Pater Noster*). However, the lexical terms used for debt forgiveness vary depending on the vernacular into which this fundamental evangelical prayer is translated. In various versions, in fact, faults or sins, transgressions or offenses are cited more frequently than monetary give—and—take relationships, recognizing that the word "guilt" or "sin" is fundamentally spiritual in nature, while "debt" has predominantly economic connotations. More specifically, the Latin version of the Lord's Prayer reads: "(…) And let us forgive our debts, as we forgive our debtors." In the most common English tradition,[21] taken from the Book of Common Prayer (1662), the concept of transgression is used ("Our Father, (…) forgive us our trespasses, as we forgive them that trespass against us (…)"); in German the word used, *die Schulden*, is ambivalent because it identifies both guilt and debt (sin *is Sünde* in this language), while in French the formula recalls the idea of offense ("*Pardonnez—nous nos offenses, comme nous pardonnons aussi à ceux qui nous ont offensés*"). In a recent Italian version of the Gospels (Nardoni, 1960) we read indifferently about sins or debts in the *Pater Noster*. In fact, in Matthew 6:9—13 it is written: "Forgive us our debts as we also have forgiven our debtors." But in Luke 11:2—4, the same prayer becomes: "Forgive us our sins, for we also forgive everyone who is indebted to us." In the Didache 8:2—3, a Christian text attributed to the Twelve Apostles, which was never included in the New Testament, the Italian translation finally reports the most traditional formula in our Country: "Our Father (...) forgive us our debts, as we also forgive our debtors."

Lexical issues aside, according to the most general and modern Catholic interpretation (the quotation from Giovanni Bachelet, 2001, is valid for all): "forgive us our debts as we forgive our debtors" always means that "God is good, he forgives us, and wants us to be good and merciful like him." And in this case, the debts to be forgiven are predominantly, if not exclusively, of a spiritual nature. Bachelet (2001) aptly adds: "Over the years I have discovered that a God rich in mercy, the love of God and of one's neighbor, forgiveness and benevolence are not exclusively Christian: they spring from Judaism[22] and

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Hebrew Bible represent these same concerns". And Erickson (2016, 164), in response to Roland Boer (2015), recalls why this view of the sacredness of economic facts (on a descriptive, not normative level) is completely different from the one prevalent in Christianity: "Boer's title, *The Sacred Economy*, announces that he has rejected the idea that religion and the economy are separate spheres. (…) As in the rest of ancient Southwest Asia, in Israel, «the language used, the thought forms, the framework in which human beings inhabited the world—all were understood in terms of the sacred. (…) The idea that in the ancient world, the sacred — or religion — was embedded in daily life represents an important corrective to the modern Western tendency to impose a Christian, Enlightenment concept of religion — which assumes a sharp division between the sacred and the secular and between religion and economics — onto ancient societies»". Erickson (2016, 164) concludes, "there is something vague about the idea that everything is (more or less) sacred". In the more modern Christian world, as will be seen better in Section III of this work, a normative correlation is proposed between ethics and economics, with the former prevailing over the latter.

21 See also Pirosca and Rogojanu (2012).

22 In Talmud Shabbat 31a, it is written that a pagan approached Hillel the Elder (born in Babylon circa 60 BCE and died in Jerusalem circa 7 CE) to express his desire to convert to Judaism: "Teach me the entire Torah while I stand on one foot", he asked. The sage Hillel replied: "Do not do to others what is evil to you. This is the entire Torah. The rest is commentary. Now go and study!". Hillel wanted to express the precept of brotherly love in its negative form: "Do not do to others (…)". Commentators, even modern ones, wonder why he did not expound the precept in its simple positive form, as it appears in

therefore important seeds and traces of them can also be found in Islam.[23] But these elements represent the central nucleus of Christianity." Here too, the references in Leviticus 19:18 and later, two thousand years ago, in Talmud Shabbat 31a are sufficient to support the idea of the origin of love of one's neighbor in the Torah. This reference has been continually taken up in all biblical exegeses up to the present day, for example, in the commentaries of Rabbi Jonathan Sacks ([2002], 2004, 71) and who notes: "The Hebrew Bible says in a single verse «Do not seek revenge or bear a grudge against anyone among your people, but love your neighbor as yourself» [Leviticus 19:18], while in no less than 36 instances it commands us to love the foreigner".[24]

Therefore, whatever the emphasis placed by the Gospels on sins, faults, offenses, transgressions or debts in the various vernacular languages, there is no doubt that the penitent Catholic is required to perform an act of forgiveness and kindness towards others equal to that which he or she is the beneficiary. Consequently, from a Catholic perspective, individual repentance, as expressed during the Jubilee, entails an act of generosity towards one's neighbour equivalent to that received through the Church's granting of indulgences. This is a sort of "*do ut des*", bringing about reconciliation with others. From a Jewish perspective, individual repentance, which depends on acknowledging one's own mistakes and limitations on the day of Yom Kippur, is associated with an act of socio-economic justice mandated by divine law concerning the Jubilee. This gives rise to a general process of renewal, bringing with it a renewed sense of personal freedom and the rediscovered social equality.

To conclude Section II, in summary, comparing the Jewish and Catholic Jubilee perspectives on individual debt forgiveness, four elements appear essential in each.

In the Jewish context, these are:

1J — the presumed prerequisite of individual repentance, involving the acknowledgment of one's own mistakes and limitations, characteristic of Yom Kippur, on which the Jubilee is celebrated at regular intervals;

2J — a consequent, necessary act of justice and social equity imposed by God in the Jubilee on every person, because none of us has any permanent right to property, which belongs only to the Eternal Father;

3J — the debt to be no longer exacted or forgiven is of an economic (rather than spiritual) nature, which necessarily entails the restitution of goods with material (including freedom from slavery) as well as ethical value;

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the Torah: "love your neighbor as yourself"? Pacifici's (1999, 2) answer, for example, is that "in thinking about how to love one's neighbor, one must start from how one does not love! Here we have a great clue. Love for one's neighbor cannot be just a feeling but must have a tangible reflection in actions. Hillel, in his profound wisdom, preferred to give the precept a form that would explain and clarify it better".

[23] As Cenap Aydin (2024, 64) writes, "In Islam, the Hajj represents the equivalent of the Christian and Jewish Jubilee (…) the pilgrimage to Mecca offers a complete spiritual rebirth. (…) Before departing for Mecca, every Muslim must prepare spiritually through reconciliation. This process begins with sincere repentance, asking God for forgiveness for all past sins, just as in the Christian Jubilee where one obtains plenary indulgence. However, preparation does not stop with the relationship with the divine: reconciliation with others is also necessary, resolving conflicts, repaying debts, and asking forgiveness from those who have been offended. It is impossible to obtain divine forgiveness without first redressing wrongs towards others." The deep common roots of the Three Religions of the Book are now increasingly recognized, as evidenced for example in the *Document on Human Fraternity for World Peace and Living Together,* signed by the leaders of Christianity and Islam on February 3-5, 2019, in Abu Dhabi, by Pope Francis and the Grand Imam of Al-Azhar, Ahmad Al-Tayyeb.

[24] Sacks (2004, 71) cites several examples of the 36 cases mentioned, including the following: "You shall not oppress a foreigner; you also know the life of a foreigner, for you were foreigners in the land of Egypt (Exodus 23:9)"; "When a foreigner sojourns with you in your land, you shall not wrong him. The foreigner who sojourns with you shall be to you as the native among you; you shall love him as yourself, for you were foreigners in the land of Egypt. I am the Lord your God (Leviticus 19:33-34)".

4J — Jubilee debt forgiveness occurs precisely every 50 years, that is, on average, once in the lifetime of every creditor and every debtor, as required verbatim by the Torah.

Even in the Catholic Jubilee context, four essential elements emerge:

1C — the presumed precondition of individual repentance with the recognition of one's own faults and sins;

2C — a subsequent necessary act of personal kindness and forgiveness toward others, equal to that received by every penitent through indulgences obtained from the Church;

3C — the debt to be forgiven is ethical—spiritual in nature (usually not financial) and is manifested through reconciliation with one's neighbor;

4C — Jubilee debt forgiveness occurs with the most varied and flexible frequencies and motivations, whenever the Pope so decides, as no rule is imposed by the Gospel, which never mentions the Jubilee.

(III) COLLECTIVE FORGIVENESS OF ECONOMIC DEBTS BY A CREDITOR COUNTRY

From what has been explained so far, it is already clear that all modern "political" movements in the broadest sense, inspired by both religious and humanitarian ethical convictions, promoted by both public institutions and private associations, both for profit and non-profit, in favor of "Jubilee" debt forgiveness by wealthy creditor "Countries"[25] towards indebted communities, whether these consist of numerous individuals (as in the following case study 1) or entire developing Countries (as in the following case study 2), cannot be considered of direct biblical derivation (Old or New Testament). This is the case even if numerous Christian movements[26] have said that on the occasion of the 2000 Jubilee (mostly non-Catholic) and again in 2025 (mainly Catholic). Moreover, personalities without religious motivations, or with spiritualities inspired by other faiths, are also very influential in those movements, such as Nobel Prize winner for Economics Joseph Stiglitz (2002, 2018), Deputy Director of the World Bank from 1997 to 2000, despite being widely criticized by many fellow economists, celebrities such as Kenneth Rogoff (2002), who in the same years was Economic Advisor and Director of the Research Department of the International Monetary Fund (IMF).

Let us then try to better understand, on the one hand, with the help of Table 1, which summarizes our previous Section II, why modern movements which refer to the Jubilee in proposing collective debt remission cannot be considered to be of direct biblical derivation (III.1) and, on the other hand, why, nevertheless, they affirm it in words and in any case have a broad Christian or spiritual inspiration (III.2), concluding with an attempt to answer the fundamental question regarding the conditions under which debt relief in favor of developing Countries is or is not likely to be useful in lifting them out of poverty and of the economic stagnation while inducing their economic and political self-determination (III.3).

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[25] It should be clarified that in this context, the term "creditor Country" refers to a collective macroeconomic legal entity and does not always refer to a Nation-State. It can refer to a public or private component of it, in any case one that is too big to fail (for example, a part of the General Government such as a University in the system in place in many European Union Member States - from France to Italy, from Mediterranean Countries to others in Northern Europe - or a public or private body such as the corporations behind many American Universities, starting with the most well-known ones like Harvard or MIT, or a private investment bank). Alternatively, it may refer to a supranational body, such as the International Monetary Fund or the World Bank. The give-and-take relationship in this context is always collective, because the creditor is always a collective entity.

[26] See in this regard, as examples, the 2000 Jubilee movement and, for it, the small volume edited by the Federation of Evangelical Churches in Italy – Italian Union of Seventh-day Adventist Christian Churches (Federazione delle Chiese Evangeliche, eds., 2000) and the similar movement, which arose on the occasion of the 2025 Jubilee, and, for it, *The Jubilee Report* (AA.VV. 2025a), written on commission by Pope Francis.

TABLE 1		
INDIVIDUAL DEBT FORGIVENESS IN THE JEWISH AND CATHOLIC JUBILEE PERSPECTIVE		
Crucial questions about the Jubilee and the resulting individual debt forgiveness.	Perspective	
	Jewish	Catholic
What practical events have occurred in the last 25 centuries of the Common Era? What are the foundations in the sacred texts?	It should be observed precisely every 50 years, that is, on average, once in the lifetime of every creditor and every debtor, according to the precise indication in the Torah, Leviticus 25 (4J). It has been observed for approximately 850 years, but never for more than 2,500 years due to the diaspora.	First implemented in 1300 with a Papal Bull issued by Pope Boniface VIII, it is repeated with varying frequency and motivations depending on the decisions of the Pontiff (4C). There is no specific mention in the New Testament, except for a generic reference in Luke 4 to the "Year of the Lord's Mercy."
What precondition?	Presumed individual repentance with the recognition of one's own errors and limitations on the Yom Kippur day, when the Jubilee is celebrated (1J).	Presumed individual repentance with the recognition of one's own faults and sins (1C).
What acts are to be performed?	Individual acts of justice and social equity imposed on each penitent by God, to whom alone all things belong (2J).	Individual acts of kindness and forgiveness toward others, equal to those received by each penitent through indulgences obtained by the Church (2C).
What results?	Individual restitution of goods with material value (including freedom from slavery), as well as ethical value (3J).	Individual forgiveness of spiritual debt, predominantly non-economic, and reconciliation with others (3C).

(III.1) Why the debt forgiveness on the part of legal collective entities, currently proposed for the Jubilees of the 21st century, cannot be said to have a biblical basis.

The connections between the biblical Jubilee rules and practices, on the one hand, and the debt forgiveness on the part of collective legal entities, on the other — although not all impossible on an analogical level — seem logically complex for various reasons, related to elements 1-4 with which Section II concluded, summarized in Table 1. First, the systematic presence of a creditor “Country,” therefore always a legal collective entity, excludes the possibility of repentance, which is necessarily individual and is a precondition, indeed the only essential aspect common to the two mentioned Religions of the Book, as already recalled in points 1J and 1C of Table 1. Worse still: according to the sacred Jubilee, the individual subject who, driven by his faith, repents is also the one who pays “out of his own pocket” for the debt forgiveness; on the contrary, the collective subject, even if hypothetically driven by similar religious or ethical impulses oriented towards debt forgiveness, makes others pay for it, the others being the actual creditors who bear the damage and the burden of the failure to repay the debt. Secondly – looking at element 4J – there are difficulties in extending the Jubilee remission of individual debts to the one concerning collective legal entities in the Jewish context, as the Torah imposes obligations precisely every 50 years, that is, on average, only once in the life of individual creditors and debtors, while the relationship that is created between macro legal subjects, even when it does not give rise to repeated acts of debt forgiveness over time (as in case study 1 illustrated shortly), still involves an intergenerational relationship, highlighted by the rule of law, that is, by the social contract historically existing in each "Country", to be applied or rejected by forgiveness: among these rules, first and foremost, is the principle of *pacta sunt servanda* by those who today must, as an institutional creditor, execute or forgive what was decided in the past by others. This problem of overlapping

generations inevitably arises even more so when the debtor is also a “Country” (as in case study 2), with or without[27] repeated debt forgiveness (and this second condition may exist, although extremely rare[28]). This is because, in general, the temporal distance between the original decision on lending and borrowing and the current choice to maintain or change the original contract is greatly widened, by legal parties other than the initial ones. These parties today are therefore responsible for forgetting the old "pact" made by others with others, or instead reaffirming it.

