



## ZAMBIAN VOICES: BEYOND DEBT CANCELLATION

By Patricia Rumer

### INTRODUCTION: YOU ASKED FOR IT!

Why is Pat Rumer debt detecting in Zambia? What is so compelling about Zambia's story? There are several good reasons why Zambia was chosen for the debt detective project.

1. Zambia's debt dropped dramatically in 2005 from more than \$7 billion to \$500,000 as the bulk of the debt owed to IMF, World Bank and the Paris Club was cancelled.
2. Jubilee Zambia has been and is a strong Global South partner with its host organization, the Jesuit Centre for Theological Reflection.
3. Jubilee USA delegation visited Zambia in January 2007. As a member of that delegation, I had some previous knowledge and contacts in Zambia.
4. AND YOU ASKED FOR IT! Grassroots activists, local congregations and Members of Congress all ask "what happens in a country after debt cancellation?" In 2008 the Jubilee USA Network adopted a strategic plan that called for a series of case studies in Heavily Indebted Poor Countries (HIPC) nations to document the benefits of debt cancellation – thus providing helpful information and stories for your use in education and advocacy.



I want to add my own personal reflection as to why I believe so strongly in Jubilee – the vision and the practical work done by activists and citizens around the world. My faith compels me to work for a just world. Jubilee is a way to do that with others struggling for justice in their own country. The people of Zambia want to live and work in a world where justice, equity and respect guide their nation. How do I support them? Jubilee Zambia invites us – not to tell them how to do it – but to work with them in the United States to make their efforts more viable.

### SOME FACTS ABOUT ZAMBIA

#### *History*

Since its independence from Britain in 1964 Zambia has been a politically stable African nation. Four Presidents have been elected in a democratic process. Two former presidents left office at the end of their term. English is the official language, and there are seven primary indigenous languages. The

school system is modeled on the British education system. 68% of the population is literate (UNICEF, 2008). Zambia's population is 12 million people in a country larger than Texas and Montana. It is a land-locked country bordered by Botswana, Namibia, Zimbabwe, Malawi, Tanzania, Mozambique, the Democratic Republic of Congo and Angola.

### ***Politics***

When Kenneth Kaunda was elected the first President in 1964, he appealed to the nation to see itself as "One Zambia! – South, North, East and West!" Many observers believe that this call to unite as Zambians has prevented ethnic conflicts and is one factor in Zambia's political stability.

### ***Economics***

Zambia historically has depended on copper and cobalt exports for almost all of its foreign exchange earnings. In 1973 with the collapse of global commodity prices, Zambia was forced to join the International Monetary Fund's (IMF) Structural Adjustment Program (SAP).

Although loans from these international financial institutions (IFIs) enabled the government to finance its annual budget, by 1990 it owed them over \$7 billion in external debt. (Zambian Economist, March 2010, p.5)

Zambia entered the HIPC (Heavily Indebted Poor Country) program of the World Bank in 2000. HIPC was established by the World Bank as a process by which poor debtor nations could ultimately have their remaining debt cancelled. The country reached the completion point in 2005 after a great deal of sacrifice on the part of the Zambian people. As part of the HIPC process the nations had to agree to a series of economic measures such as privatization, wage caps on public employees, liberal trade policies. Education and health care services were particularly hard hit as the IMF imposed wage caps on teachers, doctors, nurses who were employed by the government. In addition, the government imposed user fees on schools and rural health clinics when the AIDS epidemic was at its peak. Full debt cancellation was implemented in 2005/6 through the Multilateral Debt Relief Initiative (MDRI).

### ***Political Culture***

Two widely-held beliefs seem to dominate the political scene.

1. ***The Government will do it or must do it!*** It is possible that this is a legacy of colonialism where the British made all the political and economic decisions – e.g. built roads, schools, hospitals and other infrastructure. Kenneth Kaunda, the first president, like other African leaders in the mid-1960's, pursued a socialist ideal of a nation state with a strong centralized government, funded by a very strong copper market.
2. ***We NEED a strong leader!*** Kenneth Kaunda, who served from 1964 to 1991 was a strong leader. Some political scientists and development specialists argue that developing nations can benefit from a "benevolent dictator" to lead the nation in the early stages of development. (Demisa Moyo, DEAD AID, 2009). Kaunda was both autocratic and charismatic and is viewed as someone

who genuinely cared about the well-being of his people. His legacy has led Zambians to believe that a strong leader is needed to solve the nation's challenges.

