Zambia's Public Debt, Social Sector Financing and the Role of Faith Leaders in Promoting Socially Just Debt Sustainability

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ABSTRACT

Zambia's renewed debt crisis reflects deep structural vulnerabilities, weak public debt governance and repeated external shocks. Despite abundant mineral resources, more than 60% of Zambians live in poverty and inequality remains high. Rapid accumulation of largely non-concessional public debt since the early 2010s culminated in a sovereign default in 2020 and protracted restructuring under the G20 Common Framework. Rising debt service has crowded out expenditure on health, education, water and sanitation, and social protection.

This article synthesises evidence from a 2022 Council of Churches in Zambia (CCZ) and All Africa Conference of Churches (AACC) study, AFRODAD's 2024 Zambia Debt Profile, civil society research and official documents to: (i) analyse Zambia's debt dynamics and social consequences; (ii) interrogate the legal and institutional framework for public debt management (PDM); and (iii) examine the role of faith leaders and civil society. Grounded in public choice, accountability and participatory governance theories, it advances the hypothesis that active participation of the Church and other civil society organisations (CSOs) in PDM can contribute to more desirable debt sustainability outcomes and greater accountability and transparency in public finance. The article concludes that, while existing literature and historical experience (notably Jubilee 2000) strongly suggest such a link, current studies under-theorise and under-specify the concrete mechanisms and conditions under which faith-based participation improves debt outcomes, highlighting an important agenda for further empirical research and policy experimentation.

Keywords: Zambia; public debt; debt sustainability; social sectors; faith leaders; civil society organisations; accountability; transparency; public debt management; participatory governance.

INTRODUCTION AND HYPOTHESIS

Zambia is a lower-middle-income, resource-rich country whose economy is dominated by the extractive sector. Copper and copper-related products account for approximately 72–77% of exports (AFRODAD, 2024). Yet over 60% of the population lives below the international poverty line and the Gini coefficient of 0.51 reveals stark inequality (AFRODAD, 2024).

Public debt has escalated rapidly over the past decade. External public debt reached about US$12.9 billion by end-2021 (CCZ & AACC, 2022), and total public debt rose to over US$23 billion in 2022 and at least US$25 billion by end-2023, about 75% of GDP (AFRODAD, 2024). The composition of this debt has shifted from concessional to non-concessional, including Eurobonds and loans from Chinese and other private creditors. In November 2020, Zambia defaulted on a Eurobond coupon payment, entering full debt distress.

Debt-servicing costs have increasingly crowded out spending on health, education, water and sanitation, and social protection (CCZ & AACC, 2022; JCTR, 2021). At the same time, despite a strong historical role in Jubilee 2000 debt-relief campaigns, the Church and CSOs have been relatively passive and reactive in the current debt crisis (Ethics & International Affairs, 2011; CCZ & AACC, 2022).

This article is guided by the following hypothesis:

H1: Active participation of the Church and other CSOs in public debt management will contribute to more desirable debt sustainability and increased accountability and transparency in public finance.

This hypothesis draws on theories of public choice, accountability and participatory governance, which posit that when organised citizens and intermediaries (such as faith leaders) monitor and influence state decision-making, they can reduce agency problems, constrain rent-seeking and improve policy outcomes.

METHODOLOGY

The article uses qualitative, desk-based research and documentary analysis. It synthesises five categories of sources:

1. **CCZ/AACC Study (2022):** profiles Zambia's public debt, COVID-19 impacts, creditor composition and social consequences; explores potential roles for the Church in PDM (CCZ & AACC, 2022).
2. **AFRODAD (2024) Zambia Debt Profile:** provides time-series debt figures, macroeconomic analysis, sectoral contributions and legal framework review (AFRODAD, 2024).
3. **Official documents:** IMF ECF reports (IMF, 2022, 2024); Ministry of Finance and National Planning (MoFNP, 2018, 2025).
4. **Civil society and academic studies:** JCTR (2020, 2021); CSO Debt Alliance (2022); Joshua et al. (2019); Ndhlovu & Chishimba (2019); Musamba & Phiri (2020).
5. **Normative/theoretical literature:** debt and development (Ndikumana & Boyce, 2011; UNCTAD, 2019); historical studies of Zambia's debt (Per-Åke Andersson et al., 2015); faith-based debt-justice (Ethics & International Affairs, 2011).

