ZAMBIA: A CASE STUDY OF ECONOMIC REFORM AND THE IMPACT ON THE POOR

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Study Prepared for
Christian Aid
London

2 January 1996

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INTRODUCTION

Zambia is a "classic case" of a poor African country struggling with the problems of political and economic transitions. In 1991, it moved out of 27 years of one-party/one-man rule by the leader of its independence fight, Kenneth Kaunda, and embraced multi-party democracy with the election of Frederick Chiluba as President. While today the *structures* of democracy may be more or less in place (e.g., many different parties, periodic elections, relatively free media), the *attitudes* of democracy still are weak (e.g., tolerance, commitment to the common good, transparency and accountability). The movement away from a socialist economy to a liberalised capitalist economy has accompanied the political transition and caused considerable hardship among the people. The government's full-scale implementation of a Structural Adjustment Programme (SAP) has particularly hurt the poor.

Because it is a "classic case" of what is happening in other parts of Africa, Zambia is certainly a well-studied case. Indeed, it is "over-studied." The World Bank, various agencies of the United Nations, donor countries, NGO's (both international and local), churches, research institutions and individual scholars, etc.: all have recently been engaged in extensive research efforts to examine the political and economic transitions in Zambia (see limited bibliographical references at the conclusion of this paper.)

The purpose of the present paper is not to do fresh research but to survey key areas/issues in the Zambian economy and in particular to note the impact of these issues on some of the Partners of Christian Aid. Part I will analysis the macro-economic areas of (1) SAP economic reforms, (2) trade, (3) investment, and (4) debt; Part II will highlight responses by Partners; and Part III will explain advocacy efforts.

A. Short History

Zambia became independent in 1964, with the break-up of the Rhodesian Federation of British colonies, Nyassaland (now Malawi), Southern Rhodesia (now Zimbabwe) and Northern Rhodesia (now Zambia). Because of its copper wealth, Zambia was one of the richest of the newly-independent African states. But today it is one of the poorest. Its economic difficulties, accompanied by decline in social services and deterioration of infrastructure, were caused by (1) a development model inherited from the colonial period (e.g., over-reliance on copper as an export-earner, under-appreciation of agriculture), (2) a series of policy decisions (e.g., adoption of an inefficient controlled economy model, closing of the border to Rhodesia), and (3) negative external structural forces (e.g., declining price of copper, rising price of petrol and other imported goods, increasing foreign debt burden).

Any social analysis of Zambia must take into account demographic factors. Zambia has a current population of close to 9 million, with an annual growth rate of approximately 3.2% (down from 1980 figures of close to 3.7%). Fifty per cent of the population is below the age of 15. Zambia is one of the most urbanised countries in Africa, with an estimated 50% of the population living in urban areas.[5]

B. Factors influencing Poverty

In looking at the socio-economic situation of the majority of Zambians today, it is difficult to pinpoint a *single* factor as the one over-riding influence causing poverty. The poor in Zambia -- the majority of the population -- are hit today by four very strong and very inter-related influences:

1. An inherited structural economic weakness (external, such as balance of trade deficits; internal, such as inefficient para-statals).

2. A harsh Structural Adjustment Programme that has removed subsidies, imposed service fees, brought retrenchments.

3. A series of drought years (three out of the past four) that have drastically reduced agricultural output and caused immense expenses for importing food.

4. The rapid spread of HIV/AIDS that is affecting especially the younger productive age group (an estimated 34% of those between 15 and 39 in urban areas are infected).[6]

What might these factors mean in the specific life of a young person, for example, Choma, a 12-year old street child in Lusaka, at the beginning of 1996? First, the father of the young man had worked for the government-owned Zambia Airways and with its liquidation in 1994 the family lost regular income and company-sponsored housing. Second, the family could not afford the school fees introduced by SAP, so Choma had to drop out of school. Third, because of the drought that has devastated the Southern Province, Choma could not be sent back to be with his grandparents in their village. Fourth and finally, Choma's mother died at the end of last year of AIDS and his father is now wasting away with the same disease. As a result of all these factors, Choma is on the street, part of the growing army of street children living in dire poverty.

While this paper is looking at the effect of macro-economic issues such as SAP, trade, investment and debt on the poor in Zambia, we cannot ignore that these macro-economic issues are inter-related with other factors having a strong influence on the situation.