On the other hand, the focus on economic-financial debts is precisely an integral part of the Torah's approach (see 3J), to which modern Protestant movements, in favor of the forgiveness of monetary debts of developing Countries, explicitly prefer to refer,[29] rather than to the ethical-spiritual connotations characteristic of the Catholic Jubilee (see 3C). The transition from the debt forgiveness from an individual debt to a juridical collective subject (on point 2J) appears more complex, however, from the

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[27] In this respect, the economic history of German war reparations is very instructive. At the end of World War I, according to Chandrasekhar and Ghosh (2015, 1), “the so-called ‘guilt clause’ of the 1919 Treaty of Versailles held Germany responsible for the war and required the payment of reparation debts of 132 billion Deutsche Marks (about $400 billion). This debt fueled a cycle of hyperinflation that pushed Germany to the brink of financial collapse. This system was harshly criticized by John Maynard Keynes [1919, republished in Keynes, 1963, 3-51] and in his book “*The Economic Consequences of the Peace*£, he predicted that the Treaty of Versailles would cause an economic and social crisis in Germany and fuel the rise of a dictatorship driven by a spirit of revenge. According to Chandrasekhar e Ghosh (2015, 1), “the United States extended credit to Germany and also reduced the amount of debt through the Dawes Plan in the period 1924–1929, allowing Germany to make reparation payments by borrowing abroad. However, when Wall Street crashed in 1929, the United States demanded full repayment of the loans granted. This quickly became impossible and generated the forces that led to the fall of the Weimar Republic. In 1931, when the ratio of foreign public debt to GDP reached 100 percent, the fiscal austerity required to make transfers and repay the debt pushed Germany into the Great Depression. Reparation payments were canceled in August 1932, but payments to creditors remained in the form of continuously refinanced short-term debt. (…) By then, however, the Country had already paid 23 billion gold marks, or 17 percent of the Versailles reparations, and still had to repay the foreign bonds issued in the 1920s to raise the money needed for reparations. The debt continued to fuel deep feelings of resentment, which Adolf Hitler exploited to seize power in 1934. «Nothing played a greater role in Nazi propaganda than the rejection of Versailles and the promise to annul the Treaty», says Gerd Krumeich of the University of Düsseldorf, a scholar of World War I, «and this gave rise to a propaganda and hatred campaign». «Without the Treaty of Versailles, German history would have taken a very different course», agrees Carl-Ludwig Holtfrerich of the University of Berlin. «It was a lesson the Americans learned after World War II and in fact supported the creation of a new world order in which reparations were excluded». After World War II, Germany again sought financial support to rebuild a nation devastated by the conflict. To reassure investors, Chancellor Konrad Adenauer, with a historic agreement signed in London in 1953, committed the Country to resume payments on its pre-war debt: «Germany wanted to demonstrate to the world that it would be an absolutely reliable debtor. It needed new capital and could only obtain it by repaying old debts», says Rombeck-Jaschinksi. «This was the basis of the German economic miracle and was fundamental to Germany's reintegration into the Western world». However, Chancellor Adenauer also argued that the interest on foreign bonds accumulated between 1949 and 1952 should be paid by the entire Country, and not just West Germany, and therefore that such payments should be made only after German reunification. By the early 1980s, the debt arising from the London Agreement had been reduced and Germany had repaid its obligations”. See also Bright, 2015.

[28] According to Chandrasekhar and Ghosh (2015, 3), “the London Debt Agreement of 1953, which resulted in the abolition of much of Germany’s defeated World War II sovereign external debt, was the result of negotiations between Germany and twenty of its creditors (including, it is worth noting, Greece and Italy, and even Pakistan). The conference grew out of lessons learned by the United States and other creditors during the interwar period, particularly regarding the economic and political dangers of forcing Countries into economic depression through debt-driven austerity policies. At the time, Germany held a significant amount of pre-war debt (much of it from reparations payments and underwritten by the Nazi Government), as well as just over half of the total debt resulting from the post-World War II Marshall Plan granted by the United States to boost the economy, which had already helped rebuild infrastructure. (…) There was significant cancellation of both types of debt: pre-war debt was reduced by 46 percent and the postwar debt by 52%. The remaining debt was converted with extremely favorable repayment terms”. De Pommerau (2010, 1-4) observes that, “to some historians, World War I ended Sunday. Amid the news headlines marking the 20th anniversary of German reunification, the country quietly finished paying the last of its debt stemming from reparations imposed by the Versailles Peace Treaty more than 92 years ago. «It's a symbol. It marks the end of World War I - says Ursula Rombeck-Jaschinski, a professor of modern history at Heinrich-Heine University in Düsseldorf - It shows that Germany is prepared to pay back its debts after 92 years. More importantly, it also shows that Germany today is a totally different Germany than it was in the 1920s and 1930s»".

[29] Benini and Platone (2000, 7) state: “The Churches too must be healed, they must adopt, before any other institution, a mentality, a Jubilee culture in the biblical sense, joining forces to heal the profound evils of our society. There are social and economic issues that Christians can and must face together; division only serves to prolong evil on earth. And there is also a need for internal healing within each individual Church. In the jubilation of the celebrations for the new millennium, we must therefore remember the real meaning of the Jubilee, which is a biblical word that we must reclaim, freeing it from the ecclesial traditions that have debased it, disfigured it, bent it to the demands of institutional religion. That word invites us first and foremost to work for justice, social order, healing. Jubilee does not mean the triumph of an institution, of a religious ideology or of a Church that claims to ‘manage’ forgiveness on the part of God, but rather to recognize that the the earth belongs to God and we are here as temporary inhabitants”.

Jewish perspective, as it is necessary to proceed from an act of justice and social equity imposed on each of us by the eternal divine law, to an act of justice and equity decided, by legal persons/macro subjects, presumably by a majority rule, according to their current social contract and according to the one, perhaps different, historically in force.

On the contrary, precisely the Catholic Church's high flexibility concerning the Jubilee, experienced as a practice without biblical rules regarding motivations and temporal frequencies (point 4C), removes the closest connections between debt forgiveness, on the one hand, and the personal life cycle, on the other, and therefore facilitates the transition from the individual morality of individual penitents (point 2C) to that of "Countries" that inherit from past generations, usually no longer living, financial credits and debts that they pass on to future generations, to whom they may eventually respond with acts of equal kindness, in a spirit of equal reconciliation (point 3C), perhaps under the pressure of collective guilt feelings.

It now seems appropriate to verify in detail, through the two case studies mentioned above, whether the Jewish and Catholic sources, studied with regard to the Jubilee perspective, while not logically supporting the transition from a micro to a macro approach, when the creditor is a "Country", therefore a collective legal entity, can nevertheless provide opportunities for analogical reflection in two situations: one with a multitude of single private individuals who receive one-off resources for study and who undertake to repay within a limited number of years, but do not always do so (in case 1); the other (in case 2), in which the debtor is also a developing Country with overlapping generations[30] and is a recipient of credit and generator of debt with the risk of default, and therefore loans may or may not be repeated over time.

Case 1: A multitude of individual credits for university education, intended for a large number of capable and deserving Americans without means, to be repaid within 20 years.

If, as is currently the case, not all individual credits have been repaid after 20 years, the question arises of possible partial debt forgiveness for the number of Americans who obtained loans as college students but did not repay them on time. Could the Jewish perspective on individual debt forgiveness, illustrated above in Table 1, be helpful by analogy? Note, first, that here, aspects 1J and 2J for debt remittances are absent, but elements 3J and 4J exist (although in the presence of positive interest rates). The practice of individual forgiveness of economic debts makes the use of efficiency principles normal in this context, both ex ante and ex post, taking into account tight budget constraints. Since credit in this case serves to finance investments in human capital, there is small need for further conditionality, as the expected higher income that education usually affords generally induces sustainability, effectively reducing the debt burden. However, when some individuals have not repaid this debt 20 years after completing their university studies, the potential forgiveness of these individuals involves complex interpersonal comparisons. Indeed, it would not imply a Pareto improvement,[31] as almost always

[30] Interestingly, something similar to the connection between case studies 1 and 2 is mentioned by Wills (2020), although I was not aware of it when I chose to explore these two case studies. He writes, in fact, that "with forgiveness of student debt being proposed by some members of Congress, it may be helpful to remember Jubilee 2000, when debt forgiveness was extended to whole Countries".

[31] Pareto optimums and Pareto improvements are described in any public economics textbook, but they will be further explored in more detail in this paper shortly.

happens, because the potential debt forgiveness for those who have had less success/ability in life creates winners (i.e., paradoxically, these very same people) and losers. Among these in society are former accredited students who have already repaid all their debts, including accrued interest, as well as their peers who did not have access to those credits, despite having the necessary qualifications, and therefore did not benefit from this opportunity to attend university, as well as taxpayers who will sooner or later bear the brunt of the amnesty. To analyze the act of justice and fairness that the "Country" would eventually achieve with forgiveness towards debtors who are in default, it should be noted that the more the social contract in force is based on a Rawls-style social welfare function (1971), where the community is better off only when its most unfortunate members improve their living conditions, the more likely it is that a decision will be made to forgive debts in the face of partial non—repayment of the loan. This explains, in my opinion, why (Teas, 2024) "half of Americans favor canceling at least part of the debt of college students who are behind on their payments, in the presence of a wide gap between Democrats and Republicans": in fact, 71% of Democrats are in favor and 67% of Republicans are against forgiveness for all college students who are in default.

If we now wish to approach the same case involving Americans who received college loans and have not repaid them in full after 20 years, using the same analogical method, from the Catholic perspective outlined in Table 1, remark that requirements 1C and 3C are absent. However, the flexibility and adaptability of the Church of Rome's behavior (see 2C) allow for a relatively simple transition from an individual ethical—spiritual remission to a collective monetary one whenever desired (see 4C). In this context, the willingness to show mercy easily transforms the desire to forgive into a desire to give, normally without raising problems of interpersonal comparisons between winners and losers (which are typical effects, instead, of any individual action or public intervention). This is because in the Catholic approach, usually prescriptive (on what should be), a traditional dualism persists between economics and morality. The latter, focused on good intentions rather than results, normally maintains supremacy over the former,[32] as if economics were the realm of selfishness, indifferent to the so-called "common good" (a concept invariably reiterated in the Catholic approach, but never defined[33]), and as if ethics

[32] A few reminders will suffice in this regard. For example, on September 24, 2022 (see Padellaro, 2023), Pope Francis signed a 12-point pact in Assisi with young entrepreneurs and economists called the *Economy of Francis* (reworked in Farnetti, Ferrazzano and Vespignani, 2023), the various elements of which are very revealing in this regard. Today these same theses are reported almost identically by Pope Leo XIV (*Apostolic Exhortation on Love for the Poor. Dilexi te*, 2025). The lack of recognition of the great social benefits and the moral value of legally and rationally pursuing one's own interest and profit in perfectly competitive markets, appears confirmed throughout the Catholic galaxy than in the areas that experienced the Protestant Reform (see Max Weber in *The Protestant Ethic and the Spirit of Capitalism*, [1904-1905] 1991). For example, consider point 6 (“an economy that leaves no one behind”), point 8 (“an economy where finance is a friend and ally of the real economy and labor, and not against them”), point 10 (“an economy that fights misery in all its forms, reduces inequality”) and above all point 11 (“an economy guided by the ethics of the person and open to transcendence”), where there is, on the one hand, little perception of opportunity costs or individual and social trade-offs, and on the other, a morality based on good intentions rather than results.

[33] It is certainly no coincidence that in all documents written by the Pontiffs a definition of the common good is missing. The reason, in my opinion, is that it cannot be defined in all situations - and they are usually the most frequent (as in case studies 1 and 2) - where an action creates an improvement for some, but has negative implications for others. The common good then remains a utopia with no foundation except in normative do-gooder aspirations. From this point of view it is interesting to remember that the concept of common good was not equally groundless in St. Thomas Aquinas (Summa II-III, 66, Article 2) because there he started from the assumption that there was no individual private property, as also supported by Leviticus 25 ("It seems that no one is allowed to own things on his own. It would seem unlawful for a man to possess a thing as his own. For whatever is contrary to the natural law is unlawful. Now according to the natural law all things are common property: and the possession of property is contrary to this community of goods. Therefore it is unlawful for any man to appropriate any external thing to himself. (...) There are two faculties of man with respect to external goods. The first is that of procuring and administering them. And in this regard it is permissible for man to possess his own goods [this is a question of possession not of property]. Actually, this is even necessary for human life, from three reasons. First because every man is more careful to procure what is for himself alone than that which is common to many or to all: since each one would shirk the labor and

were the only form of expression of attention to the needs of others[34]. On the contrary, it can be demonstrated that in a perfectly competitive economic system, not only does it happen, but it is appropriate that it happens to achieve the Pareto optimum: each of us, without desiring the good of others, rationally maximizes his or her utility under constraints, because in this way a result is achieved for the Pareto-efficient society, where no one could be better off without anyone else being worse off.[35] Once the Pareto frontier is reached, redistribution in favor of the most vulnerable is desirable and possible, but only economic growth is the necessary condition to truly help the poorest segments of the population. Not the intention of doing them good: for example, historically, to cloth the naked it was better to avoid gestures of generosity *à la Saint Martin*, who was ready to share his cloak, but rather introduce a drastic reduction in costs and a larger availability of warm overcoats, made possible by mass production induced by the Industrial Revolution.