Data were coded thematically along four axes: (i) debt dynamics; (ii) social impacts; (iii) governance and legal frameworks; (iv) the role of faith-based and civil society actors. The literature review below critically assesses this body of work and contrasts it with relevant theories.

THEORETICAL FRAMING

Three theoretical lenses frame the analysis:

a) **Public Choice and Principal–Agent Theory**

Governments (agents) may borrow in ways that maximise political gains rather than social welfare, especially where institutions are weak (Ndikumana & Boyce, 2011). Without strong checks, debt can be misused, and the costs shifted onto citizens and future generations.

b) **Accountability and Transparency Theory**

Transparency in public finance and effective accountability mechanisms (horizontal—parliament, audit institutions—and vertical—citizens, CSOs, media) are expected to reduce corruption, improve allocative efficiency and foster better macro-fiscal outcomes.

c) **Participatory Governance and Social Accountability**

This literature position that inclusive participation by organised citizens and intermediaries (faith leaders, CSOs) in policy processes can improve state responsiveness and service-delivery outcomes, particularly when linked to formal institutions (e.g., budget hearings, legal mandates for consultation).

The hypothesis (H1) effectively states that increasing the participation of the Church and CSOs in PDM will strengthen accountability and transparency (theoretical mechanisms 2 and 3), thereby constrain public-choice

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problems and improving debt sustainability (mechanism 1).

LITERATURE REVIEW

Critical Assessment and Theoretical Contrasts

Global and African Debt Literature

Global debt studies emphasise macroeconomic determinants and outcomes—terms-of-trade shocks, commodity dependence, external interest rates—as well as structural adjustment and HIPC/MDRI (Ndikumana & Boyce, 2011; UNCTAD, 2019). Their strength is rigorous macro-historical analysis, documenting cycles of over-borrowing, crisis, adjustment, and the social costs of austerity.

They are weaker on micro-institutional dynamics: who makes borrowing decisions, how domestic interest groups influence them, and how citizen or faith-based oversight might alter trajectories. In public choice terms, they identify the "agency problem" (governments accumulating odious or inefficient debt) but give limited attention to how concrete social actors—such as churches—can mitigate it.

These studies therefore support the intuition behind H1 (greater accountability could avert crises) but do not directly model or test the impact of faith-based participation on debt outcomes.

Zambia's Historical Debt Experience

Per Åke Andersson et al. (2015) and World Bank/IMF (2006) trace Zambia's debt from the 1970s to HIPC/MDRI, showing how external shocks (falling copper prices, oil crises) and structural weaknesses (narrow export base, neglected agriculture) produced insolvency, and how externally driven reforms (SAPs) imposed high social costs.

However, they largely depict Zambian society as passive, focusing on state–creditor relations with little attention to domestic accountability or civil society. The later prominence of faith-based actors in Jubilee 2000 is largely absent.

From a participatory governance perspective, this work is state-centric. It does not investigate whether periods of stronger civil society mobilisation (e.g., in the 1990s and 2000s) affected transparency or borrowing patterns—an important gap for assessing H1.

Debt, Macroeconomic Performance and Social Sectors in Zambia

Studies such as Ndhlovu & Chishimba (2019) and Musamba & Phiri (2020) provide quantitative evidence that rising public debt in Zambia is associated with higher debt service, reduced fiscal space for pro-poor spending, and adverse effects on investment and macro stability. JCTR (2021) and CCZ & AACC (2022) document budgetary shifts, showing debt service rising to around 80% of the budget by 2021 while health and education fell below international benchmarks.

This work convincingly demonstrates fiscal crowding out and social harm, reinforcing the view that current debt trajectories are incompatible with social justice and human development.

Two theoretical weaknesses stand out:

1. **Limited causal analysis of governance variables**

   Corruption, weak legal frameworks, and opacity are noted, but there is little systematic modelling of how improved accountability (e.g., stronger Parliament, more active CSOs, Church advocacy) could alter outcomes. Much of the analysis remains descriptive rather than testing causal models grounded in accountability theory.

2. **Underdeveloped analysis of non-state actors**

   CCZ & AACC (2022) recommend greater Church involvement but do not empirically assess whether past engagement (e.g., Jubilee 2000) improved debt governance. H1 is more asserted than tested.