II. Restructuring

C. *Market*

7. Decontrol prices (effect market forces)
8. Restrain wages (prevent wage spiraling)
9. Remove subsidies (save money spent on consumption)

D. *Trade*

10. Eliminate trade barriers (introduce competition)
11. Promote export orientation (earn foreign exchange)
12. Invite outside investment (promote diversification and competition)

Zambia is experiencing the implementation of a complete SAP.

Monetary arrangements

The first action of stabilisation in the monetary area has been the devaluation of the Kwacha. In 1973, at the height of post-Independence prosperity, the Kwacha was stronger than the US dollar. But the 1980s and 1990s tell a different story:

1973	US$1.00	=	K0.65
January 1984			K1.60
June 1989			K42.00
October 1992			K300.00
October 1993			.K660.00
October 1994			K750
October 1995			K950

Another monetary effort at stabilisation in Zambia has been the increase of interest rates. For example, In 1993, Meridian BIAO Bank was offering 89% annual interest on a savings account -- a high figure that did not, however, match the triple digit inflation of the day. But while the high interest rates did encourage savings, cheap loans became difficult to secure and this has negatively affected farmers and small business people. For example, the Zambia National Farmers Union (ZNFU) has complained that many farmers have gone into bankruptcy because of inability to pay back loans that have accrued such high interest.[8]

Health and education

In the area of SAP-mandated budget reforms, Zambia has reduced budget deficits by imposing fees in the health and education sectors, retrenching workers in the public sector, and privatising the large government corporations (para-statals). Thus it is now necessary to pay user fees at hospitals and clinics. A pre-payment plan was introduced in 1994, whereby a small monthly fee (K700) enrols a person in the scheme and provides free access to health facilities. Studies done in the past twelve months show that there has been a decline in the use of health facilities because of the introduction of fees.[9] While in some areas, health

SAP has meant the quick withdrawal of the government from its heavy intervention in every aspect of agricultural activities: subsidising of inputs of seeds and fertilisers, supplying of credit, providing facilities for marketing and storage, etc. There would be few defenders of the Kaunda government's inefficient handling of agriculture. But few would defend the Chiluba government's rapid and ill-planned movement into a liberalised agricultural economy.

While it is true that the severe drought of 1991/1992 devastated maize crops in the south and east of the country, it is also true that recovery was made difficult if not impossible by premature market liberalisation, credit squeezes, exorbitant interest rate increases (from around 60% to a peak of 148%), and payment in "promissory notes" at critical moments when cash was needed. Harassed farmers, large and small, lost both productive capacity and business confidence. As a result, the planting of maize for the 1994/1995 season was down by approximately 30%. More drought this season withered what maize that had been planted, and less than eight million bags were produced, just over half of national requirements.[14] Drought and famine relief is now taking up a major portion of government and donor funding.

In an effort to respond to the critical agricultural problems, the government is working with the World Bank and other international donors in the design of the "Agricultural Sector Investment Programme" (ASIP) that is set to go into operation in early 1996. ASIP coordinates several policies, aiming to promote research and extension and increase crop production and diversification. Rural households, and especially women farmers, are focused on. The outcome of ASIP is still to be seen.

Cost of living

The introduction of a *free market* as a major tool in the stabilisation process has had dramatic impact on the cost of living in Zambia. Under the previous government, there was a "Price and Income Commission." But today all prices and wages are set by market forces. Subsidies for basic commodities such as maize meal, fuel and fertiliser have been removed, causing a spectacular increase in the cost of living. For example, a basket of commodities for a family of six living in Lusaka (including only food stuffs, charcoal and soap) has been increasing in price each month over the past few years.

Food Basket of Commodities (six people)

April 1991	K 6,365
January 1993	K 31,075
April 1993	K 49,360
June 1994	K 104,800
December 1994	K 137,556
April 1995	K 146,125
September 1995	K 153,100
November 1995	K 165,273

There were targets set for the 1994 budget (e.g., for education, 15-17% of total expenditures; for health 13%). Reform measures (e.g., decentralisation) were also set down.[19] It is important to note that the negotiations currently underway between the government and the World Bank include a similar SERC for the future budget.

As significant as the SERC arrangements may be on paper, it must be admitted that there is a difference between budget *authorisation* (what is found in the approved budget) and budget *allocation* (what actually is disbursed). Allocation problems are myriad, since many educational and health institutions have reported that they have not been receiving their officially authorised payments.[20] The policy of maintaining a "cash budget" (don't spend more than you have received each month) tends to hurt the social sector more severely than other sectors such as defense and foreign affairs.

