

Open Letter to Governor Hochul and Members of the New York State Legislature on the Sovereign Debt Stability Act

April 25, 2024

Dear Governor Hochul and Members of the New York State Legislature,

We – the undersigned former Heads of State and Government, artists, concerned citizens, and policy makers – rise in support of a transformative initiative on which only New York has the power to act, with the potential to relieve the hardship of millions, help stabilize the global economy, and promote justice on a scale that reverberates far beyond the boundaries of the Empire State. We urge you to champion and pass the Sovereign Debt Stability Act (S5542/A2970) this year to reform New York’s governance of sovereign debt to help secure New York’s economy and protect the most vulnerable around the world from abusive and unfair lending practices.

In an era characterized by broad interconnectedness, the challenges faced by fellow global citizens transcend national borders and impact us all. Crises have compounded over these last years, when countries have had to grapple with the far-reaching effects of the COVID-19 pandemic, geopolitical conflicts such as the war in Ukraine, and the harrowing consequences of climate change. These converging factors have resulted in a serious escalation of government debt for many nations, particularly those already struggling to meet the basic needs of their people. Efforts to restructure these debts and bring stability to our global economy are being further hindered by vulture funds aggressively seeking excessive returns at the expense of taxpayers.

Alarmingly, 39 out of 67 low-income countries, and twenty middle-income countries, find themselves ensnared in the treacherous web of overwhelming debt. Governments are being forced to divert scarce resources, originally intended for crucial services like education, healthcare, infrastructure, and social protection to meet the demands of wealthy creditors on the other side of the world. This very unjust situation is further fueling a crisis of inequality, the consequences of which may be felt for generations to come. The moment demands decisive and equitable action.

As the epicenter of global finance, New York occupies a unique position in this unfolding tragedy and can act to help end this crisis. The Sovereign Debt Stability Act would provide indebted countries with a clear process to restructure debts contracted under New York Law and ensure private creditors participate in debt relief at the same level as governments. As things stand now, private creditors (corporations, banks, and hedge funds), many of whom have bought “cheap” distressed debt owed by poor countries, can refuse to follow government guidelines on debt restructuring. Half of existing sovereign debt is, in fact, owed to corporations. A change in New York could have a huge impact around the world.

No other state jurisdiction has the tools or moral imperative to craft innovative solutions to tackle this pressing issue. It is incumbent upon New York to ensure that the private creditors, who have thrived within its financial system, bear their fair share of the risk and accountability. Legislation to reform

New York's governance of debt markets can serve as an example and beacon, a demonstration that the powerful forces of our financial sector must stand on the same side as citizens.

We wholeheartedly align ourselves with the vision of the Sovereign Debt Stability Act. It is a call to action for global solidarity, a blueprint for a world where the dignity and well-being of all human beings matter, regardless of their geographic location or socio-economic background. By taking action, New York State can simultaneously unlock vital resources for critical areas such as health, hunger, climate action, and education in poor nations, and protect its own taxpayers from vulture funds. Such legislation can also provide some relief to the diverse diasporas in New York from all corners of the world by lessening the economic pressure that debt imposes on those to whom they send their hard-earned remittances. Local action, global impact.

The gravity of this moment cannot be overstated. We are at a historic juncture where New York's leaders can stand as pioneers of progress, illuminating a path that others will follow. We encourage you to seize this opportunity and pass legislation that will, in effect, maximize New York's role in alleviating the global debt crisis. By doing so, you will inspire not only New Yorkers but also individuals across the globe, demonstrating that justice, compassion, and solidarity can triumph even in the most complex and challenging of circumstances.

With unwavering support and hope,

Professor Mona Ali - Professor of Economics, State University of New York – New Paltz (USA)

Professor Philip Alston - Professor of Law, NYU School of Law, and UN Special Rapporteur on extreme poverty and human rights (2014-2020) (Australia)

Carlos Alvarado - President of Costa Rica (2018-2022)*

Andres Arauz - Former Director, Central Bank of Ecuador

Óscar Arias - President of Costa Rica (1986-1990; 2006-2010)*

Joyce Banda - President of Malawi (2012-2014)*

Valdis Birkavs - Prime Minister of Latvia (1993-1994)*

Ven. Bhikkhu Bodhi - Chair, Buddhist Global Relief (USA)

Dr. Juan Pablo Bohoslavsky - UN Independent Expert on economic reform policies and foreign debt (2014-2020) (Argentina)

Gordon Brown - Prime Minister of the United Kingdom (2007-2010)*

Reverend Jennifer Butler - Founding Executive Director of Faith in Public Life (USA)

Winnie Byanyima - Executive Director of UNAIDS and UN Under-Secretary General; Co-Chair of the People's Vaccine Alliance (Uganda)

Kim Campbell - Prime Minister of Canada (1993)*

Professor Grieve Chelwa - Associate Professor of Political Economy, The Africa Institute (Zambia)

