

# ECONOMIC GROWTH AND HUMAN DEVELOPMENT

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Last week in this column, I made some comments on what could be Zambia's economic, social, political direction in 2011. Two issues were highlighted in the column on rejecting any forms of tribalism or sectarianism, and completing some of the governance processes that have been going on for a couple of years now, like the Constitution making process.

Interestingly, the media this last week were full of discussion on some very disturbing developments in Western Province around the Barotse Agreement and very encouraging developments around economic growth and favourable climate that economic growth has created.

Let's continue looking at the question of what economic, social, political direction Zambia should take in 2011.

## GOOD ECONOMIC INDICATORS AND ACCESSIBLE BASIC NEEDS

In 2010, Zambia was rated as the fourth growing economy in Africa, and number 21 growing economy in the world according to the Country Comparison of GDP Real Growth by the Central Intelligence Agency (CIA). Zambia's Gross Domestic Product (GDP) was at 7% in 2010. Other favourable economic indicators include the single digit inflation rate (at 7.9% in December 2010 and the lowest at 7.1% in November 2010), a stable and stronger local currency compared to major foreign currencies, good copper prices that necessitated a booming mining sector despite the problems of the global economic crisis in 2008/09, higher productivity in agricultural sector, and increase in foreign investment mainly driven by Chinese investors.

There is no doubt that Zambia's economy is growing. There is no doubt that Zambia's economy has been steadily growing in the past 5 years. Some of the factors that have contributed to this growth include, debt cancellation in 2006, greater foreign investments especially in the mining sector with new mines opened (e.g., Lumwana mine), more productivity in the Agriculture sector, and rising copper prices. These are good developments for Zambia. The major questions though, are: How are Zambians benefitting from this economic growth? And if they are not, what are some of the factors that contribute to them not benefiting from economic growth?

From JCTR's different researches that include JCTR *Basic Needs Basket*, *Rural Basket*, and the Satellite Homes study (research on how households are surviving without enough incomes), it is clear that despite economic growth in the past few years, the quality of lives of Zambians, and accessibility of basic needs to most households remain below acceptable levels. Incomes remain lower than needed to access basic needs, rural households remain without adequate nutrition (below the recommended calories per person per day), urban poor households continue to use survival means of skipping meals, prescribing medicines to themselves to cut down on costs.

Economic growth is not adequately addressing the question of accessibility of basic needs to most Zambians. Unless I don't understand the measure of inflation, despite decreased inflation rates in Zambia in the past few years, prices of basic commodities including food, have generally remained high. Some of the factors that can be discussed as hampering human development despite economic growth include: Development that is highly centralised to major cities of Zambia (Lusaka, Ndola, and Livingstone) and along the line of

rail (even when the rail is not used that much nowadays). It seems clear, if we have economic growth when poverty remains high and the benefits are not reaching the people, that growth is not directly applied to uplifting the lives of the poor and those at the edge of poverty. Since growth is highly linked to foreign investment, another problem is low employment levels by these investments and poor conditions of those employed (either as non-pensionable, non-unionised workers or very lowly paid workers). Oversight on foreign investments and how to harvest gains (in taxes and social responsibility) from these investment remain a challenge and generally unsatisfactory.

Despite enjoying economic growth, at least in figures and indicators, we have to be alert that the economic growth that we have enjoyed in the past years does not get affected by issues such as elections especially in 2011. Elections has the possibility of derailing economic gains through potential misuse of public resources towards electoral campaigns and ensuring that some people retain power.

Economic growth and applying this growth to uplifting the lives of the people is also directly linked to governance processes. Making sure that these governance processes are done well in a participatory way is very important for human development.

## **ZAMBIA'S GOVERNANCE PROCESSES**

Let's look at three governance processes that affect human development despite Zambia's booming economy/ First, anti-corruption commitment by Government seems to be dying down from a real and practical commitment in prosecuting those alleged to be corrupt to a lukewarm dealing and consideration of those alleged to be involved in corrupt activities. We seem to be backtracking to earlier times where no questions could be asked. When Civil Society asks questions that borders on corruption, some high ranking government officials are quick to give explanations without even considering that this might not be their duty but that of the prosecuting agents such as the courts of law or the Anti-corruption agencies. Despite launching the Anticorruption policy in 2010, we saw the removal of the abuse of office clause from the Anti-corruption Act without much credible and people's (not biased people's representatives) conviction and support. Alleged cases of corruption keep being defended or upset by government officials and pronouncements.

Second, the development of good National Development Plans. With the end of the Fifth National Development Plan 2006-2010, we have gone on ahead to the development of the controversial Sixth National Development Plan 2011-2015. The direction for Zambia should be trying to develop and implement an all-encompassing development plan that incorporates many existing projects and initiatives. One wonders whether good governance remains an important aspect of the new Plan, or whether the National Programme of Action of the APRM will be harmonised with the Plan. Though it might seem too early, these concerns remain relevant especially that annual budgets and Medium-term Expenditure Frameworks have already been designed when ideally these should be implemented from the overall Plan.

Third, making sure that we have non-biased elections in 2011. Just last week, the highest ranking government official pronounced that the 2011 elections should and will be conducted in a free, fair, peaceful, credible and transparent manner. This is encouraging and it is our hope that such pronouncements will be backed by actions by all interested parties, cadres and citizens, to avoid biased elections in this crucial year. In this column, we will continue to comment on this issue of elections.

## **A FULL HUMAN DEVELOPMENT!**

Most often when development is talked about, it mainly is done considering statistical figures, infrastructure development in urban areas, numbers of new good investors, and lower inflation rates (and sometimes the number of vehicles on the roads). Very rarely is development talked about in terms of how well people are accessing basic needs, how accessible these needs are, the quality of lives of the people, people's participation in development, and people's sense of ownership of development. What are your own thoughts and views on economic growth vis-à-vis full human development?

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Prepared for THE POST, Lusaka, 25 January 2011