Existing empirical work is broadly consistent with public choice theory (highlighting the costs of unchecked borrowing) but engages only partially with participatory governance theory and does not rigorously examine whether greater faith-based participation improves PDM.

Governance, Legal Framework and PDM

CSO Debt Alliance (2022) and JCTR (2021) provide institutional detail on PDM, documenting legal gaps, opaque procedures, and weak parliamentary oversight prior to the 2022 Public Debt Management Act. Their findings align with accountability and transparency theory: weak formal institutions allowed the Executive to contract debt with limited scrutiny, heightening the risk of politically motivated and inefficient borrowing—an archetypal principal–agent problem.

A key strength is their concrete legal–institutional diagnosis and specific reform proposals (mandatory publication of loan terms, ex ante parliamentary approval, annual borrowing plans), which assume that more transparency and checks will improve debt outcomes.

Limitations for our hypothesis and related theories include:

- **Narrow focus on formal institutions**

  Parliament and statutory bodies are well covered, but informal or societal accountability—via churches, CSOs, media—receives limited attention, despite participatory governance theory viewing these as complementary to formal oversight.

- **Limited exploration of faith-based actors**

  While CCZ & AACC (2022) suggest that including religious groupings in legal frameworks could strengthen oversight, they do not examine how faith-based legitimacy and networks might actually constrain rent-seeking, as public choice theory would imply.

Thus, governance studies support the logic behind H1 (broader oversight should reduce opportunistic behaviour) but stop short of a theory-driven assessment of faith-based participation as a distinct accountability mechanism.

Faith-Based Actors and Debt Justice

The Jubilee 2000 and debt justice literature (Ethics & International Affairs, 2011) is directly relevant to H1. It shows that churches and ecumenical networks reframed debt as a moral issue, mobilised public opinion, and influenced international policy, contributing to HIPC/MDRI.

Its main contribution is conceptual: it demonstrates that faith-based actors can exert significant normative and political pressure, consistent with constructivist claims about norms and discourse and with participatory governance arguments about broad coalitions constraining powerful interests. It offers historical “proof of concept” that churches can be effective agents of debt reform.

Weaknesses Relative to H1 Include

- **Limited micro-level analysis**

  The focus is global or regional. We learn that churches mattered, but not the concrete national-level mechanisms through which they altered PDM practices.

- **Weak linkage to contemporary Zambia**

  The emphasis is on the 1990s–2000s HIPC/MDRI era. There is little consideration of whether similar mechanisms apply in today's more complex creditor environment (Eurobonds, China, private funds) or in Zambia's changed political economy.

This literature suggests that faith-based engagement can be influential, but does not show empirically that structured participation by the Church within domestic PDM institutions currently improves debt sustainability or transparency in Zambia.

Synthesis: Where the Literature Stands on the Hypothesis

Overall, the literature:

- Demonstrates that unsustainable debt and weak PDM have severe social consequences in Zambia, underscoring the need for reform;
- Provides robust theoretical grounds (public choice, accountability, participatory governance) to expect that broader oversight, including by faith-based actors, should improve debt outcomes;
- Shows that churches have, in previous episodes (notably Jubilee 2000), influenced debt policy at global and national levels.

Yet major gaps persist:

1. The role of the Church and CSOs is often discussed normatively or anecdotally rather than through systematic analysis.
2. There is little empirical work explicitly testing whether increased faith-based participation in PDM improves debt transparency, accountability, or sustainability in Zambia.
3. Mechanisms are under-specified: we lack detailed accounts of how faith networks convert social legitimacy into concrete constraints on borrowing decisions in a fragmented creditor landscape.

Thus, the literature offers theoretical and circumstantial support for H1 but does not conclusively validate it. This underlines the need for both policy experimentation (e.g., structured roles for the Church and CSOs in PDM) and more systematic empirical research.

