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Zambia

Drivers of pro-poor change: an overview

Short version

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Foreword and disclaimer

This is a summary version of a longer paper of the same title.

The importance of Zambia's achievements over recent decades in contributing to the end of white minority rule in South Africa, Namibia, Angola, Mozambique and Zimbabwe, in creating a relatively stable state in which neither ethnicity nor race have so far predominated, and in avoiding the worst of repression that has at times characterised Malawi and that may be taking root in Zimbabwe, should not be underestimated. Yet the principal emotions in the country, after over a quarter-century of economic decline, faced by the catastrophe that HIV/AIDS now represents, and in the light of growing recognition of the scale of corruption, are those of disappointment with the past, and confusion as to what went wrong. There is currently fear of what the future holds, growing anger at the emerging evidence of the scale of recent abuse of public resources, and, in some quarters, lack of confidence that a way forward can be found. Many young trained Zambians emigrate, seeing no reason to remain.

The purpose of this paper is to help to create a more informed basis for the Department for International Development's Zambia Country Assistance Plan, currently under preparation. The authors of this paper do this through identifying some of the factors that have underpinned past performance and that affect future prospects. Much of the focus is on political processes. Some of the judgements made are blunt, and many will be contentious. The team, which was given a good deal of room for manoeuvre in determining its approach, takes the view that it is better to be frank, as were many of the people interviewed. The paper has been written with the understanding that it will be made available for public debate.

It was prepared by a team comprising Alex Duncan (team leader and economist), Neo Simutanyi (political scientist) and Hugh Macmillan (historian), advised all too briefly by Dennis Chiwele (economist) and Peter Burnell. Astrid Cox and Liswaniso Mulasikwanda provided research assistance. After initial background research, the authors worked in Zambia from January 26th to February 8th, 2003, spending time in Lusaka and the Copperbelt, but did not reach more isolated rural areas. Within these limits, they consulted as widely as possible with people from the media, large and medium-scale private companies, farming, the research community, civil society, Parliament, the civil service, the unions, the Anti-Corruption and Human Rights Commissions, and international agencies.

The paper was commissioned by DFID. However, the views expressed are entirely those of the authors, and should be attributed neither to DFID, nor to any of its staff members, nor to any of the many people interviewed.

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The full-length report also contains three annexes:

- 1. Agriculture and tourism in pro-poor change**
- 2. Bibliography**
- 3. List of people met**

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Summary

Zambia has done well to avoid the civil conflict or severe repression that have characterised most of its neighbours over the past two to three decades. Yet, outside of disintegrated states, it has been one of the worst performers in the world over the past generation as measured by the growth of poverty, declines in some of the key indicators of human well-being, and falling per capita incomes. Reversing these trends can be done: Zambia is rich in agricultural and mineral resources and has many educated and skilled people; and other countries of the region (notably Uganda and Mozambique) demonstrate that progress can be made in turning around decades of decline.

The lead in economic recovery in Zambia will have to come about in large part through the energies of individuals acting singly or collectively, and of the private sector. Yet much of the potential they represent is neutralised by wider constraints, many of which centre on the performance of government. This paper suggests that those with power and influence in Zambia cannot be counted on to do enough to meet the challenges of pro-poor change --- enhancing broad-based economic growth, improving access to markets, services and assets, empowering citizens, and strengthening safety-nets.

Patrimonial politics in Zambia has arguably helped to hold a complex society together, but it has had a heavy cost in terms both of missed opportunities in the past, and of current economic and political problems. Economic growth has stagnated as available financial capital has been used inefficiently, savings and investment have lagged, and the economy has barely diversified; safety nets have lapsed; publicly-provided health services have deteriorated and are unable to respond adequately to severe challenges such as HIV/AIDS; widespread corruption has pernicious political and economic effects; there are structural problems in public finances (principally related to the civil service wage bill) which, through government borrowing, result in real interest rates that are crippling business; and a crisis of legitimacy currently faces the government as a result of alleged fraud in the 2001 election.

Development and poverty reduction will be more effectively achieved to the extent that changes can be brought about in the incentives and restraints that govern the behaviour of those with power and influence. This paper suggests that the necessary changes will come about only if effective pressure can be applied, principally by citizens through (among others) Parliament, the media, or civil society organisations. Zambia's aid-dependence means that the donor agencies are highly influential in the political and economic spheres and in civil society.