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leave to another that which concerns the community, as happens where there is a great number of servants. Secondly, because human affairs are conducted in more orderly fashion if each man is charged with taking care of some particular thing himself, whereas there would be confusion if everyone had to look after any one thing indeterminately. Thirdly, because a more peaceful state is ensured to man if each one is contented with his own. Hence it is to be observed that quarrels arise more frequently where there is no division of the things possessed. The second thing that is competent to man with regard to external things is their use. On this respect man ought to possess external things, not as his own, but as common, so that, to wit, he is ready to communicate them to others in their need". For this medieval philosopher, therefore, there are only common goods in which we cannot help but have common interests. But Leo XIII himself in *Rerum Novarum* (1891, 38-40) introduces the right to private property into the social doctrine of the Church and it is there that the concept of common good loses its realism and meaning ("The fact that God then gave the land for the use and enjoyment of the whole human race is in no way opposed to the right of private property; since he made that gift to all, not because each had a common and promiscuous dominion over it, but rather because he did not assign any part of the land specifically to anyone, leaving this to the industry of men and to the special rights of peoples. The land, however, although divided among private individuals, nevertheless remains at the service and benefit of all, there being no man in the world who does not receive food from it. Those who do not have their own goods make up for it with work; so much so that it can be truthfully stated that the universal means of providing for life is work, employed either in cultivating one's own land, or in practicing an art, the revenues of which are ultimately obtained from the many fruits of the earth and are exchanged in them. And this is another proof that private property is in conformity with nature. (...) Humankind, therefore, (…) with an eye fixed on the law of nature, has found in the careful study of nature, and in the laws of nature, the foundations of the division of property, and the practice of all ages has consecrated the principle of private ownership, as being pre-eminently in conformity with human nature, and as conducing in the most unmistakable manner to the peace and tranquillity of human existence. The same principle is confirmed and enforced by the civil laws, laws which,so long as they are just, derive from the law of nature their binding force. The authority of the divine law adds its sanction, forbidding us in severest terms even to covet that which is another's: «Thou shalt not covet thy neighbour's wife; nor his house, nor his field, nor his man-servant, nor his maid-servant, nor his ox, nor his ass, nor anything that is his»)".

[34] The term "common good" is repeated in all the encyclicals of Popes who share the social doctrine of the Church, beginning with the initiator and precursor of the current Pontiff, Leo XIII, who in 1891 recalled that "providing for the common good is the office and competence of the State. And the greater the sum of the advantages procured through this general providence, the less need there will be to attempt other ways to save the workers" (here implicitly the common good is defined as the sum of the advantages of each of the agents, but this would require a cardinal measure of individual utilities, truly impossible except perhaps with the modern and futuristic tools of neuroscience). Moving on to examine Mater et Magistra (1961, 16-17), Pope John XXIII observes at point 151 that "the justification of all Government action is the common good. Public authority, therefore, must bear in mind the interests of the state as a whole". Paul VI reiterates this at point 26 of the Encyclical Gaudium et Spes (1965): "Every day human interdependence grows more tightly drawn and spreads by degrees over the whole world. As a result the common good, that is, the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment, today takes on an increasingly universal complexion and consequently involves rights and duties with respect to the whole human race. Every social group must take account of the needs and legitimate aspirations of other groups, and even of the general welfare of the entire human family". In Caritas in Veritate (2009, 34-35), Benedict XVI, with greater acumen, argues that the "economic activity cannot solve all social problems through the simple application of commercial logic. This needs to be directed towards the pursuit of the common good, for which the political community… the logic of gift does not exclude justice, nor does it merely sit alongside it as a second element added from without; on the other hand, economic, social and political development, if it is to be authentically human, needs to make room for the principle of gratuitousness as an expression of fraternity. In a climate of mutual trust, the market is the economic institution that permits encounter between persons, inasmuch as they are economic subjects who make use of contracts to regulate their relations as they exchange goods and services of equivalent value between them, in order to satisfy their needs and desires. The market is subject to the principles of so-called commutative justice, which regulates the relations of giving and receiving between parties to a transaction. But the social doctrine of the Church has unceasingly highlighted the importance of distributive justice and social justice for the market economy".

[35] The invisible hand which achieves this splendid and counterintuitive result, is the subject of extensive modern analysis on general economic equilibrium, based on the so-called Arrow-Debreu theorem (1954).

It may be argued that the Catholic approach highlights a form of naivety or ignorance of the most important concepts and theorems of economics (from the Pareto optimality principle to the demonstration that the maximum social wellbeing can be achieved by the market in a system of perfect competition, where each person maximizes its individual utility under constraints, assuming convex preferences, individual rationality and the rule of law). And yet it must be noted that, unlike in other developed Countries, in Italy, not only does this ignorance also pervade the liberal components of society, such as those embodied by the idealism of Benedetto Croce (1957), who, precisely for this reason, violently opposed the liberism of Luigi Einaudi (1957),[36] but in addition, in Italy it is admirably conjugated with the widespread Marxist approach. Indeed, the latter is different in every way from the Catholic approach, except in the idea that money is dirty, profit is suspect if not condemnable, and that the social utility of entrepreneurs should be controlled, not that of workers, as perfectly illustrated first of all in the economic articles of Italy's Constitution (Artt. 35-47),[37] fortunately counterbalanced by the European Treaties, endowed with a much more balanced and correct vision of the social market economy.[38]

With reference to the specific case study 1, the Catholic perspective would perhaps not even lead to raising (and obviously solving) the problem of winners and losers, also for two further specific reasons: because the monetary stake is quantitatively limited (forgiving the debt of every American student, unable to fully repay the loan would entail an average cost in the order of 10,000 dollars), in the

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[36] See Croce-Einaudi (1957).

[37] Italy's Constitution does not use the concept of "common good," but rather uses other equally ill-defined concepts, such as "general utility" (Art. 43).

[38] The inevitable reference to the "common good" in all documents of the Catholic leadership is on the contrary generally absent from the writings of economists, even those closest to the goal of showing solidarity without hesitation or limitation with the needs of the Third World, ready to forgive their debts, as demonstrated by Stiglitz (2002, 2018, and with *The Jubilee Report* – AA.VV. 2025a) or Nobel Prize winners Banerjee and Duflo (2020). For example, in Stiglitz's introduction (2018, VIII-IX) he insists that, following the globalization of markets, "for some, things have gone quite well in the last quarter century: the big winners are the global 1% – multimillionaires and billionaires – and the new middle classes in India and China", who have emerged from poverty and underdevelopment thanks to globalization, "more than 800 million in China alone. To the economists and politicians who extolled the virtues of globalization. (…) I say they were partly right, partly wrong. Well-managed globalization could have benefited everyone. But it has generally not been managed properly, with the consequent deterioration of the living conditions of a portion, if not the majority, of the population". In short, economists almost entirely avoid talking about the "common good" due to the almost constant presence of losers and winners. However, in the specific case of debt relief advocates, Jeffrey Sachs (2019) is an exception. After publishing an entire book entitled *The Common Good: Economics for a Crowded Planet* (2010), he held a conference on the same topic for the Community of Sant'Egidio on September 15, 2019, reiterating that the common good is based on three main pillars perfectly in line with those of Pope Francis: overcoming an economy based on the pursuit of profit at all costs, but rather oriented towards ethics; a shared universal ethic, based on the UN 2030 Agenda; and finally, the achievement of the sustainable development goals by asking "the rich world: honour your commitment to give just 1% of the Gross Domestic Product, with public and private aid to meet the enormous needs of the poorest". In this paper, Sachs also illustrates an indisputable, impressive empirical reality: "We are here today to unite in the name of our common humanity. We are here to insist that humanity is endowed with reason, the reason that allows us to choose the common good. (…) Consider some concrete data: world income this year is $90 trillion, over $11,000 per capita. Yet one billion people still live in extreme poverty. With a transfer of just 1% of rich Countries' income to poor Countries, about $500 billion a year, we can end extreme poverty. Global life expectancy is 72 years, yet approximately 5 million poor children will die this year before the age of 5 because their families and communities are too poor to support them. With a transfer of just 1/10 of 1% of the rich world's income, healthcare could be extended to these children and a large proportion of these deaths averted. The world has promised education from pre-kindergarten to high school for every child on the planet, yet 260 million school-age children are out of school. With just 1/10 of 1% of the rich world's income transferred to poor Countries, we could fund schools and teachers for these children. Two thousand billionaires have a combined net worth of $10 trillion. The 15 richest people on the planet have $1 trillion in wealth. The income earned each year by these 15 people alone could fund the education of 260 million children. Jeffrey Bezos, Bill Gates, Bernard Arnault, Warren Buffett, Mark Zuckerberg, and others: you must act. The United States spends more than $700 billion a year, $2 billion a day, on military spending. Three days of military spending a year, equal to $6 billion a year, is enough to nearly eliminate malaria. Five days of military spending a year, equal to $10 billion, would completely fund the global fight against AIDS, TB, and malaria. Let's tell the Pentagon, take a long weekend so we can rid the world of these deadly diseases. The global cost of armed conflict, military spending, homeland security spending, and personal safety exceeds $5 trillion a year — enough to end poverty, protect nature, and convert our energy systems to wind, solar, hydroelectric, geothermal, and other zero-emission energy sources. We stand with the prophet Isaiah, who told us to forge our swords into plowshares. We are a rich world, but we have lost our bearings".

presence of a budget constraint commonly perceived as soft due to ethical reasons, and because the borrowing is ex ante sustainable (since it is used for education, i.e., for the accumulation of human capital), while ex post there is no risk of moral hazard on the part of the recipient of the loan, especially if the defaulting debtor is left with a long-life stigma of unreliability and inability to effectively succeed in his early studies.

Case 2: Credit to a heavily indebted developing Country, with repeated credit extended to overlapping generations.

To approach this case analogically from both the Jewish and Catholic perspectives relative to the Jubilee, using Table 1, it must be emphasized that the Jewish perspective lacks the above-mentioned elements 1J, 2J, and 4J, but 3J exists. In addition to the difficulties of interpersonal comparisons already mentioned, made even more complex here by the presence of overlapping generations, other ex ante efficiency considerations also emerge, which lead to the use of conditionality principles in loans, for example, to use credit resources for productive investments in human or real capital and, at the same time, to implement structural reforms (as the European Union has appropriately and systematically requested, in other contexts, in the 2021—2026 Next Generation EU financing to Italy, to be repaid between 2028 and 2058). This aims to ensure debt sustainability, both by avoiding new debt to pay interest on the previous debt and by avoiding ruining oneself by repaying the old debt. Above all, the objective is to ensure that the initial credit resources generate effective results in order to lift developing Countries out of poverty and stagnation.

Adopting again the analogical method, the Catholic perspective lacks elements 1C and 3C, but the flexibility of approach (4C) and the willingness to show mercy (2C) are helpful, easily transforming the desire for spiritual forgiveness into a desire for material giving. However, an ethic of good intentions oriented towards the "common good" is no longer sufficient. Given the amount and repetitive nature of the funds made available to developing Countries, the budget constraint necessarily becomes tight. It can no longer be ignored that the ethics of results must recognize both the ex ante problems of Pareto efficiency (with the conflicts of interest mentioned above) and the ex post problems associated with the risk of moral hazard on the part of recipients of grants and low-cost credits. In using the funds, they may pursue strategies that effectively reduce their commitment to growth, relying on the eternal "Good Samaritan" (Buchanan, 1975). This distorts the use of credit resources, adding to other causes of persistent poverty and underdevelopment in heavily indebted emerging Countries (HIPCs), such as the presence of conflicting personal interests, administrative inefficiencies, political corruption, ineptitude and lack of accountability among the ruling class, or other reasons that are not necessarily ignoble, maybe also existing in the financing "Countries", which are responsible for deciding on possible debt forgiveness. Consequently, in a context of non-Pareto improvement, the compensation principle, well known also in books of economics and public finance (such as those by Stiglitz and Rosengaard, 2015), is adopted to assess whether the winning parties are able and willing to compensate the losing parties through public taxes and transfers and appropriate rules. This is where the current social contract and the more or less pro the weak political/moral orientation implicit in the social welfare function of the creditor “Country” come into play.

(III.2) Why, nevertheless, do modern movements for collective debt forgiveness in favour of developing Countries refer to Jubilees

Why, then, despite what has been demonstrated so far in (III.1), is the religious, ethical/spiritual component so important in modern movements for debt forgiveness of developing Countries, precisely proposed on the occasion of Jubilees?

Starting from some facts observed during the two major Jubilees of the last 25 years, we recall that the Jubilee 2000 movement, bringing together 40 Countries, involving humanitarian organizations and various Churches[39], during the 1990s for the 2000 Jubilee, called for the program of unconditional cancellation of the debts of the poorest emerging Countries. Members of this composite coalition were the Church of England, which supported this movement from the beginning, Pope John Paul II, who ultimately endorsed it[40], Tony Blair's British Government (including the Chancellor of the Exchequer), the US Congress, and various wealthy States, as well as the World Bank and later the International Monetary Fund. The Jubilee 2000 coalition, as planned, dissolved at the end of the first millennium after having obtained the requested cancellation of €100 billion in debts of 35 heavily indebted poor Countries. Two decades later, there is no shortage of nostalgia for that approach (see Tim Jones, 2023, 4—5): "Debt cancellation is a necessary response when debts are too high. But one-off cancellations will only multiply cycles of crisis unless the root causes of debt dependence are addressed." Jones adds (2023, 14—15): "This time, we cannot wait another twenty-five years for a one-off fix[41]— a stopgap solution to the debt problem that offers limited respite but does not address the root causes of the boom-and-bust cycle that characterizes debt crises. New rules for responsible credit policy (…) can put an end to these crises and significantly reduce the risk of future ones". It is striking in my opinion that in this, as in other similar texts (for example, in the World Council of Churches, edited by, 1988), credit policies seem to be solely responsible for the failure to achieve results in developing Countries through debt forgiveness. These policies are blamed for being only one off (but that was exactly what was requested at the time and, in my opinion, for good reasons)!

More recently, in his invitation to celebrate the 2025 Jubilee, *Spes Non Confundit* (Hope Does Not Disappoint), Pope Francis urged the richest Countries to recognize the gravity of many of their past decisions and opt for debt forgiveness of Countries that will never be able to repay them, stating that, more than a question of generosity, it is a question of justice. Furthermore, on the occasion of the 2025 Jubilee, Pope Francis asked a Committee of Experts (see *The Jubilee Report*, AA.VV. 2025a, 22) to recall that "in this Jubilee year we ask the world to extend a hand to the people of countries in distress.