## **CHALLENGES TO DEBT DETECTING!**

One of these challenges is the integration of the global economy. There is a saying about the North-South economic relationships: "If the North sneezes, the South catches a cold or even worse – pneumonia." So I knew before arriving in Zambia that it was unlikely that I would find many people who would say – "due to debt cancellation, my life is better." Why?

**Global Economic Crisis:** The nation began to experience some benefit from debt cancellation in 2006 and early 2007. Then, in late 2007 the global economic crisis erupted with painful consequences for wealthy nations like the USA, but developing nations in the global South have been particularly hard hit. In early 2007 the Jubilee USA delegation observed that even with the debt cancellation, the economy had already been devastated due to 25 years of the IMF's Structural Adjustment policies. Also, there was limited new aid to rebuild the economy and, internally, the copper market, a primary source of revenue for the government, had collapsed.



**Change in Presidential leadership in Zambia:** President Levy Mwanawasa died suddenly in August 2008. Many people I interviewed said that his was an open government that invited people to the table – churches, NGOs, business and citizens. Jubilee Zambia worked closely with the government on the debt cancellation process and strategies to invest debt savings into poverty reduction programs. Most debt activists do not believe that the current President, Rupiah Banda, has built on these commitments.

**Corruption in the Ministry of Health:** There was a major corruption scandal in the Ministry of Health in 2008/2009 that diverted millions from health care improvements. External donors suspended grants and loans – delaying needed investments in medical supplies, clinics, hospitals, and training of new health workers.

**Civil Society and the Government:** There has been deterioration in relationships between the government and civil society, including the churches. Zambians are very religious, with high levels of church attendance and involvement. Tensions between members of Parliament, especially opposition parties, have increased. There have been bitter disagreements in writing a new Constitution. Political discourse has become much less civil "with immature name calling at the highest levels which is not helpful to promoting a strong democracy," Father Henriot stated in his [Zambian Post](#) column.

**Emergence of China as a lender in Africa:** China has become an important lender for Zambia. Much of the \$3 billion in “new” debt has been contracted with China. Jubilee Zambia, other civil society organizations and the former Finance Minister, Ng’andu Magande have criticized the government’s secretive and non-transparent loan negotiations. They are concerned that Zambia will not be able to repay this “new” debt.

## **HOW I DID THE DEBT DETECTING**

This case study (or report) is a snapshot of what I heard, observed and experienced in the six weeks between March 25 and May 6, 2010 in Zambia. I interviewed 45 people from the government, churches, NGOs and other civil society organizations. (See Appendix A for list of interviewees). I read newspapers, listened to radio call-in shows, watched TV news, and travelled to Chibombo, Monze, Mfuwe and Livingstone in four different provinces outside of Lusaka, the capital of Zambia.

I also met a number of US Embassy and AID staff that were not part of the formal interview process, but I did hear their views on Zambia. I talked informally with taxi cab drivers, students, street vendors and other ordinary Zambians about their lives and how they viewed the future of Zambia.

The real experts on the economy and political process in Zambia are Jubilee Zambia and the Jesuit Centre for Theological Reflection (JCTR). I thank Jubilee Zambia staff for their support and my hosts, Nancy Yuill and Andy Szatowski, former Jubilee Oregon volunteers now living in Zambia, for their warm hospitality. My observations and conclusions are my own.

## **EDUCATION – THE GOOD NEWS FROM DEBT CANCELLATION**

During my 2007 visit to Zambia, people were very excited that school user fees had been eliminated. This action opened the door for many children to begin to return to school and was one of the most important early positive impacts of debt cancellation.

I visited three schools – two urban and one rural. In addition, in Mukuni village, a rural community, I saw school buildings and teachers but no children, as it was a school holiday.

There is general agreement that the government has delivered on its commitment to education at the primary level. Here are a few accomplishments since 2007:

- 1. 5000 new teachers hired; 2500 to be hired in 2010*
- 2. New schools being built – e.g. 50 new secondary schools this year*
- 3. Government support for Orphans and Vulnerable Children to attend school*
- 4. Larger Community Schools (schools built and operated by communities) receive government subsidies*

## Voices:

- “Zambia is on track to fulfill this MDG!”- Eldar Chirwa, UN Development Program economist
- “We have gender equity at the secondary level and have added new classrooms to accommodate the students. We are hopeful that we will get the funds to add two more dorms. Mr. Nyirenda M. deputy head teacher in Chibombo (rural)
- “There is a new basic school in our poor community and a new secondary school is being built.” Rosie Phiri, a teacher in Chipata basic school (Lusaka)

One of my most exciting encounters was with ten students at Chibombo Secondary School – bright, motivated and interested in the world. I asked some of them, “How would you end poverty in Zambia?”