However, the prospects for such pressure being applied and sustained are problematic. On the positive side, civil society (although still limited, and uneven) has grown in reach and effectiveness over the past 15 years; the multi-party Parliament is showing signs of vigour; as compared with the one-party state period there is more open public debate; the anti-corruption campaign has a degree of popular support; some of the state-owned enterprises that served as instruments of patronage have been privatised; there is a larger (if fragile) independent press and radio; and the Supreme Court has the opportunity to set

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precedents for future accountability, having recently determined not to overturn Parliament's decision remove immunity for the former President, and as it considers whether to nullify the 2001 Presidential election on the grounds of fraud.

Yet, negatively, some potential drivers of change are notably weak, and in important respects are getting weaker. Patrimonialism continues to dominate politics, and many citizens, civil servants, and private companies have little choice other than to be co-opted; the formal private sector (especially manufacturing) has contracted, weakening any role it might play as a source of pressure on government for improved provision of public goods; the middle class has shrunk; HIV/AIDS and poverty are contributing to the despair of many individuals, arguably reducing their ability to engage in wider issues, and promoting short-termism; and much of the rural population away from the line of rail is disempowered by weak urban and industrial links, and by an institutional vacuum that has resulted from the virtual disappearance during the late 1960s and 1970s of trading networks, the closure during the early 1990s of most of the cooperatives, and the limitations of local government.

Looking to the future, despite the evident problems and the uncertainty about outcomes, many entry points do exist for strengthening the forces that can support pro-poor change in Zambia. They fall into two broad groups: first, there are measures to strengthen the social, political and economic context, for instance through supporting education and literacy, improving the functioning of markets so that they are more inclusive and less constrained, enhancing the health status of the population, and reversing the decline in living standards. Second, there are measures to support particular agents of change, including the media, civil society, reform-minded elements of the political system and of the civil service, associations of professionals and of large and small businesses, the churches, and perhaps traditional leaders. Not all members of such groups are of course favourable to pro-poor change, and careful judgements are needed about how to work with them.

Some of these measures are likely to have a longer-term impact, over say 10 to 20 years, especially those affecting the wider environment for change; others, principally those affecting agents for change, can have an impact in a much shorter period.

The donor agencies are particularly potent drivers of change, influencing as they do Zambia's political system, economy, and civil society. Aid programmes provide substantial resources that inevitably form part of patronage systems in Zambia, creating both possibilities and responsibilities for the agencies. At a minimum, the agencies need to recognise the full range of political as well as social and economic impacts of their actions. Further, the development effectiveness of the programmes they support will be enhanced if they develop a better understanding of the incentives that affect the behaviour of public officials with whom they engage. To the extent that aid management is moving from discrete projects towards sector programmes and budget support that are at the centre of the functioning of government, such an understanding will be essential to raising the effectiveness, and minimising the abuse, of aid resources.

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The existence of patrimonial politics creates real dilemmas for those who would bring about change. The case is made in this paper that Zambia's success in maintaining relative peace and stability over forty years is in part due to patron:client relationships having provided some of the glue that has held the society together, but that there have been costs in terms of economic growth and the functioning of key public and private institutions. Paradigms other than the patrimonial one exist for how states can operate, notably one based on a separation of powers, a professional bureaucracy that is autonomous within defined rules, a clearly-defined public sphere, market forces determining most allocative decisions, and the role of the state being defined in terms of the provision of public goods and safety nets. It is, however, an act of faith for which little evidence is available one way or the other to suggest (a) that such a paradigm can be sustained in Zambia and that it can maintain political and social cohesion, and (b) that a transition from present circumstances can be made in an orderly way.

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I. Introduction and approach

The purpose of this paper is to contribute, alongside other analyses, to the Country Assistance Plan, currently under preparation, that will guide DFID's activities in Zambia over the coming few years. In the short time available, the priority has been explicitly to identify the main features of a broad and complex set of political, social and economic topics, rather than to investigate any one of these in detail.

II. Development and poverty context

Zambia presents a mixed picture. It has done well to avoid the civil conflict or severe repression that have characterised most of its neighbours over the past two to three decades. Yet, outside of disintegrated states, it has been one of the worst performers in the world over the past generation as measured by the growth of poverty, declines in some of the key indicators of human well-being, and falling per capita incomes. Economic growth has stagnated, savings and investment have lagged, and the economy has barely diversified; safety nets have lapsed; publicly-provided services have deteriorated and are unable to respond adequately to severe challenges such as HIV/AIDS; widespread corruption has pernicious political and economic effects; there are structural problems in public finances (principally related to the civil service wage bill) which, through government borrowing, result in real interest rates that are crippling business; and a crisis of legitimacy currently faces the government as a result of allegations of fraud in the 2001 election now being considered by the Supreme Court. Looking to the future, most Millennium Development Goals are unlikely to be met in Zambia.

