



Africa's Right to  
Health Campaign

# Africa's Debt

## Fueling the fire of AIDS

*"Every child in Africa is born with a financial burden which a lifetime's work cannot repay. This debt is a new form of slavery, as vicious as the slave trade."*

— All-Africa Conference of Churches



*At a home for women and children with HIV/AIDS in South Africa.*

**A**frica is the world's poorest region, and most of its people live on less than \$1 a day... but **African countries owe \$300 billion in foreign debt.** This is a huge financial burden on the people of Africa. While African countries struggle to cope with the HIV/AIDS crisis and with extreme poverty, they must spend millions more on debt repayments than on their own urgent priorities.

Africa's debts are owed to rich country governments like the U.S. and Britain, and to international financial institutions, like the World Bank and International Monetary Fund (IMF), which are controlled by these governments. Each year, the poorest countries in Africa are forced to pay more money to these wealthy creditors than they receive in aid or in new loans. This debt gives these foreign creditors great power over Africa's economies and over the continent's future.

**Debt is the greatest economic obstacle to African efforts to combat the HIV/AIDS crisis.** Debt repayments rob \$15 billion from the continent every year. This money could be used to provide health care to millions of people and to fund the war on HIV/AIDS. But it is instead being taken away by foreign governments and institutions. **Africa's debts must be canceled** to allow Africa's people to control their own resources and direct them towards their real priorities—combating poverty and the HIV/AIDS crisis.

### **Africa's Debt Toll** *The human cost of debt*

**HEALTH.** Most African countries are forced to spend more money each year on debt repayments than on health care for their people. \$10 billion per year could turn the tide of the HIV/AIDS crisis in Africa. But African governments are still paying \$15 billion per year to rich country creditors. Nearly 3 million Africans will die of AIDS-related illnesses this year, and 500,000 African children will die of malaria, while rich countries get richer at Africa's expense.

**EDUCATION.** Many African countries have had to cut spending on education in order to repay foreign debts. In 2002, 10 African governments spent more on debt repayments than on health care and primary education combined. Meanwhile, 42 million school-age children in Africa are not enrolled in school. If Africa's debts were canceled, spending on education could be doubled.

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## Take Action!

### If You Don't, Who Will?

#### EDUCATE!

Plan an event with your church, on campus or in your community to raise awareness about Africa's debt crisis and how it undermines the fight against HIV/AIDS. Africa Action can provide speakers and other educational resources.

#### ORGANIZE!

Join the Africa's Right to Health Campaign! Contact Africa Action to learn about a local coalition in your area.

#### MOBILIZE!

Stop one of the major institutions blocking debt cancellation for Africa by Boycotting the World Bank! Contact Africa Action to learn how to start a planning committee to urge your church, university or city council to take a stand for debt cancellation in support of Africa's Right to Health!

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## Africa's Debt Fueling the fire of AIDS *(continued from the front)*

### Africa's Debts are Illegitimate

- ▶ Many loans being repaid by African countries were made to **Cold War era dictators** whom Africa's people did not choose and who used the money to repress them. *Example: In South Africa, the apartheid regime took out more than \$18 billion in foreign debt in its final 15 years in power. The victims of the apartheid regime should not now be forced to pay for their previous repression.*
- ▶ Many loans being repaid by African countries were made to **corrupt leaders** who kept this money for themselves and added it to their own personal wealth. *Example: In the Democratic Republic of the Congo (DRC), formerly Zaire, dictator Mobutu Sese-Seko received more U.S. aid than the rest of Sub-Saharan Africa combined during much of the Cold War, even though it was known that this money was being diverted into his Swiss bank accounts. The people of the DRC should not now have to pick up the tab for loans from which they saw no benefit.*
- ▶ African countries' debts have swelled massively over time as a result of **skyrocketing interest rates and harmful economic policies** forced on these countries by creditors. *Example: Nigeria originally borrowed \$5 billion from foreign governments and institutions. It has paid back \$16 billion, but its debt still stands at \$32 billion.*
- ▶ African countries do not owe the U.S. and European countries—these countries owe Africa for the wealth and resources they have stolen from the continent over centuries. **Who really owes whom?**

### Cancel Africa's debt NOW!

Africa's debts are illegitimate and they should be canceled. **Debt cancellation is a matter of justice. It is also a matter of common sense.** African efforts to defeat HIV/AIDS cannot succeed until the outward flow of money to foreign creditors is stopped. Debt cancellation can make a real difference to people's lives: In Mozambique, Senegal and Mali, debt relief has provided resources to fight HIV/AIDS and to improve health care.

The current debt relief plan of the World Bank and IMF, **the Heavily Indebted Poor Countries (HIPC) Initiative, has failed to resolve Africa's debt crisis.** It has given some limited debt relief to some African countries, but most are still paying billions of dollars in debt repayments each year.

What is needed is outright debt cancellation. The World Bank and IMF, the main creditors of Africa's debt, can afford to write off these debts. But they refuse to do so because they want to retain control over Africa's economies. **The U.S. is the leading voice and most powerful shareholder in the World Bank and IMF. It should use its power to achieve debt cancellation for Africa NOW.**