- “Education and job creation reduce poverty.” Genesis, Grade 12 student
- “We as a community need to sponsor orphans as they really want to go to school” Precious, Grade 11 student
- “The government needs to focus on renewable resources and provide credit to subsistence farmers rather than on non-renewable resources such as mining.” Christopher, Grade 11 student

Although teachers, students and parents are pleased with the emphasis on education, there is a lot more to be done. Ndubeni Frank Peters, an active member of the Zambian National Union of Teachers (ZNUT) explained “we expected a BIG increase in funding – like 50% of the national budget. Instead the education budget allocation is around 19%.” He added that teachers and other workers struggled with frozen wages and that no new teachers were hired during the HIPC process in order to receive debt cancellation. They are disappointed that there are not bigger gains for themselves and their students since receiving debt cancellation.

One of the remaining challenges is how to meet the growing demand for education post-primary and post-secondary. Inequity exists between rural and urban schools in a country where 65% of the people live in rural areas (UNICEF, 2008). Pressley, the head teacher at Mukuni Village, said that their students cannot compete with urban and private schools in the qualifying exams for entrance to the university.

## HEALTH CARE – MIXED REVIEWS

The best news I heard from various interviews is the success in combating HIV/AIDS. Venus Shamoya, matron at Our Lady’s Hospice in Lusaka, talked proudly about their 70% success rate for people living with AIDS who continue to work and lead productive lives. Mrs. Mukuni at Mukuni village showed us

the new health clinic built with US AID and PEPFAR funds. Grace Mulounga at the Mfuwe health clinic described the mobile clinics that bring ARVs twice a month to people with HIV/AIDS. The local clinic supplies ARVs for pregnant women and their children.

The nation's HIV/AIDS rate has declined slightly with the outreach programs of private and public clinics. However, these advances are due to external funding from PEPFAR and the Global Fund for AIDS. The government has expanded its testing program for HIV/AIDS, acknowledges Sister Kay O'Neil at Our Lady's Hospice.

### ***Uneven Progress***

In 2007 the government eliminated user fees for rural clinics. The government began to provide a basic medical kit of drugs and medicines monthly. In Chibombo, Mr. Nyirenda was enthusiastic about the expansion of the health clinic next to the school. In addition, a bore hole for water was drilled near the secondary school and adjacent clinic ensuring a steady supply of clean water. Both Mfuwe and Mukuni village clinics now have environmental health technicians to assist with malaria prevention. The government pays staff salaries in both communities.



**“To fight corruption is to empower Zambians to fight poverty.” Rev. Chrispin Mwalazi, General Secretary, United Church of Zambia**

The painful news is the ongoing corruption problems in the Ministry of Health. Two years ago, many international donors suspended grants and loans to Zambia due to mismanagement of funds and lack of confidence that the funds would reach the necessary people. Ndubeni Frank Peter, the Chipata Basic school teacher, is the National Co-coordinator of EFAIDS, a special HIV/AIDS education project in the schools. Frank said that the “teachers union advocated with donors to restore the funds as it was the children and families that suffered with the suspension.” Unfortunately, “the Global Fund for AIDS has recently suspended aid to the government of Zambia, citing strong evidence of corruption in the impoverished country's beleaguered health ministry” ([Cape Times](#), 6/17/10). However, the Global Fund gave the UN Development Programme in Zambia the responsibility to manage Global AIDS funds.

Women for Change, a gender focused NGO, is critical of the lack of progress on health care. Emily Sikazwe, the Director, stated that the “decrease in funding to health care strongly affects women and creates a ‘care economy’ in which the women take care of the sick either at home or in the hospital and then organize the funerals for those who die.”

The World Bank's Dr Rosemary Sinkutu, formerly with the Zambia Ministry of Health, expressed frustration with the problems in the Health Ministry. The World Bank had funded a very innovative

community-based project to prevent AIDS (2003-06) but the Zambia government did not continue the project. Part of the challenge is that the government will no longer accept loans for social sector projects, arguing, with reason, that the social sector does not generate funds to repay those loans.