B. Trade

Minerals

Since Independence, Zambia's economy has been dependent on one major economic activity, copper. In the decade immediately following Independence (1964-1975), when both copper production and copper prices were high, copper accounted for 92% of export earnings and about 25% of the government revenue. By 1993 copper still contributed close to 87% of export earnings and close to 7% of government revenue.[21]

The problem in recent years with the over-dependence of Zambia on copper is two-fold: (1) declining price of copper, and (2) declining production. During the mid-1970's, the price of copper on the London Metal Exchange (LME) divided by the average cost of traded manufactured goods declined by 63%.[22] The world price did gain some in the 1980's, then declined again in 1993. But in late 1994 and through 1995, the price has again gone up.[23] Zambia, however, could not take advantage of this upswing because productivity was declining due to problems with management, maintenance, and quality of ore.

Copper exports were at their highest in 1976, at 746,000 metric tonnes. This figure fell to 349,000 metric tonnes in 1991, climbed back up to around 400,000 by 1993, and then fell back again in 1994 to around 350,000. At the rate of monthly production during the past year, there is fear that 1995 figure may not top 300,000.[24] Predictions are made for improved production in the years to come, but everything is really unclear as the all-important moment of privatisation of ZCCM is awaited. There are widespread rumours/reports of mis-management of ZCCM, corruption and inefficiencies.

Other minerals have been exported by Zambia, including cobalt, zinc and lead. But in 1994 the Kabwe mine was shut down and production of zinc and lead discontinued. Precious gems are also mined, but only in the past few years have efforts been made to wrest their export out of the hands of smugglers.

Many Zambian manufacturers have suffered from the competition and have closed their doors. (Unfortunately, the Zambia Association of Manufacturers does not have exact data on the number of firms that have shut down or the numbers of jobs lost.) There is at least in the popular mind a sense that trade has not been beneficial to Zambian industries. There is even the use of the phrase "deindustrialisation" in some circles, as companies are forced to close because of inability to compete with imported goods. Zambia manufactuers have suffered a disadvantage in that they must pay import taxes on raw mateirals, making their products more expensive that the imported goods they must compete with.[31]

C. Investment

Today there are two macro movements in the investment area of the Zambian economy. The first is *new investment* occurring in the liberalised environment; the second is *privatisation* or the sale of companies that were previously owned wholly or in part by the government (the so-called "para-statals"). These two movements are, of course, inter-related and both are aimed at greater economic growth in the country.

New investment

In order to stimulate new investments, the government in 1992 set up the Investment Centre.[32] This serves as a "one-stop" centre to provide information, advice and facilitation for prospective investors. Licenses are granted to cover arrangements such as work permits, operators' licenses, permits to buy land, and licenses to allow the investor to import productive assets free. There is little difference in the level of incentives offered to Zambians who are investing in Zambia or to foreigners. Regarding tax breaks, everyone gets the same, in the form of standard rates of depreciation and write-offs.

During the past three years, the Investment Centre has processed a variety of cases. Approximately 80% of the investment has been by Zambians involved in rehabilitation or changing their productive capacity. Some 30% is new, first time investment in Zambia.

Who are the new players coming onto the investment scene? In general terms, South Africans are active in a variety of places. A significant amount of investment in retail marketing is going on, with two large South African shops, Shoprite Checkers and Pep, opening up stores in Lusaka and other major urban areas (taking over from defunct government-owned stroes). Their stores are attractive and well-stocked, and their prices are competitive or lower than those in the Zambian stores. Additional South African investment is going on in the agricultural sector, in the person of small to medium scale farmers. Besides South African interests, there is also some negotiating going on in the manufacturing sector, with large companies such as Lever Brothers and Heinz showing interest.

According to the Investment Centre figures, the projected levels of investment hoped for has not been reached. Thus in 1994, of the US$ 160 million anticipated, only US $70 million was invested; in 1995 (up to November), only US$ 60 million out of US$ 160 million has been invested.

Zambia Breweries; and Tate & Lyle and CDC purchased 70% of Zambia Sugar. This is explained primarily by the fact that there is not enough local money in the Zambian economy to purchase the larger companies. Almost all small and medium companies are being sold to Zambian individuals and companies. There have been a few employee buy-outs (e.g., in the retail stores). Besides South African and British purchasers, there are also serious negotiations going on with Indians over hotels, Israelis for large-scale chicken farms (for export), and with other groups like Lever Brothers and H.J. Heinz.