Implications and Conclusion

Zambia's trajectory aligns with public choice and debt–development theories: under weak institutions and limited accountability, governments tend to over-borrow, misallocate resources, and shift costs onto citizens and future generations. Empirical evidence shows that debt service has crowded out social spending and undermined human development. Accountability and participatory governance theories imply that involving more actors—especially trusted faith leaders and organised CSOs—can help realign public finance with social priorities. Historical experience from Jubilee 2000 supports this expectation globally, but institutionalisation of such participation in domestic PDM remains limited. The literature therefore only partially supports the hypothesis that active Church and CSO participation in PDM will enhance debt sustainability and improve accountability and transparency in public finance. It indicates a clear reform direction—greater transparency, legal recognition of non-state actor roles, and structured faith-based engagement—while highlighting the need for rigorous empirical testing of this hypothesis in contemporary Zambia.

Future research should move beyond normative advocacy to:

- empirically examine specific instances where faith-based actors have intervened in fiscal debates;

- trace mechanisms (e.g., changes in borrowing terms, disclosure of contracts, protection of social spending);
- assess whether such interventions correlate with improvements in debt indicators and social sector allocations

Zambia's Debt Dynamics, Social Impacts, Faith Leader's Voices and Governance

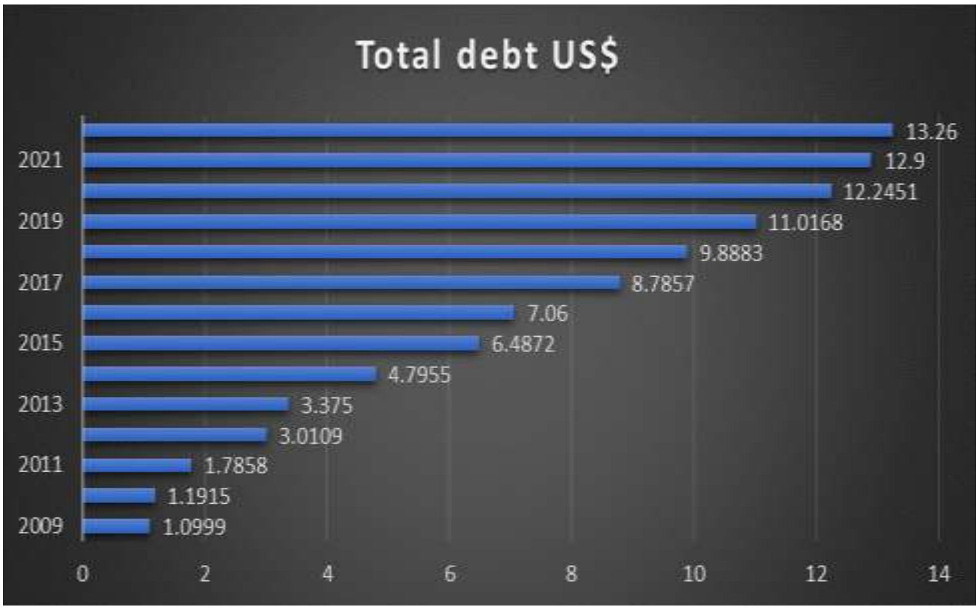
Debt Dynamics

Zambia Debt

Recent data confirm the scale and composition of Zambia's debt. AFRODAD (2024) estimates that total public debt reached more than US$23 billion in 2022 and at least US$25 billion by the end of 2023. External debt stood at roughly US$15 billion, domestic debt at about US$9 billion, with an additional US$1.4 billion in guaranteed state-owned enterprise (SOE) external debt and arrears of around US$10.1 billion. The share of commercial loans rose from zero in 2010 to over 50% of total external debt by 2023. The issuance of three Eurobonds between 2012 and 2015, combined with Chinese and other bilateral financing, significantly altered Zambia's creditor landscape and increased exposure to market risks and higher interest rates (AFRODAD, 2024). Weak PDM and corruption in project selection and implementation meant that much of this borrowing did not yield the hoped-for growth dividends (Ndhlovu & Chishimba, 2019; Musamba & Phiri, 2020). In June 2022, Zambia's debt reached US$13.26 billion, as reported by the Ministry of Finance (2022). Of this total, 70% was external debt, while 30% was domestic. The significant borrowing that occurred between 2008 and 2022 is largely linked to extensive infrastructure development efforts, which have contributed to a decline in economic growth and an increase in poverty levels. According to the 2022 report by the Civil Society Organization Debt Alliance, a coalition focused on debt issues in Zambia, the country's public debt distress has been a major factor in the economic downturn experienced in recent years.