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[39] According to the Director of Jubilee 2000, Ann Pettifor (Bottaccio, 2000, 86), in 2000 "the campaign is active in all G7 Countries, but in more than 70 Countries around the world there are groups that, more or less formally, promote our appeal. The Churches play a fundamental role. It is a strongly ecumenical experience. Many people within the Churches are beginning to understand that this initiative is a concrete opportunity to bring together theological and economic issues, to speak about equity and redemption in concrete terms. (…) The Protestant Churches are firmly in favor, and the Orthodox Churches are also beginning to embrace what we are advocating. The Churches in the United States are actively involved in the campaign. The English Jewish community has also openly supported the initiative".

[40] In Bottaccio (Federazione delle Chiese Evangeliche, eds., 2000, 85) we read that "in Italy the campaign was launched by various volunteer and cooperative organizations under the name *Sdebitarsi* (Cancel the Debt)". To read the text of the Italian appeal see Federazione delle Chiese Evangeliche, eds., 2000, 85-87.

[41] Here there is an explicit call for the repetition of debt remittance, while the only proposed structural reform concerns the behavior of creditors, as if they were the unique macroeconomic agents responsible for the failure to overcome the underdevelopment of poor Countries.

We must offer them the opportunity to rebuild their hope. It is time for a HIPC II. But addressing the crises of the moment, however urgent, is not enough. If we do not reform the system itself, we will continue to reproduce the very dynamics that led us here. The international financial architecture must be redesigned to create sustained access to the financing needed for inclusive growth, climate[42], and structural transformations, as well as to enable just[43] and efficient debt resolutions. Yet even that will not be enough. Debt is only one pillar of a global economic order that is not conducive to lasting peace, sustainable development and shared prosperity for the global community. If we are to reach those goals, we must go further. We must reform the entire architecture of the global economy and the systems that shape opportunity and distribute risk across the world: the rules for taxation, for trade, and for the creation and diffusion of knowledge. A true Jubilee of multilateralism". This biased text also places all responsibility for the failures of debt relief for emerging Countries solely on the developed world!

Based on the above premises, my answer to the question posed in the title of this Section (III.2) is simple: the main reason why various secular and religious movements of different religious and cultural nature, especially Christian ones, invoke the Jubilee in their proposals for debt forgiveness for emerging poor Countries, despite the absence of any biblical basis either on logical or, in general, on analogical grounds for this collective actions, seems to be the fact that these movements express guilt feelings and a need for political atonement in the face of the extreme poverty experienced by some developing Countries, particularly HIPCs. For various Christian currents and occasionally for people belonging to other religions or to humanitarian organizations, both national and international, or for opinion leaders without particular religious convictions, these are collective sentiments similar to those felt by penitent individuals, ready to free themselves from their errors and sins during the Jubilee.

The guilt feelings, underlying proposals for debt forgiveness of heavily indebted poor Countries is pervasive in the key documents of the Church of Rome, especially those signed by the last two Popes. In his first *Apostolic Exhortation on love for the poor*, *Dilexi te*, Pope Leo XIV (2025, 30—31) writes about the "structures of sin that create poverty and extreme inequality," stating that "it is a matter of hearing the cry of entire peoples, the poorest peoples of the earth". It is therefore our duty to continue

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[42] The dramatic debt/climate connection has become starkly evident after COVID, as highlighted by *Global Justice Now* (2021, 1): "The economic shock of the pandemic has plunged many middle and lower-income countries further into a debt crisis that has been building for the last decade. Meanwhile, many of the same countries are experiencing the harsh reality of the climate crisis, from more frequent climate-extreme events like tropical storms and droughts, to rising sea levels and increasing temperatures. Countries need funds to be able to address the climate crisis now, but many are trapped in repaying vast sums to their creditors every year. In 2020 alone, countries in the global South spent $372 billion on servicing debt. At the same time, extreme climate events and insufficient grant-based climate finance force countries deeper into debt, creating a vicious cycle that can be impossible to escape. Key global actors like the IMF and World Bank have acknowledged the link between debt and the climate crisis, but insufficient action is being taken by decision makers like the G7 and G20. To address the climate crisis, urgent action is needed on the debt crisis in the global South". According to the authors of *Global Justice Now* (2021, 1), "This includes both debt relief and adequate grant-based climate finance, in recognition of the climate debt owed to the global South by wealthy polluting nations for their role in the climate crisis, as agreed by all UN members in the principle of common but differentiated responsibility. COP26 presents a vital opportunity to ensure that debt relief is firmly on the agenda as a key ingredient for addressing the climate crisis. To address the climate and debt crises, we call for: Debt cancellation for all countries that need it, across all creditors; - The introduction of legislation to ensure private creditor participation in debt restructuring; Suspension of debt payments and debt cancellation in the event of a climate-extreme event; Adequate climate finance goals of at least $400 billion per year tobe agreed and delivered, with finance provided in the form of grants including a separate mechanism for funding loss and damage, so debt levels do not increase; A significant portion of Special Drawing Rights (SDRs) to be channelled to poorer countries in the form of grants, not loans". Therefore, here again, the requests are "extreme", not only debt forgiveness interventions, but also those repeated over time, unconditioned, almost automatic, based solely on the needs of developing Countries, indifferent to the results.

[43] Pope Francis, as reported by Moro (2025) says: "If we truly want to prepare the way for peace in the world, let us commit ourselves to remedying the root causes of injustice, repaying unjust and unpayable debts, and satisfying the hungry... Among the commitments of the Jubilee of Hope of 2025 there is the call for debt cancellation, as had already occurred on the occasion of the Jubilee of 2000".

to denounce the "dictatorship of an economy that kills, and confront “the destructive effects of the empire of money," and to recognize that, “while the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies that defend the absolute autonomy of the marketplace and financial speculation[44]. Consequently, they reject the right of states, charged with vigilance for the common good, to exercise any form of control. A new tyranny is being born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules”. In the Encyclical *Dilexit nos,* Pope Francis recalled that “social sin takes shape as a «structure of sin» in society, which is often part of a dominant mentality that considers normal or rational what is actually only selfishness and indifference. This phenomenon can be defined as social alienation. It becomes normal to ignore the poor and live as if they did not exist. It presents itself as the reasonable choice to organize the economy by asking people to make sacrifices, to achieve certain goals that interest the powerful. Meanwhile, for the poor, only promises of ‘drops’ that will fall, remain, until a new global crisis brings them back to the previous situation”[45].

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[44] In this text, Pope Leo XIV reprises and directly quotes concepts and words used by Pope Francis, whose thought at times appears more conciliatory, even though it is essentially the same. For example, in *Fratelli tutti* (2020, 32), he states: “«Opening up to the world» is an expression that has been co-opted by the economic and financial sector and is now used exclusively of openness to foreign interests or to the freedom of economic powers to invest without obstacles or complications in all countries. Local conflicts and disregard for the common good are exploited by the global economy in order to impose a single cultural model. This culture unifies the world, but divides persons and Nations, for «as society becomes ever more globalized, it makes us neighbours, but does not make us brothers». (…) Indeed, there are markets where individuals become mere consumers or bystanders. As a rule, the advance of this kind of globalism strengthens the identity of the more powerful, who can protect themselves, but it tends to diminish the identity of the weaker and poorer regions, making them more vulnerable and dependent. In this way, political life becomes increasingly fragile in the face of transnational economic powers that operate with the principle of «divide and conquer»”.

[45] In this regard, it must be underlined that the position of the previous Pontiffs seems much more balanced, both because some (John XXIII) insist on the importance of self-determination in the escape from underdevelopment of the poorest Countries – an element which has also been highlighted in the most modern theses of economists (as in Deaton and Palminiello, 2015), and because others (Paul VI) recall that it is in the interest of the developed Countries themselves that emerging Countries escape from poverty, a concept reiterated with great lucidity and competence also by Pope Benedict XVI. Thus, for example, Pope John XXIII in *Pacem in terris* (1963, 39-40) writes: "All men are united by their common origin and fellowship, their redemption by Christ, and their supernatural destiny. They are called to form one Christian family. In Our encyclical *Mater et Magistra*, therefore, We appealed to the more wealthy nations to render every kind of assistance to those States which are still in the process of economic development. It is no small consolation to Us to be able to testify here to the wide acceptance of Our appeal, and We are confident that in the years that lie ahead it will be accepted even more widely. The result We look for is that the poorer States shall in as short a time as possible attain to a degree of economic development that enables their citizens to live in conditions more in keeping with their human dignity. It is no small consolation to Us to be able to testify here to the wide acceptance of Our appeal, and We are confident that in the years that lie ahead it will be accepted even more widely. The result We look for is that the poorer States shall in as short a time as possible attain to a degree of economic development that enables their citizens to live in conditions more in keeping with their human dignity. Again and again We must insist on the need for helping these peoples in a way which guarantees to them the preservation of their own freedom. They must be conscious that they are themselves playing the major role in their economic and social development; that they are themselves to shoulder the main burden of it. Hence the wisdom of Pope Pius XII's teaching: «A new order founded on moral principles is the surest bulwark against the violation of the freedom, integrity and security of other nations, no matter what may be their territorial extension or their capacity for defense. (…) The wealthier States, therefore, while providing various forms of assistance to the poorer, must have the highest possible respect for the latter's national characteristics and timehonored civil institutions. They must also repudiate any policy of domination. If this can be achieved, then «a precious contribution will have been made to the formation of a world community, in which each individual nation, conscious of its rights and duties, can work on terms of equality with the rest for the attainment of universal prosperity»”. Paul VI appropriately recalls in *Populorum Progressio* (The Development of Peoples, 1967, 43-44) that “the principle of free trade, by itself, is no longer adequate for regulating international agreements. It certainly can work when both parties are about equal economically; in such cases it stimulates progress and rewards effort. That is why industrially developed nations see an element of justice in this principle. But the case is quite different when the nations involved are far from equal. Market prices that are freely agreed upon can turn out to be most unfair. It must be avowed openly that, in this case, the fundamental tenet of liberalism (as it is called), as the norm for market dealings, is open to serious question. Leo XIII's teaching in *Rerum Novarum* remains valid: (…) an exchange economy can no longer rest exclusively on the law of free competition, which too often generates economic dictatorship. Free trade is not fair unless it is subordinated to the demands of social justice”. And Pope Benedict XVI (*Caritas in Veritate,* 2009, 48) reiterates along the same lines that “it was not just a matter of correcting dysfunctions through assistance. The poor are not to be considered a «burden», but a resource, even from the purely economic point of view. It is nevertheless erroneous to hold that the market economy has an inbuilt need for a quota of poverty and underdevelopment in order to function at its best. It is in the interests of the market to promote emancipation, but in order to do so effectively, it cannot rely only on itself, because it is not able to produce by itself something that lies outside its competence. It must draw its moral energies from other subjects that are capable of generating them. …

In the words and analyses of the last two Popes, the huge debts of the HIPCs are unjust because of us, the well-off Countries. Extreme poverty in certain areas of the world would be motivated by the policies of national and international organizations and the wealthiest public and private sectors, or at least it would exist because they are deaf to the cries of pain coming from poor Countries. Therefore, creditors, the Popes argue, must forgive those debts according to moral standards which are – in my opinion — objectively questionable, since they are asking not themselves but others, for debt forgiveness, making others bear the cost of assisting the less fortunate Countries[46] with transfers of resources. Indeed, there is no evidence, for example, that the Vatican has decided to donate, due to political atonement, a large portion of the Catholic Church's immense wealth to the benefit of the HIPCs, specifically with the aim of covering their debts on the occasion of the two latest main Jubilees, while the Popes were asking large Western Countries, the International Monteray Fund or the World Bank to do so!.

These collective guilt feelings are also deeply rooted in Protestant Churches, where Jubilee calls for collective debt forgiveness in favour of poor Countries historically arose before it happened in the Church of Rome. For example, Benini and Platone (2000, 7-8) write that "the Jubilee should be experienced not as a relaunch of one Church over others, not as an offer of plenary indulgence or religious-tourist programs, but as it is presented in the pages of the Bible. That is, a vision of effective solidarity, of a challenge posed yesterday as today to the people of believers, the challenge of announcing their liberation to the indebted, reduced to slavery. We must free ourselves from the remorse that my, our wellbeing is paid for with the lives of the children of the Third World. The only war we can join with weapons of reason and solidarity is the one against poverty, degradation, and ignorance. We must eliminate the vertiginous abyss that separates the North and the South of the world. The ethic of responsibility must guide the world's economy because the number one problem is that too many people die of hunger, hardship, and violence, while a minority wastes resources and lives in great wellbeing, even if they always have the courage to complain".

Among Protestant supporters of debt forgiveness for developing Countries on the occasion of the Jubilee, many other similar quotes would be possible. For example, positions such as the following emerge from the report of the Assembly of the World Council of *Churches* (see World Council of

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The market is not, and must not become, the place where the strong subdue the weak. Society does not have to protect itself from the market, as if the development of the latter were ipso facto to entail the death of authentically human relations. Admittedly, the market can be a negative force, not because it is so by nature, but because a certain ideology can make it so. It must be remembered that the market does not exist in the pure state. It is shaped by the cultural configurations which define it and give it direction. Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends".