Among Zambians who cannot find medical treatment, there is anger. Zambian newspapers daily have articles about the lack of resources in the health sector. Miriam Sikaenyi said in a [Zambian Post article \(5/4/10\)](#) "women die due to maternal complication because they choose to give birth at home rather than walking long distances to understaffed rural health clinics."

The Ministry of Finance Evaluation and Monitoring office stated that they and the UNDP will conduct an in-depth study this year to assess where the nation stands in regards to the MDG's focus on infant mortality and maternal health. It is hoped that the results of this study might lead to increased resources devoted to health care.

### **"OFF-SHOOTS" - OTHER DEBT CANCELLATION BENEFITS**

- "The debt debate (1998-2006) heightened awareness in Zambia among its citizens about the role of IFIs and how the debt was incurred," and "civil society had a win," declared Emily Sikazwe, Women for Change Director.
- "The NGO community was strengthened through the successful campaign for debt cancellation. NGOs have become watch dogs of government's development plans and budget process." Peter Mucheleka, Executive Director, Civil Society for Poverty Reduction (CSPR).
- "Jubilee activists learned how to monitor the debt, collect data and share their stories - they were empowered to act." Jack Jones Zulu, former Jubilee Zambia staff.

Jubilee Zambia was the leader in demonstrating that citizens could organize effectively to monitor the debt, meet with Parliamentarians and participate in a government process to redirect debt savings to poverty programs.

- "It was easier to organize and motivate people around a single issue and it is tougher now to organize around multiple issues." Humphrey Mulemba, Jubilee Zambia staff working on trade issues.

As the NGO organizer of the debt cancellation campaign, Jubilee Zambia has continued to monitor debt cancellation results. Two years ago, Jubilee Zambia launched the *Finish the Work* campaign to educate and mobilize citizens at the grassroots level to be advocates with their Members of Parliament and governmental agencies to ensure that the national budgets make fighting poverty a priority and to avoid new debt. It trained local volunteers in six districts to monitor both debt benefits and budget expenditures.

Jubilee Zambia proposed a debt management plan for inclusion in the new Constitution that would establish protocols for new debt contraction and provide an oversight role for Parliament. In addition, with the help of Member of Parliament Given Lubinda, a bill was introduced in Parliament to

incorporate the debt management plan. Although neither the Constitution Commission nor the Parliament approved the debt management plan, the debate was covered widely in the media. JCTR and Jubilee Zambia continue to advocate as they have a profound understanding of the need to avoid new indebtedness.

## MY REFLECTIONS

- “Zambia is a country of great potentials and great problems. But we seriously believe *the potentials outweigh the problems.*” (Speech by Peter Henriot, April 19, 2010, Washington, DC).

How do I feel about Zambia’s chances to meet the MDGs and to avoid the debt trap? The Zambia I saw and the Zambians I met only underscore the above statement. Zambia is rich in minerals, productive agricultural land, beautiful national parks and growing tourism. The teachers, health workers, NGOs, parents, and students are bright and committed albeit



frustrated with a government that lacks the vision and political will to implement its own development plan. Civil society has engaged in a lively debate with the government over its proposed Sixth National Development Plan for 2011-2015. The Civil Society for Poverty Reduction bought a full page ad in the Zambia Post (4/26/10) entitled “Investing in the Dignity of the People of Zambia: A Demand for Sustainable Economic Growth with Equity.” This policy paper proposes specific actions that the government needs to take to reach the MDGs by 2015 and to achieve the government’s stated goal of becoming a middle-income country by 2030.

**The big if** for me is the upcoming Presidential and Parliamentary elections in November 2011. The Zambian people know that change is needed along with a government that heeds the needs of the poor in both the rural and urban areas. However, as in most of our societies, well-meaning words will not defeat a government or bring about change. It will take political organizing at all levels of the society to transform it. People must act if change is to occur in Zambia.

Frequently during interviews I would ask, “Have you met with your Member of Parliament?” Of course, I am an activist, accustomed to writing, phoning or meeting with my elected representatives. Many Zambians are hesitant to engage in politics although the civil society organizations do actively advocate for social justice. The question is – Can the people mobilize to bring about the kind of Zambia that they want?