Figure 1 below shows the rising external debt in years. In 2009, external debt was slightly above US$1.099 billion but by end of 2020, Zambia's debt had increased to US$ 12.24 billion. In June 2022 the debt stock amounted to US$13.26. The debt has increased more than 100% from the time the country reached the HIPC completion point and had its debt forgiven. In 2011, the external debt was 10.2% of GDP but by 2021 the figure had risen to 53.6% of the external debt (Ministry of Finance, 2021).

Figure 1: Zambia Debt Stock 2009- 2022



Source: CCZ & AACC (2022) – (Data adopted from World Bank and Ministry of Finance Data, 2022)

Composition Zambia External debt

The composition of Zambia's external debt has undergone significant changes over the years. From the 1970s to 2000, the debt primarily comprised bilateral and multilateral sources, with minimal involvement from commercial lenders and little presence of China. In 2011, about 63% of Zambia's external debt was held by multilateral lenders, while private lenders accounted for only a small fraction. However, by 2017, private lenders made up 40% of Zambia's external debt, largely driven by the issuance of a Eurobond totalling US$3 billion (AFRODAD, 2018).

Table 1 reports the composition of Zambia’s external debt by creditor type. In 2021, bilateral creditors accounted for 33%, multilateral institutions for 20%, and private creditors for 47%. This structure has important implications for debt restructuring. Private claims are typically harder to restructure because private creditors face their own liabilities—to pension funds, education funds, and other investors—and rely on sovereign bond payments to meet those obligations. Consequently, private creditors are likely to agree to restructuring only when the expected payoff exceeds that of the existing contractual terms.

Table 1: Composition of Debt by Type 2021

Creditor Type	**Sum of Debt in US$**	**Percentages**
Bilateral	4,041,642,169	33%
Multilateral	2,498,223,965	20%
Private	5,705,204,604	47%
Total		100%

Source: CCZ and AACC (2022) (Data adapted from the World Bank,2021)

Ghana’s Debt

Ghana’s recent experience illustrates how quickly hard-won gains from debt relief can be reversed. After achieving substantial debt reduction through the HIPC Initiative (completed in 2004) and the MDRI (2006), Ghana was widely portrayed as a post-relief success story. Yet by 2022 the country was again in a severe debt and macroeconomic crisis, culminating in a request for an IMF-supported programme on 1 July 2022 and its eventual approval on 17 May 2023.

The crisis has been characterised by sharp currency depreciation (from GHS 6.02 to GHS 11.6 per US$1 between January and October 2022), surging inflation that peaked at 54.1% in December 2022, and aggressive monetary tightening, with the policy rate raised to 24.5% by October 2022. These developments signal structurally weak macro-fiscal management and limited monetary policy effectiveness in the face of elevated public debt and persistent fiscal imbalances.

The drivers of Ghana’s new debt build-up are both external and, more decisively, domestic. While the government has emphasised the roles of the COVID-19 pandemic and the Russia–Ukraine war, the evidence points to a deeper pattern of fiscal indiscipline and policy failure. Key contributors include chronic fiscal deficits, the debt-financed financial sector clean-up, election-related overspending, high interest rates shaped in part by opportunistic and predatory lending, the unproductive use of borrowed funds, and pronounced exchange rate depreciation.

Public debt indicators reflect this deterioration: the debt-to-GDP ratio rose from 34.5% in 2010 to around 57.6% in 2018, 62.4% in 2019, 76.1% in 2020, and approximately 76.6–81.8% by end-2021, with IMF projections suggesting a peak of 87.4% by 2024. Debt servicing has become a major fiscal burden, with interest payments alone absorbing more than 60% of non-oil tax revenue and crowding out essential social and developmental expenditure.

A defining feature of Ghana's current crisis is the shift in debt composition compared to the earlier HIPC/MDRI period. Previously, debt was predominantly owed to bilateral and multilateral creditors and was addressed through coordinated relief frameworks. Following its transition to lower middle-income status and the tapering of concessional Official Development Assistance, Ghana increasingly turned to commercial borrowing, notably via Eurobond issuances and expanded domestic borrowing involving offshore investors. As a result, the country entered the 2022 crisis with a debt portfolio heavily tilted toward private and market-based creditors, making restructuring more complex than in the early 2000s.