[46] Quoting Clarke (2025), we recall that "according to Caritas, over 100 Countries are struggling with unjust and unsustainable public debt, 65% of which is held by private lenders, slowing down, if not completely hampering, development and climate action. Scores of low-income nations are nearing debt distress, «limiting their ability to invest in people's futures». Caritas reports that as debt repayments in more than 50 low-income nations exceed spending on social services and climate adaptation, 3.3 billion people are being denied vital services, driving poverty and inequality even further". According to *The Jubilee Report* (AA.VV. 2025a, 3), in Africa, where the debt crisis is most acute, "public debt has been growing faster than GDP since 2013. Approximately 57% of the African population — 751 million people, including nearly 288 million living in extreme poverty — reside in countries that spend more on servicing external debt than on education or healthcare. Given the legacies of slavery, colonialism, and anti-Black racism, the concentration of poverty and underdevelopment in Africa calls into question the sincerity of our collective commitment to universal norms of human rights and antiracism. With its rapid demographic growth, Africa holds unique significance for the coming decades, as its share of the global youth population (aged 15 to 24) is projected to rise from 23% in 2023 to 35% by 2050, according to the UN World Population Prospects. Furthermore, climate change — a crisis born largely of historical emissions from advanced economies — is imposing an additional, crushing burden on developing countries. The consequences of climate change are especially devastating for small island states and low-income nations, which have contributed the least to it but suffer the most from its effects.

Churces, edited by, 1988), held in Harare, Zimbabwe, in 1998. This meeting brought together 350 churches, including Orthodox churches, from over 110 Countries, representing approximately 600 million people: “We have to break the stranglehold of debt … by speaking in solidarity with the victims of indebtedness. … Debt bondage by the poorest countries to Western Governments and creditors is today's new slavery. … This process is promoted by G7 leaders through the Bretton Woods institutions, which have encouraged debtor nations to borrow on international financial markets, made easier by the International Monetary Fund's (IMF) deregulation of capital movements around the world. Because foreign debt can only be repaid in hard currency (e.g. US dollars or sterling), indebted countries are obliged to orient their economies towards the raising of these revenues from exports or new loans. This explains why debtor nations are forced to concentrate on cash crops such as coffee, cocoa and carnations, as opposed to staple foods, and why they are caught up in endless cycles of borrowing”.

Among non-Christians, the moralistic and self-accusatory attitude is usually[47] much more nuanced, first of all because in the Jewish world there is no belief in the generic concept of the common good, just as it does not exist in economic and political science, and they both value the results of the competitive market, as well as redistributive policies. For example, Rabbi Jonathan Sacks writes (Sacks, 2004, 32, 101-102, 112-113): “Being all different, we all have something unique to contribute, and every contribution has its value. (…) Curiously, it is the market — the least spiritual of contexts — that conveys a profoundly spiritual message: it is through exchange that difference becomes a blessing and not a threat. When difference leads to war, both sides lose. When it leads to mutual enrichment, both sides win. (…) The market is efficient in creating wealth, but not in distributing it[48] (…). And – Sacks continues — as Adam Smith writes, «it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest»”. In a market economy, in Smith’s famous words – according to Sacks – “the individual «intends only his own gain, and in this, as in many other cases, is guided by an invisible hand to promote an end that was not part of its intention». The fact that the market functions on the basis of self—interest rather than altruism has long led to criticism of anything suggested by the term 'commercial'. This was not the case for Judaism, which accepts the idea that sometimes great progress is triggered by worldly and not necessarily lofty motives. As the Talmudic sages say: «Were it not for the evil inclination, no one would build a house, marry a woman, have children, or engage in business». Purity of heart is fundamental to relationships between man and God. But in relationships between man and man, what matters is the result, not the feeling that generated it”. Sacks (2011) adds: “So the market economy and modern capitalism emerged in Judeo-

[47] However, in some documents co-signed by Pope Francis and Muslim leaders, the tone is sometimes the same. For example, we read in Pope Francis and the Grand Imam of Al-Azhar, Ahmad Al-Tayyeb (2019, 4): “We also affirm that the serious political crises, injustice and lack of equitable distribution of natural resources – which only a wealthy minority benefits from, to the detriment of the majority of the peoples of the earth – have generated, and continue to do so, enormous numbers of sick, needy and dead, causing lethal crises of which several Countries are victims, despite the natural wealth and resources of the young generations that characterize them. In the face of these crises that lead to the death of millions of children, already reduced to human skeletons – due to poverty and hunger – reigns an unacceptable international silence.”

[48] Jonathan Sacks, 2004, further clarifies: “If anything has a moral dimension, it is economics. According to the fourth-century Talmudic master Rava, when we leave this life and enter the world to come, the first question we are asked is: ‘Have you conducted yourself honestly in business?’ Only later are we asked about other aspects of our lives. In the school of Rabbi Ishmael (second century), it was taught that whoever conducts himself with integrity in economic affairs is as if he has fulfilled his entire religious life. The Talmud suggests that anyone who wishes to attain sainthood should devote himself to the study and practice of the ethical laws governing trade and finance. At one of the critical points of the Jewish calendar, the Shabbat before the ninth day of the month of Av, the day of mourning for the destruction of the Temple, we read in the synagogue the famous first chapter of Isaiah, which insists that without political and economic virtue, religious piety is vain.”

Christian Europe and not in other cultures like China that were more advanced in other ways. The religious ethic was one of the driving forces of this once new form of wealth creation. Equally however, this same ethic taught the limits of capitalism. It might be the best means we know of for generating wealth, but it is not a perfect system for distributing wealth. Some gain far more than others, and with wealth comes power over others. Unequal distribution means that some are condemned to poverty. And poverty is not just a physical disaster for those without the means to sustain themselves. It is a psychological disaster. Poverty humiliates. It can also force the poor into a cycle of dependence. They may be forced to borrow money. They might in biblical times be forced to sell themselves into slavery. The Hebrew Bible refuses to see as an inexorable law of nature, a Darwinian struggle in which, in Thucydides' words, «The strong do what they can and the weak suffer what they must». That is the ethics of ancient Greece not the ethics of ancient Israel. (...) In a recent and impressive study Harvard political philosopher Eric Nelson has shown that it was the Hebrew Bible, as read by the Christian Hebraists in the sixteenth and seventeenth century, that was the source of the idea that today we take for granted that it is part of the business of a society to engage in the redistribution of wealth through taxation to ensure the welfare of the poor. Such an idea could not be found in the Greek or Roman classics that inspired the Renaissance. The concept of welfare – distributive justice as opposed to legal or retributive justice – is Judaic in origin and flows ultimately from the same generative principle as the free market itself, the idea that every individual has dignity in the image of God and that it is our task to develop social structures that honour and enhance that dignity. (…) No one who reads the Bible with its provisions for the remission of debts every seventh year could fail to understand how morally concerned it is to prevent the build up of indebtedness, of mortgaging freedom tomorrow for the sake of liberty today. The unprecedented levels of private and public debt in the West should have sent warning signals long ago that such a state of affairs was unsustainable in the long run. (…) We sometimes make the mistake of thinking that the market is a shrine to materialism, forgetting that its keywords are deeply spiritual. «Credit» comes from the Latin «credo» meaning «I believe». «Confidence» comes from the Latin meaning «shared faith». «Trust» is a word that has deeply religious resonance. Try running a bank, a business or an economy in the absence of confidence and trust and you will know it can't be done. In the end we do not put our faith in systems but in the people responsible for those systems, and without morality, responsibility, transparency, accountability, honesty and integrity, the system will fail. (…) Those who believe that liberal democracy and the free market can be defended by the force of law and regulation alone, without an internalised sense of duty and morality, are tragically mistaken. (…) A good society has its own ecology which depends on multiple sources of meaning, each with its own integrity"[49].

[49] Sacks (2011) states: "I want to draw attention briefly to five features of Judaism, largely shared by Christianity, whose role over the centuries has been to preserve a space uninvaded by the market ethic. The first is the Sabbath, the boundary Judaism draws around economic activity. The Sabbath is the day we focus on the things that have value but not a price, when we neither work nor employ others to do our work, when we neither buy nor sell, in which all manipulation of nature for creative ends is forbidden and all hierarchies of power or wealth are suspended. (…) The second: marriage and the family. (…) the concept of property itself. Deeply embedded in the Jewish mind is the idea that we do not ultimately own what we possess. Everything belongs to God, and what we have, we hold in trust. There are conditions to that trust. As the great Victorian philanthropist Sir Moses Montefiore put it: «We are worth what we are willing to share with others». Hence the long tradition of Jewish philanthropy that explains how Judaism encouraged the creation of wealth without giving rise to class resentments. Finally, there is the Jewish tradition of law itself. (…) The concept of the holy is precisely the domain in which the worth of things is not judged by their market price or economic value. (…) When everything that matters can be bought and sold, when commitments can be broken because they are no longer to our advantage, when shopping becomes salvation

Various personalities or humanitarian movements sometimes show populist feelings, predominantly of Christian origin. For example, Donnelly (2007, 193) argues that, if our economic and financial policies and institutions "are organized in such a way as to injure the poor and exacerbate their povery, one should consider them to be a form of institutional violence and social sin. (…) Debt relief, then, must be linked to poverty alleviation".

Collective guilt feelings toward the poorest Countries and the need for moral redemption (one's own and especially others') through, first and foremost, the forgiveness of debts are also expressed, albeit very rarely, by some economists, including Jeffrey Sachs, a colleague of Joseph Stiglitz at Columbia University. Sachs is a supporter, along with Stiglitz, of both the "Jubilee" movements of a quarter of a century ago (see the Jubilee 2000) and the more recent ones (see *The Jubilee Report*, AA.VV. 2025a), with moralistic and self-accusatory overtones, which in truth he does not display in his best scientific works (such as Sachs, 2002), but only in his more recent propagandistic/political ones (such as Sachs, 2019). In the latter he states: "We have the means, the wealth, the technology, the knowledge, and the necessity to achieve all the goals and fulfill the promises we have made. In the name of religions, which all speak for our common humanity, we here engage the reason God has given us to achieve these goals and drive out greed, arrogance, and malice. We unite faith and reason, theologians and scientists, clergy and philosophers, enlightened politicians and informed citizens, for an ethic of the common good. (…) We say to the billionaires of the world that the world belongs to everyone, not just to you. You must use your trillions of dollars of wealth to succor and uplift the poor, the hungry and the sick." But this is not generally the attitude of economic or political scientists, for the simple reason that such feelings of guilt are not supported by observed facts[50], as Section (III.3) will further clarify.

Among non-religious opinion leaders in favor of debt forgiveness for developing Countries, guilt feelings are almost never expressed, but some moralistic expressions do occasionally emerge. For example, the "moral problem" is raised by Stiglitz (2002, 2018, 391) when he states that "the question of the moral responsibility of creditors has been particularly evident in cases similar to 'cold war' loans. When the IMF and the World Bank granted loans to the infamous Mobutu, ruler of the Republic of Congo, they knew (or should have known) that much of the money would not be used to help the poor of that Country but to enrich Mobutu himself. It was money paid to ensure that this corrupt leader kept his Country

and advertising slogans our litany, when our worth is measured by how much we earn and spend, then the market is destroying the very virtues on which in the long run it depends. That is the danger that advanced economies now face".

[50] Nobel laureates Banerjee and Duflo (2020, 383-387) write more correctly that "as economists studying poor Countries, we have long known that things don't quite work that way, at least in the Countries where we have worked and spent time. The prospective Bangladeshi migrant stays in his village, starving with his family rather than face the uncertainty of going to look for work in the city. The Ghanaian boy looking for work stays at home, wondering when the opportunity his education affords him will fall from the sky. International trade causes factories to close in the Southern Cone of South America, but few new firms come to take their place. Change all too often seems to benefit other people, invisible people, unreachable people. People who have lost their jobs in the Bombay factories won't be able to go to those flashy new restaurants: perhaps their children will be able to get jobs as waiters, but that's a job that in most cases they don't want to do. (...)And yet, as experts in the economic development, we are also acutely aware that the most extraordinary thing about the last forty years is the speed of change, for better or for worse. The fall of communism, the rise of China, the halving of global poverty followed by a further halving, the explosion of inequality, the rise and then decline of HIV infections, the gigantic drop in infant mortality, the spread of personal computers and cell phones, Amazon and Alibaba, Facebook and Twitter, the Arab Spring, the spread of authoritarian nationalism, and looming environmental catastrophes: we've seen it all in the last forty years. (...) So much has changed since then. So much has changed for the better. Not all of these changes were intended. Some good ideas simply took root spontaneously, some bad ideas did too. Some changes were accidental, others the unforeseen consequence of something else. For example, part of the increase in inequality was the flip side of the stickiness of the economy, which makes it even more profitable being in the right place at the right time. In turn, rising inequality has funded a construction boom that has created jobs for unskilled workers in cities in developing Countries, paving the way for poverty reduction".

aligned with the West. Many feel it is unfair that ordinary taxpayers in Countries with corrupt Catholic Governments must repay loans granted to rulers who did not represent them."

In the interview with Clarke (2025), Stiglitz also argues that on these issues the Catholic Church's position is important "precisely because it brings in the moral element in a very forceful way….there are good ways to make money by creating new products, (…) there are ways that people make money simply by exploiting others and by taking advantage of them, (…) The Church reminds us that that shouldn't be acceptable". In *The Jubilee Report* (AA.VV. 2025a, 22) he wrote that precisely because there are no common goods, but conflicts, as "it is, at its core, a question of how losses are distributed across societies, generations, and international actors. And like all questions of distribution, it can be a source of conflict. (...) This *Jubilee Report* is the first step in a more ambitious endeavor to propose a comprehensive framework of just and sustainable Jubilee rules, rooted in solidarity, to guide the transformation of the global economy in service of the prosperity and peace of the peoples of the world".

A completely different position is held by various economists, without guilt feelings, when they emphasize that highly indebted developing Countries must receive debt relief because they need a 'new start' due to a debt overhang (to service their debt, in 2023, they have spent a record $1.4 billion, according to the latest available data). Section (III.3) will return on this topic.

