

# **JUBILEE-ZAMBIA: ALIVE AND WELL AND ACTIVE!**

## **DEBT CANCELLATION FOR POVERTY ERADICATION**

**Report on  
Why the Jubilee Debt Campaign  
Continues in Zambia**

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### **JUBILEE-ZAMBIA**

hosted by

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***Why does Zambia still have a “Jubilee” campaign? Didn’t the Jubilee effort end with the end of the year 2000?***

We often hear this question, as people seemed surprised to learn that something called “Jubilee-Zambia” is still very active, very public, very pushy, in calling for cancellation of debt. Many of the “Jubilee 2000” campaigns around the world shut down when the calendar turned to 2001. Why has the campaign continued in Zambia and what are its goals?

The first thing to say is “Jubilee” is an *economic justice* concept, and it doesn’t go away simply with the flip of a calendar page. As long as there is injustice in the economic organisation of debt, there is need for Jubilee! And that is surely the situation in Zambia, in other parts of Africa, in so many other places in our world today.

## **FIVE REASONS FOR JUBILEE-ZAMBIA**

Specifically, there are five major reasons why Jubilee-Zambia continues. These reasons give our campaign its orientation, its activities, its motivation. Briefly, we are concerned about:

**1. *Total Debt Cancellation.*** Even after the Jubilee Year 2000 and after qualifying in December 2001 for some debt relief under the Highly Indebted Poor country (HIPC) initiative, the debt crisis is still with us in Zambia. At the start of 2003, total debt stock for Zambia was around US\$ 6.5 billion. In a country of ten million people, this is a per capita debt burden of about US\$ 650, or double our per capita GNP. Our debt service in 2003 will be over US\$ 160 million, or twice what our national budget for education and health services. The challenges raised in the joint ecumenical Pastoral Letter of August 1998 that launched the Jubilee 2000-Zambia campaign still stand today:

“Zambia’s total debt is clearly unpayable. Zambia *cannot* pay back because the debt burden is economically exhausting. It blocks future development. Zambia *will not* pay back because the debt burden is politically destabilising. It threatens social harmony. Zambia *should not* pay back because the debt burden is ethically unacceptable. It hurts the poorest in our midst.”

Because of these challenges, Jubilee Zambia continues to urge all Zambians and our external supporters to continue demanding for total cancellation of Zambia’s foreign debt for purposes of eradicating poverty.

**2. *Zambia’s Qualification to the HIPC Initiative.*** Jubilee-Zambia is greatly concerned with the real implications of the HIPC initiative in Zambia, especially for the 80% of the population that live below the poverty line. The results of studies we have done show that HIPC in its current form will not benefit Zambia either economically or socially. HIPC is primarily a *creditor’s plan* to assure sustainable debt servicing and not a *debtor’s plan* to assure sustainable development. Its presuppositions are *unrealistic* (exaggerated estimates of future export earnings), *unacceptable* (money must first go to debt servicing, before meeting the social needs of the people), and *unsuitable* (conditionalities continue a discredited SAP model).

For these reasons, Jubilee-Zambia, while primarily calling for total debt cancellation, will engage in the debate and decisions over HIPC for Zambia by lobbying for a better package and by monitoring the expenditures of any resources freed up under HIPC. This has involved us further in advocating for a more efficient and equitable Poverty Reduction Strategy Paper (PRSP), the implementation of which is one of the conditions for qualifying for HIPC relief.

**3. Debt Mechanism.** While demanding total debt cancellation, Jubilee-Zambia is keenly aware of the opinion of Zambians as well as outsiders that no debt should be cancelled unless we are guaranteed that the freed up resources will be directed for the benefit of the poor. Even while some HIPC relief comes to the country, there is serious concern that it should not be diverted to ordinary budget expenditures that are not pro-poor (e.g., expensive vehicles for high government officials). For this reason, we have been lobbying for several years for the establishment of a legal mechanism that requires that debt relief resources are managed in a transparent, accountable and participatory fashion. The proposed Debt Mechanism would be governed by a tri-partite committee composed of representatives of civil society (e.g., churches, NGOs, trade unions), Members of Parliament, and relevant government officials. Funds would be clearly designated only for poverty eradication purposes, either social services (e.g., health, education, housing, water) or production programmes (e.g., agricultural, employment generation).