Throughout 2022, policy debates were dominated by discussions of comprehensive debt restructuring, including potential haircuts on both domestic and external debt. Ghana's case underscores the vulnerability created by rapid recourse to commercial finance without robust fiscal governance, and highlights the need for new, equitable mechanisms to manage and restructure sovereign debt in an era of diversified creditor landscapes.

Similarities of Zambia's Debt and Ghana's Debt

A case study on Ghana's debt shows patterns that are strikingly similar to Zambia's recent debt experience. In both countries, the gains from earlier debt relief were eroded by a rapid build-up of new obligations driven by persistent fiscal deficits, weak expenditure control, and increasing reliance on non-concessional, market-based borrowing (including Eurobonds and domestic debt held by offshore investors). Like Zambia, Ghana has faced sharp currency depreciation, surging inflation, and escalating debt-service costs that crowd out social and developmental spending, ultimately forcing both countries into IMF-supported programmes and complex debt-restructuring negotiations with a diverse group of commercial and official creditors.

Together, these cases highlight how structural fiscal weaknesses, election-related fiscal indiscipline, and exposure to global financial markets can lock African economies into recurrent cycles of debt distress despite earlier relief initiatives.

Social Sector Impact by Debt

On the social side, CCZ & AACC (2022) and JCTR (2021) highlight that:

- Health sector allocations fell to about 8.1% of the budget in 2021, far below the Abuja 15% target. Many rural health centres lack doctors, midwives, lab technicians, and essential medicines.
- Education spending remains under the UNESCO benchmarks of 15–20% of public expenditure; teacher-pupil ratios are around 1:60, infrastructure is poor and teaching materials are inadequate.
- WASH investments have lagged, with many rural communities sharing water sources with animals and urban areas facing recurrent cholera outbreaks.
- Social protection programmes, including SCT, face chronic under-disbursement; in 2016, less than half the allocated budget was actually disbursed (CCZ & AACC, 2022).

These trends demonstrate a clear crowding out of social expenditure by debt service and associated macroeconomic pressures (inflation, exchange rate depreciation), reinforcing poverty and inequality.

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Table 2 reports annual budget allocations, indicating a shift from social sectors toward debt servicing over 2015–2021. Debt servicing rose from 44% of total expenditures in 2015 to 80% in 2021. In contrast, the health sector's share declined from 9.6% to 8.1% over the same period. Education increased from 2.7% in 2015 to a peak of 17.2%, then fell to 11.5% by 2021.

Table 2: Budget Allocations by Function, 2015 - 2021

	2015	2016	2017	2018	2019	2020	2021	Change 2020 / 2015
General Public Service	25.8%	36.1%	27.9%	36.1%	36.0%	41.6%	48.3%	22.5%
o/w: Debt Service	44%	37%	64%	55%	75%	77%	80%	
Defence	7.0%	5.9%	5.0%	4.9%	5.8%	6.2%	4.7%	-2.3%
Public Order & Safety	4.7%	3.5%	3.6%	3.0%	3.3%	3.8%	2.6%	-2.1%
Economic Affairs	27.3%	24.9%	31.2%	24.1%	23.8%	20.6%	18.0%	-9.3%
Environmental Protection	0.4%	0.3%	1.0%	1.3%	1.0%	0.6%	0.8%	0.4%
Housing & Community Amenities	1.7%	0.9%	1.3%	1.1%	2.6%	3.3%	1.9%	0.2%
Health	9.6%	8.3%	8.9%	9.5%	9.3%	8.8%	8.1%	-1.5%
Recreation, Culture & Religion	0.7%	0.5%	0.5%	0.6%	0.3%	0.4%	0.1%	-0.6%
Education	2.7%	17.2%	16.5%	16.1%	15.3%	12.4%	11.5%	-8.7%
Social Protection	2.7%	2.4%	4.2%	3.2%	2.5%	2.4%	4.0%	1.3%

Source: JCTR Research, 2021

Voices of Faith Leaders and CSOs

According to research conducted by CCZ and AACC (2022), all 13 religious leaders from the three districts of Lusaka, Kitwe, and Sinazongwe expressed concerns regarding China's debt practices, citing a lack of accountability and transparency. A male Bishop from Kitwe pointed out that "we have a high number of corruption cases in court involving funds obtained from China," noting that much of the information related to China's debt was not widely known until recently.