Finally, sometimes the request for debt relief by religious or humanitarian movements seems motivated by the debtors' absolute inability to repay what they owe. And there's no need to be a charitable political penitent; a sufficient dose of healthy realism is enough to agree, as the ancient Romans already argued in Latin that "*ad impossibilia nemo tenetur*", providing a principle that was adopted also in the 20th century, as already seen, with respect, for example, to the defeated Germany, held responsible for the economic destruction of Europe produced by both in the First and in the Second World Wars (but with the difference that in the latter the Allies had learned the lesson of the excess of reparations imposed on the Germans in the Treaty of Versailles of 1919 and therefore quickly approved not only the American Marshall Plan in 1948 with the aim of aiding the post-war economic recovery in Germany, but also the London Agreement signed in 1953 to offer substantial reductions in the German reparations demand). This principle remains the basis of many modern bankruptcy laws, but unfortunately, it is not automatically applied to the debt restructuring of developing Countries due to the "absence of a global legal framework for sovereign debt restructurings, the possibility of just debt resolutions depends, in large part, on the will of all, including the most powerful, to act in the spirit of solidarity". (*The Jubilee Report*, AA.VV. 2025a, 22). Sachs (2002, 257), from the beginning of this millennium, rightly emphasizes in this regard that "the current international framework for workouts of distressed sovereign borrowers is woefully inadequate, lacking both the efficiency and the equity protections that characterize well—designed bankruptcy systems"[51].

[51] "Bankruptcy laws have two somewhat distinct motivations – Sachs (2002, 257-259) goes on -. The first is to overcome the collective action problems that arise when multiple cred itors confront an insolvent debtor. In the absence of a bankruptcy law, a creditor "grab race" can undermine the value of the assets of an insolvent debtor. The bankruptcy law forestalls the grab race through devices such as an automatic stay on debt collection that is triggered by the filing of a bankruptcy petition. (…) The second motivation of bankruptcy law is to offer a "fresh start" to an insolvent debtor. Whereas the motivation to avoid a grab race applies in principle to all kinds of insolvent debtors — businesses, individuals, and municipalities — the motivation for a fresh start applies only to individuals and municipalities rather than to businesses. The key instrumentality of the fresh start is the discharge of debt, which frees the debtor from future collection efforts while leaving the debtor with some exempt assets and with a future income stream. An insolvent debtor may seek the discharge of debt even when there is only one

(III.3) Why and under what conditions is collective debt forgiveness for developing Countries desirable or not

The question therefore remains whether debt forgiveness for developing Countries is desirable or not when its repayment, even if painful, is possible, given that everyone today agrees that the creditor should not demand repayment of the loan, plus any interest, from those who, at the micro or macro level, domestic or international, are unable to do so without ruining themselves or further incurring heavy debt. And this is a sensible and relevant question, but — let it be clear — it is in no way connected to the biblical Jubilee, either logically or, in general terms, analogically, also because the analysis of observed facts demonstrates that the primary causes of the growing indebtedness of developing Countries, since the 1970s, have little to do with the behavior of rich "Countries." Fortunately, good economists and political scientists are unanimous on the description of these facts.

In short, the oil shocks of the 1970s and 1980s triggered by the OPEC Countries (which are certainly not part of developed Western areas, but are not even among the emerging ones, because the low standard of living of the majority of their populations is combined with the very high level of wealth of their elites, similar to the Western ones) were the initial culprits behind the deterioration of the exchange rates of developing Countries. This is because the prices of their imports of both energy raw materials and international commodities (which they use as inputs) rose, while simultaneously the prices of the primary goods that they were providing were more volatile and declining (given their production specialization), so their export earnings increased less than the industrial export earnings. This led to a worsening of the trade deficit and foreign debt in these poor Countries and therefore to lower growth rates, with a greater need for foreign loans and further acceptance of austerity conditions (perhaps also, in some cases, due to some mistakes made by the IMF and the World Bank, according to the doctrines of the Washington Consensus).

For a more in-depth investigation of the facts, let us be guided by Fantoni (2000, 81-83), an expert quoted by the Protestant area when he promotes debt remission during the Jubilees: “The problem of foreign debt arose in 1973, and asserted itself in 1979, coinciding with the oil shocks, which were one of the main causes. But certainly not the only one: these include the economic policies with which the industrial Countries reacted to the problem, the strategies adopted by the banks, the economic and financial choices adopted by the emerging Countries, the increase in inflation, the collapse of the fixed exchange rate system and the consequent realignment of currencies in 1971 and the food crisis that occurred between 1972 and 1974. The 300% increase in the price of oil in 1973 and, to a greater extent in 1979, had the effect of increasing the monetary surplus of the oil-exporting Countries (433 billion dollars between 1974 and 1981), which deposited the excess in commercial banks. The banks, ignoring how to invest the enormous capital they had on deposit, began to extend subsidized loans to developing

creditor, and thus no possibility of a creditor grab race The motivation for forestalling a creditor grab race is efficiency. The motivations for offering a fresh start, however, include both efficiency and equity. (…) The idea of the fresh start can be framed variously in terms of ethics (preserving the autonomy of the individual or the sovereign), equity (preserving an acceptable standard of living for an insolvent debtor), or ex ante efficiency (bankruptcy mechanisms as a way to spread risks between a debtor and world financial markets when other risk-spreading mechanisms such as contingent contracts are incomplete). In any case, the debtor is not reduced to destitution and permanent servitude to creditors.The borrowing costs to a debtor rise in anticipation of the possibility of bankruptcy, but the downside risks of extreme adverse shocks are thereby limited. For hundreds of years, sovereign borrowers have experienced repayment crises, including defaults and restructuring of debts. Despite the repeated experience of sovereign debt crises, and despite the important efficiency and equity issues they pose, no international system of sovereign bankruptcy has been devised”.

Countries. During the same period, the import-export deficit of developing Countries that did not produce oil increased, rising from $9 billion in 1973 to $30 billion in 1981. This deficit was financed by recourse to the financial market, whose role in absorbing oil surpluses and financing development became preponderant in those years. The dependence of emerging Countries on the international financial system was further accentuated, at the end of the 1970s, by cuts in subsidized development aid implemented by Governments and international organizations. In industrialized, non-oil-producing Countries, the increase in oil prices led to a general increase in prices, to which Governments responded by adopting restrictive monetary policies to try to reduce demand for goods. These measures resulted in higher interest rates, a contraction in international trade growth, and in the reduction in imports from developing Countries (with a consequent reduction in the latter's monetary availability). Their real interest rates, which had been low on average in the 1970s, increased to 14.5% in the period 1981-85; the increase in world trade, +7% from 1950 to 1975, fell to 3-4% in the following decade; the exchange rate of non-oil-producing developing Countries fell by 60% from 1974 to 1981. This was due not only to the increase in oil prices, but also to the decrease in raw material exports, an inevitable consequence of the recession in industrialized Countries with the aforementioned reduction in demand and excess supply. In 1982, the first global debt crisis erupted: Mexico, Brazil, Argentina, Venezuela and, to a lesser extent, 21 other Countries declared they could not make interest payments. From that year onwards, developing Countries have been constantly making requests for moratoriums and declaring insolvency; at the same time, debt renegotiation agreements are being signed, which only increase the debt. From 1973 to 1983, the medium- and long-term debt of developing Countries had already increased from 109 to 575 billion dollars. According to IMF estimates, at the end of 1997, the global external debt of developing Countries reached 2,066 billion dollars. However, if we consider that in 1986 the accumulated debt was just over 1,132 billion dollars, we see that this almost doubled in just ten years. Debt service (how much developing Countries had to pay to the Countries and financial institutions of the industrialized world) reached 272 billion dollars in 1997, while just 7 years earlier, in 1990, it was 92 billion. To understand how unfair and paradoxical this situation is, consider that Mozambique spends ten times more on debt interest than on healthcare, and Zambia five times more than on education. (…) In 1997, the World Bank included 136 Countries in its Debtor Reporting System, classified into three groups according to two indicators: (a) the ratio of total debt to GDP; (b) the ratio of total debt to exports. The first group – Heavily Indebted Poor Countries (HIPCs) – includes those Countries for which (a) exceeds 80% and/or (b) exceeds 220%. The Country is considered moderately indebted if (a) exceeds 48% and (b) does not exceed 132%. If both (a) and (b) do not exceed 48% and 132% respectively, the Country is classified as lightly indebted. In 1997, there were 49 heavily indebted Countries, 31 moderately indebted Countries, and 54 lightly indebted Countries. The member Countries of the Paris Club (essentially made up of those industrialized nations that are also members of the Organization for Economic Cooperation and Development — OECD) hold approximately 70% of bilateral credits; four of these (Japan, the United States, France, and Germany) are creditors for 54%

of the total. Between 1990 and 1994, France wrote off 3.7 billion dollars from the most indebted Countries, the United States 2.3 billion, Germany 1.8 billion, and Japan 700 million dollars"[52].

Substantially, other sources, including *The Jubilee Report* (AA.VV. 2025a), support this information and update this data, describing all the stakeholders progressively responsible for the results[53]. But in any case it is clear that the primary cause of the growing and heavy indebtedness of developing Countries is not the inadequacy or the bad or immoral behavior of the agents who provided the credit (Governments, banks, IMF, private individuals), nor even the inadequacy or bad or immoral behavior of the agents who requested it (HIPC politicians, public employees, technicians). Romero-Barrutieta and Rodríguez-Delgado (2015, 2-3) agree with the unanimous assessment of facts and enrich the empirical description: "After the oil and commodity price shocks of the 1970s and 1980s, most low-income countries closed their external financing gaps through borrowing and their debt-to-GDP ratios quickly increased to the point where they could not service their loans. Arrears to external lenders became widespread and bilateral official lenders started to offer increasingly generous refinancing schemes in the context of the Paris Club.2 These offers were, however, piecemeal and debt continued to increase until the mid 1990s. By the early 1990s the international community started to call for a coordinated effort between bilateral and multilateral creditors to grant debt relief to those countries that were committed to pursuing sustainable macroeconomic policies under the IMF-supported adjustment programs. The underlying idea was simple. First, countries with a track record of responsible macroeconomic policies would have their slate wiped clean of debts that were clearly unserviceable. Second, looking forward, leaders of the newly debt-free countries would spurn the excessive borrowing of their predecessors and increase investment to encourage growth and reduce poverty. The 1996 HIPC initiative succeeded in bringing the average debt-to-GDP ratio for countries at the completion point to 26 percent, significantly below the 1996 peak of 128 percent, thus fulfilling the first objective (…). Regarding the second objective of debt sustainability, will HIPCs remain "debt free" or will they be tempted to accumulate debt again? On the one hand, to limit moral hazard, the HIPC initiative contained a sunset clause, making the initiative a one-off event and sending a signal that HIPC eligibility would not be unlimited. On the other hand, the sunset clause was extended four times as progress under the initiative was slower than anticipated and HIPC eligibility was gradually extended. At the formal conclusion of the initiative the international financial institutions did not foresee any systemic debt difficulties in low-income countries; however, these statements could be hardly construed as a firm pre-commitment of no future debt relief".

Romero-Barrutieta and Rodríguez-Delgado (2015, 4) continue by describing the various debt restructurings and acts of forgiveness decided in favor of HIPCs since the late 1980s: "Following the

[52] According to Romero-Barrutieta and Rodríguez-Delgado (2015, 4), by the end of the first decade of our millenium, "the HIPC group is composed of 40 countries, most of them in sub-Saharan Africa. A poor country is considered to be heavily indebted if its annual gross national income (GNI) per capita is below the International Development Association's (IDA) eligibility threshold for concessional loans (US$1095 in 2009) and if after traditional debt-relief mechanisms, such as loan rescheduling at a new market rate and improved repayment profiles have been applied, either the debt-to-exports ratio is still above 150 percent or the debt-to-fiscal-revenue ratio is larger than 250 percent for very open economies".

[53] The most recent analyses (AA.VV 2025b) show that "according to the World Bank, more than 800 million people now live in extreme poverty, over 100 million more than previously estimated. The report calls for a series of reforms in the face of a debt and poverty crisis that has been exacerbated by the pandemic, wars, rising living costs, and increasing interest rates, becoming a priority on the agenda of world leaders in various forums. Proposals for a solution include: greater transparency; IMF reforms; changes to the laws in force in New York and the United Kingdom governing private sector debt; improved debt contracts; and an international bankruptcy system similar to the national bankruptcy systems of most Countries."

debt crisis of the early 1980s, virtually all new borrowing by HIPC was from the so-called official creditors, either industrial — country Governments or international financial institutions, such as the World Bank, African Development Bank (AfDB), or Inter-American Development Bank (IDB). As of 1987, 80 percent of sub-Saharan external debt was owed to official creditors and international institutions, who began to realize that these debts were not sustainable. The creditors responded with increasingly concessional facilities: the Paris Club gradually raised the write-off amount in its rescheduling from 33 percent in 1989 to 67 percent in 1994, and the IMF offered a lending facility repayable in ten years, with a grace period of five years, and an interest rate of 1/2 percent. Overall debt continued to increase, however, as the bulk of HIPC debt was due to multilateral lenders who could neither reschedule nor cancel them at that time. In 1996 the IMF and the World Bank launched the HIPC initiative, enhancing it in 1999, granting write-offs of multilateral debt for the first time. Eligibility for the HIPC initiative required adoption and successful implementation of an IMF-supported adjustment program and a poverty-reducing strategy. At the onset of the program the country's eligible debt was either written off up to 67 percent in net present value terms or rescheduled over 23-40 years with a long grace period. After successfully implementing the pro-growth and poverty-reducing policies, HIPC were eligible for cancellation of 90 percent of non-official debt and rescheduling of the remainder. On completion of the whole process the Paris Club reduced the stock of eligible debt, often beyond the 90 percent cut-off point, and the IMF, World Bank, AfDB, and IDB cancelled all debt owed to them, in accordance with the Multilateral Debt Relief Initiative. As of early 2014, 37 countries benefited from the MDRI". Far from being culpable in creating the growing problem of HIPC debt, industrialized Countries, wealthy international organizations and major banks have, if anything, been unable to promptly recognize its unsustainability and effectively address it. Experts differ on why this has happened and what its effects are, despite the considerable resources expended. Stiglitz (2002, 2018, 389-391) – like his Columbia University colleague Sachs (Sachs et al, 1999; Sachs, 2002, 2009) – states that "the way in which aid is provided can create impediments to the operation success. Starting from a debt overhang situation of HIPCs, it has been exacerbated by the behavior of international banks because, at best, they have belatedly seen (and at worst have provoked for their own selfish interests) the worsening of the phenomenon and, when they have attempted to resolve it, they have exacerbated it, first demanding austerity measures and inappropriate conditionality, and then resolving to initially insufficient forgiveness of the accumulated debts". Jeffrey Sachs (2002, 274—276) adds: "Poor countries that fell into a debt crisis got neither sufficient help to restore economic growth, nor deep enough debt reduction to reestablish normal relationships with creditors. There has been neither an economic recovery nor a fresh start. When one looks closely at the modalities of debt rescheduling, it is not hard to understand why. The guiding principle of official debt relief in the past twenty years has been to do the minimum possible to prevent outright disaster, but never enough to solve the debt crisis. In particular, the official creditors (in their capacity both as bilateral creditors in the Paris Club and as multilateral creditors through the IMF and the World Bank) have used arbitrary formulas rather than a serious analysis of country needs to decide on the level of relief. That remains the case today. Even now the so-called debt

sustainability analysis of the enhanced HIPC initiative is built on the flimsiest of foundations"[54]. Sachs (2002, 274—276) continues: "Looking ahead, debt relief for HIPCs should not be based on arbitrary criteria, such as a 150% debt-to-export ratio, but on a systematic assessment of each Country's needs for debt relief and increased foreign assistance, measured against explicit development objectives. The proper starting point for assessing these needs should be the internationally accepted economic development objectives that (at least in theory) form the guiding framework for the global development partnership between rich and poor Countries. These objectives are enshrined in the Millennium Development Goals (MDGs), a set of eight major goals and eighteen intermediate targets approved by all UN members at the Millennium Summit in New York in September 2000 and recently reconfirmed by UN Members at the International Conference on Financing for Development, held in Monterrey, Mexico in March 2002. The MDGs are targets for the reduction of poverty, hunger, disease and other targets, mostly set for the year 2015". Jeffrey Sachs violently criticizes the IMF's position not only because it failed to proceed with the forgiveness and restructuring of debts only on the basis of the needs of HIPCs, but even because it would have shown a moral hazard behavior towards the HIPCs: an absurd position, in my opinion, therefore very effectively denied by Rogoff (2002b), as we will see shortly.