To promote wider public sales of stock in the newly privatised companies and in other private institutions, the Lusaka Stock Exchange (LUSE) opened in February 1994. The government has established the Zambia Privatisation Trust Fund, for the express purpose of assuring that Zambians would have the chance to own stock in Zambian companies. Under the Privatisation Act, this Fund enables the government, when it chooses so to act, to hold a percentage of shares (usually around 30%) in trust for citizens of Zambia until the shares are floated on the LUSE to be sold to small-scale Zambian investors. Stock has been sold to the public to date in Chilanga Cement and in Rothmans.

Of course the biggest item and most important factor in the entire privatisation process is the "jewel in the crown" of the Zambian economy, the Zambia Consolidated Copper Mines (ZCCM). The government has announced plans to sell its 60.3% share in this giant corporation. Anglo-American, which currently holds a 27.3% share, has expressed interest in acquiring more. But political wranglings, economic debates, personal interests, and national pride have all substantially delayed the process. As a consequence, production has dropped because of lack of capital inputs and serious cases of "asset stripping" have occurred.

<u>Impact on employment</u>

What is the impact of investment trends and privatisation on *employment*? This, of course, is a major issue in the evaluation of the Zambian government's programme of economic reform. There is great danger of promoting in Zambia what the United Nations Development Programme has called "jobless growth."[36] This phenomenon is the stimulation of economic growth patterns that are capital intensive and not labour intensive. To be specific, new investments in manufacturing or agriculture or new efficiencies in a privatised industry may bring a rise in the GNP measurements for Zambia, but may not necessarily create jobs for Zambians. Employment generation is essential if the economic reform measures are to benefit the majority of the people.[37]

It is clear that the civil service and the para-statals were over-staffed in the Kaunda era and in need of trimming for the sake of efficiencies. But public sector reform has been substantially slowed down because of the inability of government to pay redundancy packages. Since privatisation and other economic reform policies have been introduced, there has been job losses from a number of companies in various industries. Companies in manufacturing, mining, construction and trade are the most affected.

The *multilateral debt*, owed to international financial institutions (IFIs), amounts to US$ 2.8 billion. Of that, US$ 1.2 billion is owed to the International Monetary Fund. An additional US$ 1.6 billion is owed to the World Bank and to other international agencies such as the European Union, the European Development Fund, and the African Development Bank.

The remaining US$ 0.4 billion is *commercial debt*, owed to private banks (some of them represented in the "London Club").

<u>Reduction</u>

How has Zambia's debt stock been reduced in the past few years? Two approaches have accomplished this:

- *Bilateral debt write-off* of US$ 595 million, under agreement with the Paris Club in July 1992. Major countries writing off debts include: Germany, US$ 232; United States, US$ 109; Italy, US$ 94; United kingdom, US$ 90 million; France, US$ 30 million; and Denmark, US$ 24 million.

- *Commercial debt by-back* of US$ 652 million. Using IDA (World Bank) loan money, Zambia has purchased its debt owed to commercial banks at 11 cents on the dollar.

Presently it is not possible to reschedule or reduce multilateral debt as the institutions are not permitted by law to do this. But there is the possibility of some significant relief in sight on multilateral debt if the multi-billion US dollar "Multilateral Debt Reduction Facility" of the World Bank goes into effect in the next few years. This proposed facility, now being discussed by the directors of the IMF and the World Bank, would be a way of providing direct relief to Zambia's very high multilateral debt. The Facility would operate in a manner similar to a trust fund, repaying multilateral debt service as it fell due over a 15-year period, providing the equivalent of a 67% debt stock reduction.[45]

The total annual debt service that Zambia is required to meet (payment of principal and interest) has been decreasing in recent years because of favourable terms that have been negotiated, primarily with the Paris Club. Thus debt service was US US$ 496 million in 1991 and US$ 305 million in 1993.

In addition, a new agreement was signed at the beginning of December 1995 between Zambia and the IMF, giving Zambia approximately US$ 1.2 billion in balance of payment loans. This is under the "Enhanced Structural Adjustment Facility" arrangement accorded to Zambia because it has satisfied the "Rights Accumulation Agreement" by meeting the key economic benchmarks of SAP. This assures that the annual debt service owed to the IMF will drop significantly, as the interest rate goes from 8.5% to 0.5%; annual payments out to the IMF will be down from US$ 100 million to less than US$ 10 million.

micro level. These partners are engaged in a variety of works, for instance, agricultural projects, HIV/AIDS programmes, youth training, etc.[49]

A. Impact on Projects

The most common perception of the partners is that the SAP environment of today has made their work more difficult for two reasons: (1) internal budget constraints and (2) external client demands. The Christian Council of Zambia voices a complaint heard again and again: it is increasingly difficult to deal realistically with budgeting and planning requirements. Inflation, exchange rate variations, availability of supplies, etc., all affect programmes. Sister Lynn Walker of the Copperbelt Health Education Project (CHEP) comments that the cost of running training seminars has nearly doubled in the last few months. Add to this the effect of the rising cost of living on employees of the projects: "Just to keep a roof over heads and food in stomachs of my staff and their families is almost impossible, especially as most funders like to contribute towards activities but do want to pay salaries, let alone 'just' ones."