A trade unionist in Kitwe characterized China's debt as predatory, claiming it targets national assets such as the Zambia Electricity Supply Company (ZESCO) and the National Broadcasting Corporation, which he asserts are already under Chinese control. Other key informants commented on China's strategic approach to Africa, recognizing the continent's development deficits and using this to maintain influence over Africa's economic future (Ibrahim Anoba, 2018). Church leaders are particularly concerned about Zambia's ability to repay the loans to China given the nation's already fragile economy. They also highlighted that the legal framework surrounding these loans is insufficient, with much of the debt shrouded in secrecy. The clergy urges Zambian leaders to prioritize reforms in the legal system, financial structuring, and to combat corruption in Public Debt Management.

In Burundi, Ghana and Zambia, faith leaders who participated in the study highlighted the need for stronger, more inclusive governance frameworks around public debt. One leader argued that existing legal frameworks should be revised to create more space for religious groups to participate formally in oversight, thereby complementing the role of parliament, which is presumed to represent the people. A church leader in Zambia linked the current debt crisis directly to the absence of prudent debt management and called for the Church to intervene more actively. Similarly, a Sheikh from a Muslim community in Lusaka argued that politicians, being central to the problem, cannot credibly provide effective oversight, and proposed the establishment of an independent oversight body composed of all major religious groupings to monitor the state's political and debt-related decisions. Although churches and other faith communities currently lack a formal legal mandate to exercise such oversight in any of the three countries studied, the respondents stressed their moral obligation to help ensure that public debt is contracted and managed responsibly. (CCZ/AACC 2022)

The study observed that the Church can play a constructive role in improving debt management by promoting greater transparency and accountability, particularly when it works in close collaboration with civil society organisations and other non-state actors. Through its moral authority, wide grassroots presence, and convening power, the Church is well placed to help build a critical mass of citizens who will consistently demand clearer, more accountable, and more participatory approaches to public borrowing and debt management from their governments.

Governance and Legal Frameworks

Zambia's public debt management (PDM) has been shaped by a fragmented legal architecture—spanning public and private law—that, until recently, weakened transparency, accountability, and coordination and contributed to the debt crisis. Core statutes—the Constitution (Amendment) Act No. 2 of 2016, the Loans and Guarantees (Authorization) Act (LGAA) No. 13 of 1994, the Public Finance Management Act No. 1 of 2018, the National Planning and Budgeting Act No. 1 of 2020, and the Anti-Corruption Act No. 3 of 2012—left critical gaps: outdated borrowing provisions and diffuse mandates under the LGAA; limited ex ante parliamentary oversight and reliance on ex post approvals; absence of binding debt ceilings and weak sanctioning; inadequate disclosure and timely reporting; poor integration of the Medium-Term Debt strategy, which lacked statutory backing; and weak coverage of contingent liabilities, state-owned enterprises, and off-budget or extra-budgetary operations, often aggravated by procurement and data transparency shortcomings. These weaknesses diluted institutional checks, enabled rapid accumulation of public and publicly guaranteed debt on no concessional terms, and obscured risk, as highlighted by the World Bank and IMF (2019) and earlier analyses (e.g., Awadzi, 2015). Only in recent years have reforms begun to tighten oversight and legal alignment, but the legacy of permissive, outdated, and weakly enforced legislation remains central to understanding Zambia's debt distress.

On this subject matter, both the CSO Debt Alliance (2022) and JCTR (2021) conclude that Zambia's legal and institutional frameworks for PDM were inadequate until recently. Debt contraction was often opaque; parliamentary oversight was weak; and there was no formalised role for faith leaders or CSOs. While the Public Debt Management Act and the Annual Borrowing Plan endorsed in 2022 are major reforms, stakeholders still stress the need for full implementation, harmonisation of related laws and structured participation of non-state actors (CSO Debt Alliance, 2022; CCZ & AACC, 2022).

Faith Leaders and Socially Just Debt Sustainability

Given the above, faith leaders in Zambia occupy a potentially strategic position in promoting a model of debt sustainability that is explicitly people-centred and socially just.