Stiglitz (2002, 2018, 389—391) adds his opposition, when helping HICPs, to conditionality, that is, the imposition of a "myriad of conditions" – some of which are political in nature – as an indispensable requirement for obtaining aid, stating that in the past it "has not worked; it has not led to better policies, nor to faster growth, nor to more satisfactory results.[55] When Countries think that reforms have been imposed on them, they do not feel they are their own and do not commit themselves fully to implementing them. Their participation is essential for real change in society to occur. But the worst thing is that conditionality has endangered democratic processes. (…) Some believe that it is necessary to replace conditionality with selectivity,[56] helping Countries that prove reliable to autonomously choose

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[54] According to Sachs (2002, 274-276), "for a decade after the developing Countries' debt crisis erupted in the late 1970s, creditor Countries completely denied the need for debt relief. This changed for the first time in 1988, with the introduction of debt relief equal to one-third of outstanding debt by the Paris Club. The one-third limit was arbitrary and was soon relaxed, then relaxed again, and again, and then for a fourth time with the second HIPC initiative. The current definition of debt sustainability in the second HIPC initiative is as arbitrary as the previous ones, albeit somewhat more generous. A debt-to-export ratio of 150% or a debt-to-Government revenue ratio of 250% cannot truly be judged sustainable or unsustainable except in the context of each Country's needs, which in turn must be carefully defined. It is perfectly possible, and indeed is currently happening, for a Country or region to have 'sustainable' debt (and significant debt interest burdens) according to these formal definitions, while millions of its people are starving or dying of disease".

[55] Stiglitz (2002, 2018, 171) specifies: "Personally, I believe that conditionality, at least to the extent and in the ways adopted by the IMF, is not a good idea; there is no evidence that it can actually improve economic policy, but it certainly has political drawbacks because no one likes to be given impositions. Some defend this system by arguing that any bank imposes conditions on borrowers so that the loan is more likely to be repaid. But the conditionality imposed by the IMF and the World Bank was very different because, in some cases, it actually decreased the probability of repayment of the loan. For example, conditions that could weaken the economy in the short run, whatever their long-term merits, induce the risk of worsening the economic stagnation and the Country will find it more difficult to repay the IMF's short-term loans. The elimination of trade barriers, monopolies and fiscal distortions can foster long-term growth, but the upheavals suffered by the economy in trying to adjust can only lead to worsening the short run crisis. While the conditionalities were not justifiable from the perspective of the Fund's fiduciary responsibility, they could be justified from the perspective of what was perceived as its moral responsibility, the obligation to do everything possible to consolidate the economies of the Countries that turned to it for assistance. But all those conditions — sometimes more than a hundred, each with a very precise timetable — risked, though well-intentioned, undermining the Country's ability to address the most pressing and significant problems.

[56] Angus Deaton, Nobel Prize winner in Economics, after having shown the negative correlation between the aid received by poor Countries and their growth rate, says that a highly 'selective' aid could work better: one idea is that the Governments of poor Countries first demonstrate their commitment to implementing appropriate policies, or policies that bring benefits to the population, and only then ask for aid (Deaton and Palminiello, 2015). According to those Authors, however, selectivity has two weaknesses. The first is that, if the recipient Countries deviate from the right direction, the donor Countries would face the problem of whether and how to stop aid, a question that is far from simple to resolve. The second weakness is that selectivity would end up excluding precisely those who would need it most, namely the citizens of inadequately governed

their growth strategies they prefer, putting an end to the micro-management that has characterized so many relationships in the past. It is demonstrated that aid provided selectively can have a positive impact on promoting growth and reducing poverty. (…) Developing Countries are demanding not only that aid be delivered in ways that promote their development, but also that it be more substantial. Relatively small sums of money could make a huge difference in safeguarding health and promoting education. In real terms, adjusted for inflation, development aid has actually decreased, whether calculated as a percentage of income in developed Countries or as a per capita share in Third World Countries. (…) Debt relief has recently been a focus, and rightly so. Without debt relief, many developing Countries will simply be unable to grow. A huge percentage of their current exports are being absorbed into repaying loans from the West."

The position of many other experts differs radically from those of Sachs and Stiglitz on at least one of the following three issues: the relevance of the debt overhang for HIPCs, of the necessary conditionality on aid offered to them, and the potential moral hazard of the forgiven developing Countries, with implications for their growth, poverty reduction and independence.

For example, some believe that a debt overhang problem does not exist and never has existed for HIPCs. In particular, in the well-known NBER Working Paper Series, Arslanalp and Blair (2004, 1-4, 22) write: "The world's poorest countries are deeply ill. Suggesting that debt is not the primary obstacle to their growth and development seems ironic, perhaps even cruel. But «the truth is an offense, not a sin». Since the HIPCs do not suffer from debt overhang, they are not good candidates for debt relief. If the goal is to help poor countries build the economic infrastructure and institutions that best suit their development needs then aid holds more promise of achieving that goal. (…) Is debt relief a viable solution to worldwide poverty or a waste of time and money? The answer to this important question depends critically on another — does debt relief promote economic growth by improving efficiency and incentives for investment? Debt relief promotes investment and growth in circumstances where debt overhang (…) exerts a drag on economic performance. When a country suffers from debt overhang, debt relief can improve economic efficiency and make everyone better off, creditors as well as debtors. Here are some important facts about sixteen countries whose economies suffered from excessive debt during the 1980s: Argentina, Bolivia, Brazil, Bulgaria, Costa Rica, The Dominican Republic, Ecuador, Jordan, Mexico, Nigeria, Panama, Peru, Philippines, Poland, Uruguay, and Venezuela. The debt overhang of these countries was alleviated by the debt relief plan engineered by former US Treasury Secretary Nicholas Brady. Under the Brady Plan, the international commercial banks agreed to write down a substantial fraction of the debt owed to them by the Brady countries. The major problem for the Brady countries was that they ran into temporary difficulty servicing their debt in August of 1982. A combination of adverse economic conditions and poor policy choices substantially increased the riskiness of the banks' loan portfolios in these countries. Creditors got worried and rushed to collect on their loans all at once, but the creditors' panic created an unmanageable short-term payment burden for the debtors. To make matters worse, new lending also ground to a standstill. With no new money coming in, scarce resources that would normally have funded investment were consumed by debt

Countries. Faced with the difficulties in reforming international aid, However, according to those two authors, it is difficult to imagine that significant increases in development funds could be spent effectively in Africa. However, it is not so difficult to imagine that more significant resources could be used productively elsewhere for the benefit of Africa.

servicing. Growth came to an abrupt stop. Once some of the debt was relieved — seven years later — the path was clear for new funds to come from other sources. These new funds provided the impetus the countries needed to stimulate investment and growth. It is tempting to conclude that debt relief for the HIPCs would produce similar results, if only relief was forthcoming more quickly and in larger quantities. Unfortunately, the evidence does not support this conclusion. Debt relief is unlikely to stimulate investment and growth in the HIPCs because the HIPCs lack much of the basic infrastructure that forms the basis for profitable economic activity — things like welldefined property rights, roads, schools, hospitals, and clean water. Since the principal problem of the HIPCs is a lack of infrastructure, there is little reason to believe that debt relief there will stimulate a sudden rush of private foreign capital that leads to higher investment and growth. This is not an argument for leaving the HIPCs to wither on the vine. The point is that the HIPCs should be targeted not for debt relief but direct aid that would assist their citizens in building the institutions and infrastructure to eventually make them attractive places for both domestic and foreign investment. Some argue that debt relief is equivalent to aid, but this is not right. Debt relief is not equivalent to aid, because money is fungible. There is simply no reason to believe that writing down a Government's debt by a billion dollars will translate into a billion dollars of additional infrastructure development. Having said that, aid is no panacea either, and we need to make sure that it is not wasted. The issue is not whether we should give aid, but rather how to design aid programs that work more effectively. The cruel irony of the current debate is that debt relief might be most efficient in a number of countries that are not being considered for such programs at all. These include highly indebted (but not so poor) less developed countries (LDCs) whose social infrastructure resembles those of the Brady countries: Colombia, Indonesia, Jamaica, Malaysia, Pakistan, and Turkey. Given their level of infrastructure it is much more reasonable to expect that economies such as these might respond positively to debt relief. The message here is ultimately a hopeful one. Debt relief works for relatively developed but highly indebted emerging economies that suffer from debt overhang. Aid is the most effective way of addressing the basic economic problems of the world's poorest countries. Our aim should be to make sure everybody gets what is most efficient".

Others, including myself, believe that the debt overhang is a serious problem for HIPCs, clearly limiting their growth. But, in order to provide more effective assistance programs to them, debt remittances of HIPCs must be strongly conditioned and not solely tailored to the debtor's needs. One should mediate between these needs and those of the creditor, who otherwise will no longer be willing or able to offer credit to HIPCs at reasonable rates after a series of repeated defaults. Forgiveness must be conditional so that the inflow of saved resources can provide a fresh start, not only in alleviating poverty, but above all in promoting investments, reforms, and new infrastructure of the above-described kind. The Washington Consensus, on which the IMF and the World Bank typically provide credit to HIPCs — that is, aiming to use austerity savings for the accumulation of real and human capital and structural reforms — is a type of conditionality that has generally, but not always, worked well[57], along with debt

[57] An example of major criticisms initially levelled at the Troika (of which the IMF and the European Union were important components), which proceeded, on the basis of rules similar to those of the Washington Consensus, to rescue Greece after the crisis triggered in 2008 by American subprime mortgages, followed by that of 2010 on sovereign debts is interesting to examine. In the end, the Troika managed to obtain a notable success according to the most recent data available today, as described by Nicola Rossi (2025, 9-10), who also does not fail to underline some major errors of the Troika: "How much of all this [of unusual harshness] was and still is attributable to the design of the rescue plans? Perhaps not a very small amount:

forgiveness. And not only in developing Countries, but also in others closer to us, such as Greece. Kenneth Rogoff (2002b, 56), the IMF's chief economist, explains this perfectly, responding to Sachs's criticisms: " It is an article of faith among many IMF critics that industrial country taxpayers bear the costs of IMF loans — the critics call them «bailouts» — to countries in crisis. The standard scenario is supposedly this: a developing country borrows money; it runs into repayment difficulties; capital markets dry up; the IMF ponies up a giant loan; the country is saved from the consequences of its profligacy; the private creditors get paid off in full; the IMF gets left holding the bag; and, thus, taxpayers in industrial countries, which are the IMF's main shareholders, end up footing the bill. Insidiously, the prospect of future "«bailouts» fuels not only excessive lending to emerging market countries at interest rates that do not adequately reflect underlying risks but also irresponsible policies. Thus, the critique goes, the IMF helps cause and exacerbate crises of the kind that the organization was designed to prevent and ameliorate. (…) It is certainly not easy to show. The first inconvenient fact is that IMF loans have had a