## CONCLUSIONS FOR THE USA

At the end of each interview I always asked the person, “What do you want to say to the USA and in particular, Jubilee USA activists?”

## Voices:

- “We need responsible lending as well as responsible borrowing. We need the USA to do a debt audit so we know what we borrowed and where it went” Phoebe Moono, Jubilee Zambia in Monze, volunteer and activist
- “Work on a way to engage China and India in discussion of international standards,” Jubilee Zambia
- “Pass the Jubilee Act,” MP Given Lubinda (and many other voices as well)
- “The U.S. government must insist on transparency and accountability with our government,” Jack Jones Zulu, former Jubilee Zambia staff
- “Advocate for integrated development assistance, not just aid assistance,” Chilufya Chileshe, Jubilee Zambia
- “If Jubilee USA is to fight for us, ask our government to explain how they are fighting poverty,” Chipata Basic School teacher
- “Advocate for EFAIDS funding for school-based prevention programs for HIV/AIDS education!” Ndubeni Frank Peter, Chipata Basic School teacher
- “30% of development assistance should go to NGOs and churches in order to create partnerships with the government and avoid program duplication,” Rev. Rose Nsofwa, Community Development Secretary, United Church of Zambia

## Prophetic Voice:

The Pastoral Letter on the State of the Nation (February 16, 2010) from the Council of Churches in Zambia (CCS) characterizes the **Zambia We Want** as a nation guided by a Constitution that speaks for all Zambians, not only a few individuals, where all people are respected in a nation free of corruption, where justice is delivered and not denied.

**“This is a Zambia we demand from our politicians to provide for us and our children. We call upon all peace loving Zambians to rise up and demand that Government deliver to us all, the Zambia we want. One that is free from all forms of intimidation, discrimination and persecution. Let us revive the spirit of ‘One Zambia, One Nation’ (JCTR Bulletin No. 83, First Quarter 2010).**

## APPENDIX A

### *Interviews for Jubilee USA/Zambia Case Study*

- Rev. Chrispin Mwalazi, General Secretary, United Church of Zambia
- Debt, Aid and Trade Team, Jesuit Center for Theological Reflection: Priva Hang'dhu, Debt, Humphrey Mulemba, Trade and Chilufya Chileshe, Aid (V)
- Women for Change, Emily Sikazwe, Executive Director (V)
- Rose Nsofwa, General Secretary, Community Development Department, United Church of Zambia (V)
- Our Lady's Hospice, Kalingalinga compound – Sister Kay O'Neill, director and Venus Shamoya, Matron – HIV-AIDS clinic.
- Jack Jones Zulu, former Jubilee Zambia staff; now with UN Economic Commission on Africa
- Rev. Susane Matala, Zambia Council of Churches executive (V)
- Dr. Rosemary Sinkuto, Senior Health Officer, World Bank
- John Nringo, head teacher, students and Mr. Nyirenda M., deputy head master, Chibomobo Secondary School (V)
- Rosie Phiri, teacher, Chipata Basic School, Lusaka
- Chipata Open Community School, Basic School teachers, Ndudbeni Frank Peter. (V)
- Mrs. Josephine Muchilemba, Globalization group at St. Andrew's United Church and OIKOUTREE project.
- Peter Mucheleka, Civil Society for Poverty Reduction
- Eldar Chirwa, Senior Economist, United Nations Development Program
- Globalization advocacy team at Josephine Muchilemba home.
- Dr.V.M. Chanda, Dean, School of Humanities and Social Science, Univ. of Zambia
- Saul Banda, former Jubilee staff and author of AFRODAD DEBT REPORT, now staff Ministry of Education, Zambia
- Jubilee Southern province team., Monze, Phoebe Moono, facilitator (V)
- Ministry of Finance Evaluation and Monitoring Unit, Agnes Musunga, director
- Honorable Given Lubinda, MP, Opposition party (V)
- Visit Mfuwe government health clinic; Grace Mulunga, head nurse. (V)
- Tribal Textiles, local small business initiative in South Luangwa valley
- Visit Mukuni Village and interview head teacher Pressley and Mrs. Mukuni, Director of Health Clinic, Mukuni Village, Livingstone, Zambia. (V)
- Fr. Peter Henriot, Director, JCTR, and weekly columnist, The Post/Zambia newspaper.

(V) = videotaped interviews