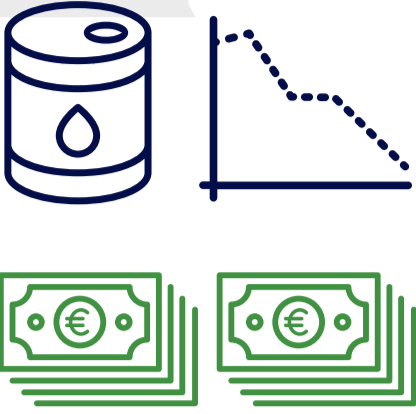
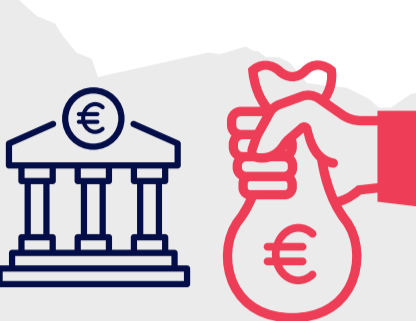


# ZAMBIA DEBT AND DEFAULT



**1970s: global oil crisis + a dramatic drop in the price of copper** – Zambia had to borrow huge loans, increasing its debt from

**\$800 MILLION TO \$3.2 BILLION**



Most of these loans were from the IMF, and the money

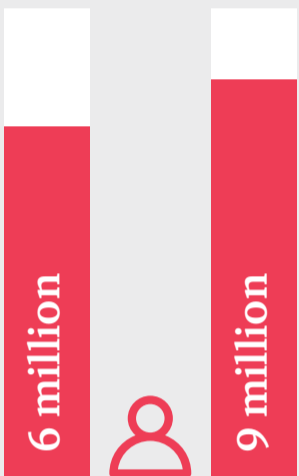
**FLOWED BACK TO WESTERN BANKS**

that had previously lent Zambia money, in the form of debt payments.



**THE IMF AND WORLD BANK**

**demanded various conditions** in exchange for making these loans.



The number of people living on **less than \$2 a day** increased from

**6 million**

in 1991 (75% of the population) to over

**9 million**

by 2003 (85% of the population)



From 2014 to 2020 when the Covid-19 pandemic hit Zambia, Zambia's **external debt payments** increased substantially from

**4%**

of **government total income** (revenue) in 2014 to an estimated

**33%**

in 2020.



Over the last five years, **public healthcare expenditure** has averaged

**9.1%**

of the government's budget.



In the meantime, during this same period, **debt servicing alone** accounted for

**70.3%**

of government revenues.

(source: IMF)

Throughout the Covid-19 pandemic, Zambia was spending

**4 x TIMES MORE ON REPAYING DEBTS**

than on **healthcare**.



There has been some debt relief, but most of it has been used to pay debts to private lenders.



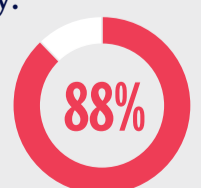
of **Zambia's external debt** is owed to these private lenders.

**Today,**

**8 MILLION**

people are living **below the poverty line** and 88% of its population is surviving on less than

£4.20 a day.



**Sources:**

Thanks to Eurodad and Jubilee Debt Campaign for this information.



*This project has been undertaken with funding from Irish Aid's WorldWide Global Schools. Irish Aid's WorldWide Global Schools is the national programme for Global Citizenship Education for post primary schools in Ireland. The ideas, opinions and comments in this resource are entirely the responsibility of its authors and do not necessarily represent or reflect WorldWide Global Schools and/or Irish Aid policy.*