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that the rescue programs presented - more or less consciously - significant shortcomings and evident distortions or even unrealistic objectives is, in fact, something that is difficult to doubt (as well as being a confirmation of the magnitude of the challenge faced by the Monetary Union on that occasion and, more generally, of the limits of knowledge of bureaucratic bodies and the pervasiveness of conflicts of interest). But it is important not to lose sight of the essential point: the intensity of the Greek macroeconomic adjustment was, firstly, the consequence of the gross extent of the macroeconomic imbalances present at the time of the financial crisis (an extent which in itself made it difficult to implement interventions that did not translate into higher taxes or lower expenditures and wage compression policies aimed at restoring the system's competitiveness). Secondly, the reluctance with which the message contained in the bailout plans was initially received by the Greek political class and society (and – it must be acknowledged – not always adequately countered by their counterparts) had an impact. At the time of the 2008 financial crisis and the 2010 sovereign debt crisis, the macroeconomic imbalances of the Greek economy (whether overt or covert) were – and it is worth reiterating – manifest and required adjustment processes that were all the more painful the longer they were delayed. At the root of the Greek events, in fact, lies a repetition of well-known events in the history of financial crises. A prolonged phase of overinvestment supported by the favorable conditions that arose after the introduction of the euro, supported by an abundant supply of credit, not only domestic, combined with a period of reduced discipline in the management of public finances, in the presence of long-standing structural weaknesses. (...) The consequences were inevitable: first and foremost, the exclusion from international financial markets in 2010 and the concrete prospect – avoided at the last minute – of exit from the Eurozone in 2015. It would be necessary to wait until 2016 to record the first significant primary surplus and, consequently, a first concrete reversal of the trend in the management of public finances, even if insufficient to induce a downward trend in the public debt-to-GDP ratio (which will only occur starting in 2021, in the face of significant primary surpluses)". The author (Rossi, 2025, 12-18) concludes that "in short, the change of pace of the Greek economy is in the facts. Quite clearly visible since the months immediately following the pandemic, it is now present in the numbers even before it is in the opinions. It is a change of pace whose ingredients are, after some time, quite evident. To the extent that they have induced a rebalancing of macroeconomic fundamentals, the bailout plans and the resulting austerity policies have significantly contributed to putting the Greek economy back on track and increasing its resilience. The reforms that accompanied them – from the containment of bureaucratic burdens to the overhaul of the functioning of the labor market, from the promotion of research and innovation activities to privatizations, from the reform of insolvency legislation to the widespread diffusion of digitalization in public administration to the reform of the tax and social security system – have been equally crucial to this end and have accompanied what has been perhaps the most significant change since 2019. It is a cultural shift that has led many Greeks not only to acknowledge what was then evident to all — the inevitability of the adjustment — but to share its underlying motivations and carefully consider the resulting opportunities. (...) To summarize, two main lessons can be drawn from the difficult and bumpy path followed by the Greek economy in recent decades. First, macroeconomic imbalances — especially if profound and protracted — must be prevented if possible, and when that is not possible, they must be addressed and corrected promptly. Postponing their correction and imagining that they can somehow be circumvented only makes their resolution more difficult and painful, especially for the weakest segments of society. Even worse, perhaps, is considering default as a way to correct macroeconomic imbalances. This is far from uncommon in the Greek case. In the nearly two centuries between Epidaurus' declaration of independence and the 2008 financial crisis, Greece made its inability to honor its commitments known in 1826, 1843, 1860, 1893, and again in 1932, remaining excluded from the financial markets for more than one year out of every two years during its independent existence, with all the ensuing consequences. In this respect, the positions adopted by the Greek political class in the first half of 2015, far from being innovative, merely reiterated previously tried and tested tendencies, with results that history has already condemned. What happened after 2008 is therefore a significant innovation: despite three bailouts (almost on the verge of default) and enormous difficulties, Greece emerged on its own two feet from a major sovereign debt crisis and the resulting restructuring of its financial system. (...) Is there anything more profound and systemic than the attitude toward public finances of a Country that had defaulted five times in its history since independence and before 2008? Is there anything more profound and systemic than the recurring defaults, the reluctance to understand that there is no autonomy without keeping one's word, and no independence without orderly public finances? The applause with which the audience — Greek, mind you — chose to accompany Angela Merkel's words during her recent visit to Greece is perhaps the most significant sign of Greece's understanding that the challenge it faced was, of course, economic and financial, but also, if not above all, a moment of building its own identity". And, I would add, *mutatis mutandis*, these problems also arise in developing Countries, far from the euro area: what Rossi calls default here is exactly identical to what in the context of HIPCs is labeled total debt remittances.

stubborn habit of being repaid in full. Although some countries have gone into arrears, almost all have eventually repaid the IMF: the actual realized historical default rate is virtually nil. If we live in a world where virtually all countries will always repay their IMF loans in full, the IMF moral hazard theory is a bust, at least in its most worrisome form"[58].

More generally, I personally do not believe that the conditionality required on HIPCs is distorted by excess, because a link must be correctly established between the forgiveness of their debts and their use of saved resources for the purposes of investments, reforms or export promotion, which, however, in my opinion, is not enough. These are, in fact, necessary but not sufficient conditions for the future independence of the forgiven Country: the economic sustainability requirements described above must be accompanied by others concerning its political-social sustainability. It is a must that the Country in question as a whole is willing, and can without too much trouble and anguish, accept the harshness of compulsory care to escape from the poverty trap. This requires, on the one hand, a degree of healthy and efficient popular democracy, not easy to find particularly in Africa, and on the other hand, a firm non—populist will to avoid the moral hazard inherent in the "paradox of the good Samaritan", consisting in making less effort, once the debt owed by the poor Country has been forgiven, for the promotion of growth and for the escape from poverty, on the assumption that the debt amnesty indicates the presence of donors always and in any case ready for new interventions of repeated forgiveness (Buchanan, 1975), beyond the formally imposed constraints. From this perspective, interest rates that are too low compared to the market or deadlines that are too long compared to the normal ones for debt repayment (for example 50 years instead of 10) could even be detrimental to HIPCs, in order to the escape from poverty and from underdevelopment.

Existing empirical data unfortunately seem to indicate that such forms of moral hazard exist. Romero-Barrutieta and Rodríguez-Delgado (2015, 3) write: "We find that debt relief motivates low-income countries to borrow more, consume more, and invest less over time. Long-run debt and consumption-to-GDP ratios are about twice as high with debt relief than without it, while the investmen-to-GDP ratio is 60 percent lower. Our quantitative results cast doubt on the idea that a debt writ-off would promote rapid capital accumulation and growth, while simultaneously keeping debt at a sustainable level since debt-relief episodes are likely to have only a temporary impact on the HIPCs' debt levels but a lasting effect lowering the size of their economic development. In our setup poor countries face incentives to borrow unsustainably to finance consumption and wait for another relief episode rather than to finance future consumption through savings and investment alone". In particular, with reference to Uganda,

[58] Rogoff (2002b, 57) continues: "We also tried looking at secondary market spreads on bank debt, the predominant form of financing prior to the 1990s. By looking at spreads, one can potentially ask whether markets envision the possibility of future defaults on IMF and World Bank loans, even if (virtually) none have occurred to date. There are lots of complications in trying to conduct such a test, and our regressions were not entirely conclusive. More recent studies using bond spreads do seem to find some evidence of moral hazard before the Russian debt crisis of 1998, but no evidence thereafter. This break in pattern, if it exists, is consistent with the hypothesis that, by allowing Russia to default on its debt in 1998, the IMF established a tougher reputation. It is so hard to find firm historical evidence supporting the bailout view that one might worry the IMF's repayment record is perhaps too sparkling — that the institution has not taken enough risks in the past. I would say not. As an outsider during the Mexican and Asian crises, I saw the IMF stick its neck out. These packages worked, however, and early postmortems that concluded that the IMF's handling of the Asian crisis was broadly and seriously at fault turned out to be way overblown. Today, Asia is the fastest-growing region in the world. And there is no doubt that the IMF has continued to take significant risks to help its member Countries. (…) Overall, therefore, the evidence on the existence of moral hazard in IMF loans is somewhat mixed, despite the excellent repayment record to date. But the evidence does not suggest that the moral hazard element has been nearly as large as conjectured by some critics (including me, as an academic in the 1980s). At this writing, the IMF has many major packages out. (…) This round, the moral hazard theorists may at last be proved right. Then again, they may just have to wait a few more decades".

Romero-Barrutieta and Rodríguez-Delgado (2015, 1) summarize their empirical findings on moral hazard of developing Countries saying that: "debt relief provides low-income Countries with an incentive to accumulate debt, boost consumption, and reduce investment over time. We quantify this incentive effect employing a dynamic stochastic general equilibrium model, calibrated to 1982–2006 Ugandan data, and find that long-run debt and consumption-to-GDP ratios are about twice as high with debt relief than without it, while the investment-to-GDP ratio is sixty percent lower. Our simulations show that debt-relief episodes are likely to have only a temporary impact on debt levels but may have a lasting effect over the size of the economy, lowering GDP growth up to twenty percent over time. These results fill a gap in the debt relief literature since, to the best of our knowledge, the quantification of incentive/ disincentive effects is rather scarce", while the theoretical literature on moral hazard is very broad, starting from the leading cited article by Buchanan (1975).

Moral hazard involves the harmful effect that debt forgiveness helps the forgiven Country in the short term, but damages it in the long run. This is the lesson equally drawn from Kuteesa and Nabbumba (2004), who also studied the case of Uganda, the first Country in the world to qualify for debt cancellation both in the original HIPC initiative (1998) and in the second HIPC initiative, the enhanced one in 2000. Ghana's story is quite similar and the data relating to various other Countries are also interesting.[59]

The clear conclusion of Section (III.3) is that the forgiveness of debt in favour of developing Countries, particularly HIPCs, although proposed by generous Christian or non-denominational movements and by personalities based on humanitarian principles, in conjunction with the Jubilees, has no logical or, generally speaking, analogical connection with them, and must be evaluated autonomously, moving from the ethics of good intentions to that of results. To this end, it seems appropriate to proceed prudently with one-off debt amnesties towards HIPCs, taking into account their risk of moral hazard. Conditionality in the aid offered to them is useful for their debt sustainability and therefore for the ability of these emerging Countries to exit from their humiliating state of dependence on their benefactors,

[59] (Sachs 2002 267, 273) writes: “To examine the process of debt restructuring more formally, I list the Countries that requested it in the Paris Club during the period 1975-96. For these purposes, I exclude economies in transition, because the debt and restructuring problems of Eastern Europe, the former Soviet Union, and other economies once closely tied to the USSR raise special questions. I also exclude very small economies (those with populations of less than 1 million in 1998) and Countries that were not sovereign on January 1, 1980. Fifty-nine developing Countries in the included group renegotiated their debts in the Paris Club during this period; only thirty did not, of which eight were oil-exporting Countries. For all Countries that renegotiated in the Paris Club in 1975-96, the Countries are ranked according to the outcome of their debt restructuring operations. Since a debt crisis indicates a type of macroeconomic pathology, a tripartite medical analogy is used: Countries are either cured, in remission, or in chronic crisis. The criteria for this classification are as follows: a Country is considered cured of its debt crisis if it is in compliance with its debt service obligations, has not restructured its debt within the Paris Club during 1997–2001, is not a candidate for aid under the Heavily Indebted Poor Countries (HIPC) initiative, and was not under an IMF loan program during 1998–2001. A Country is considered in remission if it meets the conditions for “cured” except for having been under an IMF loan program during 1998–2001. A Country is considered in chronic crisis if it requested a Paris Club restructuring during 1997–2001, is a candidate for HIPC relief, or is in default on its debts to the Paris Club. Note that all Countries deemed eligible for further debt relief under the enhanced HIPC program are considered to be in chronic crisis, as these Countries are recognized as requiring further debt relief to bring their debts back to sustainable levels. Of the fifty-nine Countries reported as having requested debt restructuring in the Paris Club during 1975–96, only eight have been cured: Chile, Costa Rica, the Dominican Republic, Equatorial Guinea, Guatemala, Jamaica, Morocco, and Trinidad and Tobago. Twelve others are in remission, and the remaining thirty-nine are in chronic crisis. Also noteworthy is the sensitivity of Country outcomes to their initial income: low-income Countries have generally failed to emerge from their debt crises, requiring continued debt restructuring, even under the new HIPC terms, while most middle-income Countries have recovered or at least entered remission. Equatorial Guinea is the only least-developed Country (according to the UN classification of those forty-nine Countries with the lowest human development indicators) to have achieved a ‘recovery’, and it did so in grand style: discovering huge offshore oil deposits, which led to the fastest per capita growth rates in the world in the late 1990s. But aside from this anomalous outcome, all very poor Countries fell into a persistent debt trap. In 1978, there were twenty-two Countries on IMF loan programs”.

making them capable of truly promoting their growth and their economic-social wellbeing in the long term.

From this perspective, there seems to be no better way to reinforce this message and conclude this paper than recalling the converging insights of two outstanding religious figures from the Jewish and Catholic worlds, who have recently passed away: Rabbi Jonathan Sacks ([2012–2013] 2026) and Pope Francis (2020, 104). The former mentions "the eight levels of charity, described by Maimonide[60], one higher than the other. The highest degree, exceeded by none, is that of one who assists a poor person by providing him with a gift or a loan or by accepting him into a business partnership or by helping him find employment – in a word by putting him in a situation where he can dispense with other people's aid. (…) The greatest act of *tzedakah* is one that allows the individual to become self-sufficient. The highest form of charity is one that enables the individual to dispense with charity. From the point of view of the giver, this is one of the least financially demanding forms of giving. It may not cost him anything at all. But from the point of view of the recipient, it is the most dignifying, because it removes the shame of receiving. Humanitarian relief is essential in the short-term, but in the long run, job creation and economic policies that promote full employment are more important". Words that find a remarkable echo in Pope Francis's Encyclical *Fratelli tutti*, which reads as follows: "The truly *popular* thing – since it promotes the good of the people – is to provide everyone with the opportunity to nurture the seeds that God has planted in each of us: our talents, our initiative and our innate resources. This is the finest help we can give to the poor, the best path to a life of dignity. Hence my insistence that, «helping the poor financially must always be a provisional solution in the face of pressing needs. The broader objective should always be to allow them a dignified life through work» (…). In a genuinely developed society, work is an essential dimension of social life, for it is not only a means of earning one's daily bread, but also of personal growth, the building of healthy relationships, self-expression and the exchange of gifts. Work gives us a sense of shared responsibility for the development of the world, and ultimately, for our life as a people".

[60] In the already quoted *Mishneh Torah* [1170-1180] in Books 7-14 of Chapter 10, dedicated to *Matanot Aniyim* (Books 7-14, Chapter 10, Sefaria, www.sefaria.org), Maimonides lists the eight levels in charity, "each level surpassing the other. The highest level beyond which there is none is a person who supports a Jew who has fallen into poverty [by] giving him a present or a loan, entering into partnership with him, or finding him work so that his hand will be fortified so that he will not have to ask others [for alms]. Concerning this [Leviticus 25:35] states: «You shall support him, the stranger, the resident, and he shall live among you». Implied is that you should support him before he falls and becomes needy.".

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