Demands by the clients of the agencies obviously increases during economic "hard times." Working in the shanty compounds of the Copperbelt, the AIDS Department of the Catholic Diocese of Ndola notes unemployment increasing (through retrenchments) and overall income positions declining during the past two years. These factors mean an increasing number of requests for food aid and a greater financial burden on the Department's limited budget.

One agency noted that the Social Safety Net programme of the government had distributed K77 million in 1994 among several anti-AIDS NGOs. But in 1995 the total had dropped to K20 million.

Ms. Maria Nkunika, director of the Anti-Aids Project in Lusaka, gives a very practical example of the impact of the rising cost of living on the efforts of her agency: "Unfortunately, our individual letter answering service, for those too shy to meet us face-to-face, has recently been affected by the four-fold increase in the price of a postage stamp."[50]

B. Taxing polices

Another common complaint of the partners relating to government economic policies is the unclear handling of the newly-introduced VAT (value-added tax) that went into effect in mid-1995. Prior to that, NGOs were exempt from the 23% sales tax. But now NGOs have to pay VAT (20%) and the possibility of a readily-accessible rebate scheme is not evident. Mixed signals seem to be coming from the Ministry of Finance about this. Several Partners raised this VAT issue in interviews, noting its impact on their operating budgets.

Ms. Elizabeth Mataka of the Anti-Aids Project of the Family Health Trust (FHT) gives a typically disconcerting story. FHT received a specially-designed vehicle, a mobile AIDS awareness station. Donated by the Japanese government, the vehicle is stuck at the customs

Dr. Piet Reijer of the Ndola Diocese AIDS Department makes the point that in the 1980's the hospitals were full of patients with routine illnesses and accidents. But now, even with the great number of AIDS patients, he estimates that the hospitals are half empty. He draws the conclusion that this can only be because of the costs of care.

Within the education sector, a "burning issue" cited by the Partners is the decline in enrolment because of costs and shortage of places. Dr. Reijer estimates that the percentage of non-school attendees is higher among children affected by AIDS, that is, single and double orphans, than among other children. Perhaps 50-60% of the orphans drop out of school because of the costs. Reijer notes that "Families are bitten by the dog and the cat at the same time: the SAP and AIDS." According to Sr. Lynn, in Kitwe this past year 21,000 children applied for grade one places but there were only enough places for just over 9,000 children. What happens to the other 11,000-plus? And the figure does not include the many children who did not even bother to apply.

Educational costs are increased by the requirement for purchase of *school uniforms.* But this requirement was lifted at the national level in early 1995 by the Minister of Education. Nevertheless, many heads of schools, teachers and even parents are resisting this order at the local level. Sr. Lynn Walter states that there appears to be little change in the numbers of children going to school without uniforms. This would probably also mean little change in the numbers staying away because of lack of uniforms.

E. Effects on Women and Children

The economic changes in the country have greatly affected the well-being and future viability of families.[52] According to Rev. Violet Sampa-Bredt, General Secretary of the Christian Council of Zambia, "The fact that there is a rising increase in female-headed households in Zambia is a pointer in the direction that the significant burden [of transition under SAP] has fallen on women and, by extension, on children." Shaddy Cholondoka and Alick Nyirenda of the Copperbelt Health Education Project notes that while men are the most directly affected by formal employment decline (through liquidations of private companies and privatisation of para-statals), this passes on a very heavy burden to women and children who turn to street vending and other vices to meet basic survival needs in the family. The urban streets in mid-town are now packed with vendors -- a new phenomenon in the past two years.

The economic difficulties in rural areas hit women particularly hard. London Mwape comments that women have very little time to rest as they must leave their homes and walk long distances looking for wild roots or searching out where they can find work to secure some food. "Visit Serenje between December and February -- you will see women sleeping in the shop corridors, since they have left their villanges to come and work for food."