Ethical Principles

Faith engagement with debt and public finance can be grounded in several normative principles:

- **Human dignity:** Fiscal and debt policies must prioritise the protection of life, health, education and basic welfare.
- **Preferential option for the poor:** Adjustment costs should not fall disproportionately on the most vulnerable; social sectors should be protected even in fiscal consolidation.

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- **Stewardship and intergenerational justice:** Borrowing should support investments that benefit both present and future generations rather than unproductive consumption or corruption.

- **Transparency and participation:** Decisions on borrowing and public spending should be open to scrutiny and involve affected communities.

These principles echo themes in global church-led debt campaigns (Ethics & International Affairs, 2011) and can guide religious interventions in national debt debates.

Institutional and Legal Engagement

Faith leaders, working with CSOs and technical experts, can:

- Advocate for full implementation and, where necessary, strengthening of the Public Debt Management Act, including mandatory publication of all loan agreements, restructuring terms and up-to-date debt statistics.
- Lobby for formal consultation mechanisms giving religious bodies and CSOs a structured role in the development of the Annual Borrowing Plan, medium-term debt strategies and major borrowing decisions.
- Support legal harmonisation to ensure clear ex ante parliamentary approval of borrowing and to close loopholes that allow unchecked executive contracting of debt.
- Promote reforms to the Anti-Corruption Commission (ACC) and Auditor General's Office to enhance oversight of loan-financed projects.

Advocacy for Social Sector Protection

Given the evidence of social spending compression, faith leaders can prioritise advocacy to:

- Establish explicit, monitorable **social spending floors** (for health, education, WASH and social protection) in national budgets and IMF-supported programmes.
- Ensure that any savings from debt restructuring and improved revenue mobilisation are partly channelled into strengthening social services.
- Promote progressive domestic revenue reforms—including fairer mining taxation and reduction of harmful tax holidays—to reduce dependence on debt while avoiding regressive measures that burden the poor.

Public Education, Monitoring and Social Accountability

Churches and other faith bodies can use their extensive grassroots networks to:

- Explain basic concepts of public debt, budgets and social spending in accessible language through sermons, workshops, and faith-based media.
- Encourage congregants to participate in budget consultations, local development committees and social accountability initiatives.
- Collect and share community-level evidence on service delivery gaps (e.g. lack of medicines, overcrowded classrooms, unsafe water) to inform national advocacy and hold government to account.

Coalition-Building and International Advocacy

Drawing lessons from Jubilee 2000, faith leaders can build ecumenical and interfaith coalitions, in alliance with CSOs, trade unions and professional bodies, to advocate both domestically and internationally for:

- Fair and timely debt restructuring and, where justified, debt cancellation;

- Reforms to the global debt architecture that prioritise human rights and development, and ensure that all creditor classes participate equitably in burden-sharing.

CONCLUSION

Zambia's renewed debt crisis illustrates how, in the absence of robust governance and clear developmental priorities, public borrowing can undermine rather than advance social justice. High and rising debt service has contributed to chronic under-funding of health, education, water and sanitation, and social protection, deepening poverty and inequality. Recent reforms—notably the Public Debt Management Act, the Annual Borrowing Plan and ongoing restructuring under the G20 Common Framework—represent important steps, but remain insufficient without stronger institutions, improved fiscal governance and explicit safeguards for social spending.

Faith leaders and religious institutions, historically central to global debt justice movements, are still marginal within Zambia's current PDM architecture. Yet their moral authority, nationwide presence and experience in advocacy position them as key actors in advancing a people-centred, socially just approach to debt sustainability. The analysis suggests that faith leaders, working in coalition with CSOs and technical experts, can help align borrowing and fiscal choices with ethical principles of human dignity, a preferential option for the poor, stewardship and intergenerational justice, and transparency and participation.

At the same time, the existing evidence base only partially substantiates the hypothesis that active Church and CSO participation in PDM improves debt sustainability and strengthens accountability and transparency. The mechanisms through which faith-based engagement influences actual borrowing decisions, contract disclosure, project implementation and social sector protection remain under-specified and weakly documented. Addressing this gap requires systematic empirical research that traces concrete interventions and outcomes, alongside policy reforms that institutionalise structured roles for faith-based and civil society actors in Zambia's debt governance framework. Only through such mutually reinforcing normative, institutional and empirical advances can Zambia move towards a debt sustainability path that genuinely promotes human development, equity and dignity.

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