To promote the legal adoption of the Debt Mechanism, Jubilee-Zambia conducts popular education programmes (e.g., use of media, community drama) and also carries on a campaign to gather signatures on a national petition demanding this Debt Mechanism. These petitions, with signatures now mounting into the thousands, are periodically presented to Members of Parliament, government officials and even the President of the Republic.

**4. Loan Contraction Procedure.** Even while Zambia accesses debt relief – either total cancellation or partial HIPC relief -- it will still continue borrowing and will be expected to service debts. But Jubilee-Zambia questions the suitability of the existing loan contraction procedure in the country. Legally, the Minister of Finance and National Planning is empowered to sign off on loans worth millions, indeed billions, of US dollars. The Minister does not have to consult the Parliament. Lack of transparency, openness, public involvement and information are the main problems that we recognise in this issue of loan contraction.

Therefore Jubilee-Zambia is working to secure a constitutional provision that contracts for loans beyond a certain level must be submitted to Parliament for full review as to whether they are in accordance with the best interests – short-term and long-term – of the country. Clear policies and regulations must be put in place so that Zambia can avoid future debt traps.

**5. Reparations.** Jubilee-Zambia has joined other Jubilee movements in the southern region of Africa in addressing some of the historical experiences that have impacted negatively on the development of countries in this region and created serious debt problems. One key issue is the case of so-called “Apartheid-caused Debt.” Studies we have undertaken reveal that a very large portion of Zambia’s external debt can be traced to the struggle Zambia entered into against the reign of apartheid in South Africa in the 1970s and 1980s. In its effort to maintain its domestic racist policy (termed a “crime against humanity”), the Pretoria regime attempted to destabilise neighbouring countries that were either engaged in liberation struggles or already governed by majority black governments. Zambia was the

leader of the “front lines states” in the liberation struggle against apartheid and suffered greatly as a consequence. For example, we had to borrow heavily to replace destroyed infrastructure, secure alternative transportation routes (e.g., rail and pipelines through Tanzania), host liberation armies and refugees, and maintain military forces to defend our borders.

But is it ethically acceptable to expect Zambia to pay back debts entered into because of a moral fight against apartheid? Should not these illegitimate debts be immediately cancelled? Moreover, should not some form of *reparations* be expected from those who profited from investments, trade and political support that maintained the Pretoria regime in power for so many years? This is admittedly a very complex and sensitive issue. But Jubilee-Zambia believes it is an issue that should not be avoided. It deserves full disclosure, discussion and decision.

## OTHER REASONS

There are other dimensions to the Jubilee-Zambia campaign that are logically connected with the five concerns outlined above. For example, some form of “arbitration” is clearly desirable that would assure fairness in handling debt negotiations, a fairness that demands that the creditors not be by themselves the complainant, prosecutor, judge, jury and bailiff! Moreover, issues of trade, conditions of investment, and prices of commodities – issues central, for example, to WTO operations and negotiations – are intimately related to the debt status of a poor country like Zambia. Therefore Jubilee-Zambia keeps links with groups, both within Zambia and outside in other parts of Africa and around the world, that focus on such concerns.

## JUBILEE-ZAMBIA ORGANISATION AND ACTIVITIES

In brief, how does Jubilee-Zambia operate? Hosted by the Jesuit Centre for Theological Reflection, the Debt Project has a full-time staff of three and is assisted by part-time staff and student interns. There is a Jubilee-Zambia Steering Committee, an advisory group made up of representatives from churches, NGOs, trade unions, etc., that provides important links with the wider Zambian society. A set of Jubilee teams based in five provinces around the country conduct activities at the local community level. This is an extremely important and exciting dimension because it assures that the campaign is not isolated in the capital city but is taken to ordinary households across the country. The campaign cooperates with important movements within the country such as the Catholic Commission for Justice and Peace and outside the country such as Jubilee South, Eurodad, CIDSE and other cooperating partners.

The activities of Jubilee-Zambia include research (e.g., topics such as impact of debt servicing on social budget allocations), education and information sharing (e.g., workshops and media utilisation), and advocacy (e.g., petitions for the Debt Mechanism). We manage to maintain independent relationships with the government of Zambia and officials of the international financial institutions (e.g., World Bank, IMF), *cordial* but not *comprised*!

## DEBT CANCELLATION FOR POVERTY ERADICATION!

Why does Jubilee-Zambia continue? Because the suffering of the poor continues through the immense debt burden borne primarily by the poor. Because there is plenty of work to do to put in place more socially just policies, domestically and internationally. And because we still have a ways to go before achieving our goal: *debt cancellation for poverty eradication!*