The Institute of Cultural Affairs (ICA) of Lusaka reports that "most families can afford one meal per day (usually unbalanced meals)." Malnutrition is a major killer among children in Zambia, and hunger affects negatively the overall productive capacity of the people.

we work with," notes Marleen Kramer, "we stimulate income generating activities." Similarly, the Christian Youth Fellowship of Zambia reports that alternative agicultural projects are being promoted, e.g., poultry production units and shifting from maize to other local seeds. But these efforts face difficulties of economic constraints.

In Kitwe, CHEP reports three alternative approaches. First, there has been a step up of small scale production/income generating projects. One effort has been making school uniforms (at K7,000 to 10,000 per set). There is some limited success with this but it is still too expensive. Second, some community-based, small, non-formal schools are being started through the churches, with the encouragement of the Ministry of Education and some money from UNICEF. Third, the "revolving fund" system is being increased, for income-generating activities such as sewing, production of greeting cards (sold in the United Kingdom), carpentry, street trading.

PART III: ADVOCACY EFFORTS

Advocacy efforts -- lobbying, campaigning, policy-researching, media efforts, etc. -- are a fairly recent phenomenon among NGOs in Zambia. Prior to the transition to multi-party democracy at the end of 1991, public advocacy relating to government policies was definitely frowned upon in the one-party state. There certainly were some activities, particularly on the part of church-related organisations, but these were not very common. With the new political environment, struggling and unsure as it may be at the moment, "civil society" has flourished.[55] More freedom of the press has meant a little wider publicity for advocacy efforts, but there is still nothing in Zambia that would approach the strength of movements in Europe or North America.

A. Church Activities

In February 1987, the three central bodies of Christian churches -- the Christian Council of Zambia, the Zambia Episcopal Conference (Catholic), and the Evangelical Fellowship of Zambia -- released a "pastoral letter" entitled, *Christian Liberation, Justice and Development: The Churches' Concern for Human Development in Zambia.* This important ecumenical document addressed the economic situation of Zambia at that moment, speaking "out of concern for the suffering of the silent majority" in the grip of economic hardships (#8.6). It analysed the political and economic policies of the government of President Kenneth Kaunda, evaluating them in light of Christian principles of social justice. Special attention was placed on rural development, income distribution and subsidies. Large global issues such as the role of the IMF, foreign debts, and the need for a new international economic order were not specifically dealt with.

The letter set a precedent that would be followed in subsequent years: clear analysis, prophetic call for justice, specific recommendations, and ecumenical solidarity. Thus the advocacy efforts of church groups in Zambia have a special role and are recognised -- if not understand the macro-economic issues; (2) lobbying of the Zambian government by the church and NGOs is strengthened by the facts fathered; and (3) the funding sponsors, CAFOD (a Catholic relief and development agency based in London), will use the data in its wider advocacy and education efforts in Europe. This project publishes a bi-monthly newsletter, *SAP Monitor*, that is circulated among churches, NGOs, government agencies, the media and donors.[56]

C. International Advocacy

Two examples can be given of advocacy undertaken to bring international pressure on the countries and institutions to whom Zambia owes its large external debt, in an effort both to influence the terms of repayment and to call for cancellation of debt. In mid-1992, the Catholic Justice and Peace Department organised a letter-writing campaign among priests, sisters and brothers who were from Europe and North America and currently working in Zambia. These missionaries contacted their home embassies, high commissions, and foreign offices with urgent requests that Zambia be granted favourable terms at the Paris Club negotiations. They spoke of the suffering of the people that they had personally witnessed. These requests also were forwarded some European and North American debt advocacy groups (e.g., EURODAD, AFJN). Zambia did indeed receive more favourable terms, but even more important, the Zambian situation became more widely known.

During the African Synod in April 1994, the gathering of Catholic Bishops in Rome, Bishop Medardo Mazombwe, representing the Zambia Episcopal Conference, made a strong plea for bishops of Northern countries to pressure their governments to cancel the debts of Africa. The Synod resolutions contained this plea, an example of international advocacy at a high level.[57] Pope John Paul II has repeated this cry on several occasions.

D. Other Activities

Several other groups can be identified in Zambia that play advocacy roles in various ways. The Economic and Social Policy Research Project of the Jesuit Centre for Theological Reflection produces studies and educational programmes aimed at bringing to the public the issues of social justice and concern for the poor. Oxfam's Central Africa Office is located in Lusaka and it provides very good information on what is happening in Zambia, gathered from its partners. Zambian Oxfam partners participated in a large letter-writing campaign in 1993, highlighting the role of the World Bank and IMF in the economic problems of the country.