Laura Chinchilla - President of Costa Rica (2010-2014)*

Reverend Eugene Cho - President and CEO, Bread for the World (USA)

Helen Clark - Prime Minister of New Zealand (1999-2008)*

Sheila Davis - CEO of Partners in Health (USA)

Abigail Disney - Documentary Film Producer, Philanthropist, and Social Activist (USA)

María Fernanda Espinosa - Former Minister of Foreign Affairs of Ecuador and 73rd President of the United Nations General Assembly. Executive Director, GWL Voices **

Christiana Figueres - Former Executive Secretary of the United Nations Framework Convention on Climate Change (Costa Rica)

Pedro Francke - Finance Minister of Peru (2021-2022)

Latanya Mapp Frett - President and CEO of Global Fund for Women (USA)

Professor Sakiko Fukuda-Parr - Professor of International Affairs at The New School and Chair of the UN Committee on Development Policy (Japan)

Professor Jayati Ghosh - Professor of Economics, University of Massachusetts Amherst USA, and Member of the WHO Council Economics of Health for All (India)

Dalia Grybauskaitė - President of Lithuania (2009-2019)*

Ángel Gurría - Secretary General of the OECD (2006-2021)*

Martin Guzman - Former Minister of Economy, Argentina

Professor Darrick Hamilton - Henry Cohen Professor of Economics and Urban Policy and University Professor at The New School (USA)

Seung-soo Han - Prime Minister of the Rep. of Korea (2008-2009) and Vice President of Club de Madrid (South Korea)

Mehdi Jomaa - Prime Minister of Tunisia (2014-2015)*

Chandrika Kumaratunga - President of Sri Lanka (1994-2005)*

Aleksander Kwaśniewski - President of Poland (1995-2005)*

Brad Lander - Comptroller NYC (USA)

Stefan Löfven - Prime Minister of Sweden (2014-2021) *

Dr. Guillaume Long - Former Minister of Foreign Affairs of Ecuador

Dr. Carlos Lopes - Board Chair African Climate Foundation (Guinea Bissau)

Professor Nora Lustig - Director, Commitment to Equity Institute at Tulane University (Argentina)

Susana Malcorra - Former Minister of Foreign Affairs and Worship for the Republic of Argentina**

Abby Maxman - President and CEO, Oxfam America (USA)

Bill McKibben – Founder, 350.org (USA)

James Michel - President of the Seychelles (2004-2016)*

Alyssa Milano - Actor/Activist (USA)

P.J. Patterson - Prime Minister of Jamaica (1992-2006)*

Morris Pearl - Chairperson, Patriotic Millionaires and former Managing Director, BlackRock (USA)

Jorge Quiroga - President of Bolivia (2001-2002)*

Professor Robert B. Reich - Chancellor's Professor at University of California at Berkeley; Former U.S. Secretary of Labor (USA)

Professor Dani Rodrik - Ford Foundation Professor of International Political Economy at the John F. Kennedy School of Government at Harvard University; President-Elect of the International Economics Association; Co-director of Economics for Inclusive Prosperity (Turkey)

Mark Ruffalo - Actor/Activist (USA)

Francisco Sagasti - President of Peru (2020-2021)*

Professor Gita Sen - Founder & General Coordinator, Development Alternatives with Women for a New Era (India)

Crystal Simeoni - Executive Director, NAWI Collective (Kenya)

Rob Solano - Executive Director & Co-Founder of Churches United for Fair Housing (USA)

Juan Somavía - Ninth Director of the International Labor Organization (1999-2012)*

Professor Joseph Stiglitz - Nobel Laureate in Economics; University Professor at Columbia University; President of Columbia's Initiative for Policy Dialogue; Chief Economist and Senior Fellow at the Roosevelt Institute (USA)

Reverend Cathy Tamsberg - Secretary of the Alliance of Baptists (USA)

Reverend Liz Theoharis - Director - Kairos Center for Religions, Rights, and Social Justice; New York Resident (USA)

Jigmi Thinley - Prime Minister of Bhutan (2008-2013)*

Elbegdorj Tsakhia - President of Mongolia (2009-2017)*

Danilo Türk - President of Slovenia (2007-2012) & President of Club de Madrid

Professor Attiya Waris - Independent Expert on foreign debt, other international financial obligations and human rights (Kenya)

Dr. Mark Weisbrot - Co-Director, Center for Economic and Policy Research (USA)

Alicia Ely Yamin - Senior Adviser on Human Rights and Health Policy, Partners in Health; Lecturer on Law, Harvard Law School (USA)

José Luis Rodríguez Zapatero - President of the Government of Spain (2004-2011)*

Josh Zinner – CEO, Interfaith Center on Corporate Responsibility (USA)

*Club de Madrid Member

**Club de Madrid Advisor