Under the encouragement of Oxfam, a new grass-roots advocacy group has begun this year, called *Unikila* (enlighten). Its purpose is to work with local groups to explain SAP and other government economic programmes and to bring pressure on the agencies of the government for more just responses. A group of development-oriented NGO's has formed a coalition to liaise with the World Bank on a regular basis for discussions about economic policies.

need to keep up pressure on the government -- especially during 1996, the year for presidential and parliamentary elections -- to oblige it to pay attention to the effects of macro-economic issues on the poor.

This effort can be made all the more effective as it is linked to international solidarity actions to call to greater social justice and concern for the poor the major donor countries and international financial institutions. It is clearly in this area of solidarity that relationships between Christian Aid, its partners, and other Zambia-based NGO's and concerned persons can be of very great importance.

ENDNOTES

This paper was prepared under contract with Christian Aid, a British and Irish Overseas Development Agency. In Zambia, it works with ten local organisations to strengthen their efforts to eradicate poverty and increase self-reliance.

Gratitude is expressed to Ms. Mary Becchi, who assisted in the background research for this paper.

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[2]*Ibid.*, p. 14.

[3]Bank of Zambia, *Statistics Fortnightly*, 17 November 1995.

[4]From Draft of "Country Strategy Note," National Commission for Development Planning, May 1995.

[5]These figures are from the reports and analyses prepared by the Central Statistical Office following the 1990 national census.

[6]Robie Siamwiza, "Situation Analysis of the HIV/AIDS Infrastructure in Selected Socio-Economic Sectors of Zambia," National Aids Prevention and Control Programme, June 1994, p. 12.

[7]For an overview of Structural Adjustment Programmes in Africa, see Peter Henriot, "SAP: What For?", in *New People*, No. 37, July 1995, pp. 13-21.

[8]See, for example, the discussion by John Hudson, "The Farming Scene: Drought Relief," in *Profit*, October 1995, p. 41.

[9]John Milimo *et al.*, "Participatory Poverty Monitoring in Zambia," A Report to the World Bank by the Participatory Assessment Group, Lusaka, May 1995, pp. 42-44.

[10]Milimo, *op. cit.*, pp. 58-61.

[32]Investment information was gathered in an interview with Mr. Kevin Moore, Director of the Investment Centre, Lusaka, on 1 December 1995.

[33]Privatisation information was gathered in an interview with Mr. Ian Fraser, Senior Advisor of the Zambia Privatisation Agency on 28 November 1995.

[34]See George Tembo, S.J., "Meeting the Problems of African Economies: Is Structural Adjustment the Solution?", a study of the Economic and Social Policy Research Project, Jesuit Centre for Theological Reflection, Lusaka, June 1994, p. 10.

[35]Zambia Privatisation Agency, "Privatisation Programme Progress Report," November 1995.

[36]United Nations Development Programme, *Human Development Report 1993* (New York: Oxford University Press, 1993), pp. 35-37.

[37] Griffin K. Nyirongo, "Employment Creation in Zambia: Reflections and Issues," paper presented at Conference on UN Social Summit, sponsored by Economics Association of Zambia and Jesuit Centre for Theological Reflection, Lusaka, 23 September 1995, p. 1.

[38]Central Statistical Office, *Quarterly Employment and Earnings Survey*, March 1995.

[39]Central Statistical Office, *Employment Trends 1985 to 1993, p.22.*

[40]*Times of Zambia*, 13 December 1995, p. 1.

[41]*Employment Trends 1985-1993*, p. 7.

[42]Nyirongo, *op. cit.*, p. 3.

[43]National Commission for Development Planning, "National Gender Policy Framework," May 1995.

[44]Data on external debt was obtained in interviews at the Ministry of Finance, November and December 1995.

[45]"Multilateral Debt: An End to the Crisis," Oxfam International Position Paper, London, October 1995, p. 24.

[46]See, for example, the editorial in *Zambia Daily Mail*, 9 December 1995.

[47]National Commission for Development Planning, *Zambia Country Strategy Note (1997-2002)*, May 1995, p. 11.

[48]"Budget Address" by Hon. R.D.S. Penza, Minister of Finance, 27 January 1995, p. 12.

[49]Of the ten Christian Aid Partners in Zambia, contact was made with the following eight:

Anti-AIDS Project, Lusaka
Institute of Cultural Affairs, Lusaka
Christian Council of Zambia, Lusaka
Copperbelt Health Education project, Kitwe
AIDS Department, Catholic Diocese of Ndola, Ndola
Makeni Ecumenical Institute, Lusaka
Development Organisation for People's Empowerment, Mpika
Christian Youth Fellowship of Zambia, Ndola

Faxes, follow-up phone calls, and personal visits were made during the last two weeks in November and the first week of December, 1995.

RECENT PUBLICATIONS

Annotated Selected Bibliography of Recent Materials about Zambia's Economic Reform

I. <u>Government</u>

Bank of Zambia. *Statistics Fortnightly.*
Twice monthly publication of basic statistics, mostly monetary data.

Central Statistical Office, *Employment Trends: 1985-1993*, September 1994.
Report on formal and informal sector employment data.

Central Statistical Office. "Poverty Monitoring Methodologies and Statistics in Zambia: Central Statistical Office's Approach." Paper presented at Workshop on Poverty Monitoring in Zambia, 8- 9 June 1995.
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Central Statistical Office. *External Trade Bulletin 1994*, July 1995.
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Central Statistical Office. *Quarterly Employment and Earnings Survey*
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Export Board of Zambia, *Export Review*
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Export Board of Zambia. *Annual Report for the Year to 31 December 1994*, 25 July 1995.
Data and analysis of non-traditional exports.

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New monthly series of indicators, including debt, agriculture, and GDP by sectors.

Ministry of Finance. "1995 Budget Address of Honourable R.D.S. Penza, Minister of Finance," 27 January 1995.
Official government evaluation of economic reform and projects for future.

National Commission for Development Planning. *Country Strategy Note.* May 1995.
Government and United Nations agencies projections of socio-economic needs.

National Commission for Development Planning. *Economic Report 1994.*
Annual economic overview.

National Commission for Development Planning. *National Gender Policy Framework.* 1995.
Guide for gender-balanced and equitable development in the country.

Zambia Privatisation Agency. *Privatisation Programme Progress Report..*
Monthly up-dates on status of companies being privatised.

III. Non-governmental Organisations

Henriot, Peter J., and Mwangala, Raymond. "Realistic Family Budgets," JCTR *Bulletin*, April-June 1995, pp. 27-28.
Report on how a family of six struggles to meet monthly food needs in Lusaka.

Henriot, Peter J. "SAP: What For?", in *New People*, No. 37. July 1995, pp. 13-21.
Overview of SAP, its background, elements, consequences and alternatives.

Henriot, Peter J. "Importance of the Social Summit for Zambia," a paper presented at Conference on UN Social Summit, sponsored by Economics Association of Zambia and Jesuit Centre for Theological Reflection, Lusaka, 23 September 1995.
Application of "Ten Commitments" of Social Summit to socio-economic situation in Zambia.

Henriot, Peter J. "Effect of Structural Adjustment Programmes on African Families," in *African Christian Studies* (Journal of the Catholic University of Eastern Africa, Nairobi), Vol. 11, No. 2, June 1995, pp. 2-16.
Study of the consequences of SAP on families, with particular reference to Zambia.

Jesuit Centre for Theological Reflection, Economic and Social Development Research Project. "Basket of Goods for a Family of Six."
Monthly survey carried out in Lusaka of prices for food necessary to feed a family.

Justice and Peace Department, of the Catholic Secretariat, Project to Monitor the Impact of SAP on the Poor in Zambia. *The SAP Monitor.*
Periodic bulletin giving up-dates on on-going surveys from across the country of impact of economic reforms on the poor.

Keller-Herzog, Angela, and Munachonga, Monica. *Gender and the Micro-Meso-Macro Linkages of Structural Adjustment: Zambia Case Study.* Econolynx International, Canada. 1995.
Overview funded by Canadian International Development Agency, with specific focus on rural/agricultural sector.

Nyirongo, Griffin G. "Employment Creation in Zambia: Reflections and Issues," a paper presented at Conference on UN Social Summit, sponsored by Economics Association of Zambia and Jesuit Centre for Theological Reflection, Lusaka, 23 September 1995.
Analysis of employment issues in light of economic reforms.

Oxfam. "Multilateral Debt: An End to the Crisis," Oxfam Internal Position Paper, October 1995.
Review of major proposal for debt relief from multilateral financial institutions.

"Street Children in the Year of the Zambian Child 1992," Report of Proceedings of First National Workshop on Street Children, Lusaka, 14 February 1992.
Reports on situation of street children and projections for future.

1996-01-30

January 1996 Zambia: A Case Study of Economic Reform and the Impact on the Poor.

Jesuit Centre for Theological Reflection

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