While the risks and challenges are severe, reversing these trends can be done: Zambia is rich in agricultural and mineral resources and has many educated and skilled people; and other countries of the region (notably Uganda and Mozambique) demonstrate that progress can be made in turning around decades of decline. Four factors are critical to poverty reduction. There is widespread agreement that sustained broad-based **economic growth** is a central requirement for rising living standards and falling poverty in Zambia. In broad terms it is possible to define what needs to be done to try to bring this about, but how to achieve some of the required measures, when they run counter to the incentives facing key players, is very problematic. The broad mass of the population, and poor people in particular, need better and more equitable **access to services, markets and assets** if they are to improve livelihoods and provide for basic needs. Most markets (for instance for labour, finance and land) are very deficient and market linkages are weak, and services (for instance health and education) are non-existent or very weak. Rural areas are especially poorly served. The PRSP's emphasis on the 'inability to **participate in decision-making** and in the life of the community' as a feature of poverty is well-justified, given the widespread problems in Zambia with the effectiveness and accountability of a range of political, social and economic institutions. And fourth, the slide of many people into poverty and destitution over recent years highlights the need for **safety nets**, but the current reality is that they are generally weak and underfunded, not least because of the political weakness of beneficiary groups.

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III. The Zambian state: characteristics and development impact

Much of the drive for pro-poor change will come from non-state actors – from individuals improving their livelihoods and from the private sector mobilising human and financial capital. Yet many of the constraints to which they are subject require actions by the state, either to remove obstacles, or more actively to provide necessary public goods. This paper suggests that those with power and influence in Zambia cannot be counted on to bring about the necessary changes. Effective pressure is likely to be needed, principally exercised by citizens through (among others) Parliament, the media, or civil society organisations. Donor agencies --- which Zambia's aid-dependence has made highly influential in the political and economic spheres and in civil society --- also have a role.

The **incentives** and **restraints** that explain behaviour, especially that of the elite, in the political sphere, the civil service, or the private sector, but also extending to civil society and the donor agencies, exercise a strong influence on development performance and prospects in Zambia. Three interlinked ideas have explanatory power in understanding these incentives and restraints: patrimonialism; autonomy and factionalism; and the availability and allocation of surpluses --- which in Zambia have essentially come from two sources, from the mining sector and in the form of foreign aid. These characteristics of the state have had several effects on development performance and prospects, of which a few may be noted.

- The patrimonial nature of politics on the positive side may have contributed to political stability, but it has contributed also to wastage and inefficiency in the use of public resources as these were used to placate or buy the support of key groups. Patrimonialism in Zambia has not been conducive to a political culture oriented towards the promotion of economic growth.
- A growth of factionalism has caused the leadership (especially during the present crisis of legitimacy of the President) to focus on short-term considerations at the expense of measures with longer-term pay-offs.
- The surplus from the mining sector arguably reinforced patrimonial tendencies among the elite as it provided substantial resources, used variously for the ultimately unaffordable welfare state, for an expansion of the state sector, and a concentration of power in the Presidency.

Four other factors have emerged over the past two decades that both affect and are affected by the political development of the state, and that bear on development prospects:

- First, the decline in performance of the civil service has emerged over years as an increasingly significant political factor; it now hinders pursuit of a coherent development agenda and the provision of quality services to the bulk of the population. Capacity limitations are especially marked in some of the more isolated rural areas in which government has virtually ceased to exist, but where there is extensive poverty.
- Second, a historically strong urban bias has been offset in recent years by a slowdown and possibly a reversal of rural-to-urban migration, reflecting drastic falls in urban incomes and urban-to-rural remittances. The isolation of the rural population has increased, with the destruction and limited re-creation

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of private rural trading networks, the disappearance of the cooperative movement, and the limited abilities of local government.

- Third, the contraction of the middle class is striking and has adverse long-term political as well as poverty effects. Many professionals, especially civil servants, doctors in public service, nurses, lecturers and teachers, have seen their incomes decline to the point where they are unable to feed and clothe their families adequately. Citizens thus impoverished are less able to live as empowered tax-paying citizens able and willing to apply pressure for improved governance. This has left a wide gulf between the mass of the population and the elite, from which political leadership is largely drawn, comprising a very small number of people who, in many cases because of previous access to state resources, have been able to consolidate sufficiently to engage in politics.
- And fourth, both the 1996 and 2001 elections have seen extensive use of state resources to fund the ruling party, further undermining both the integrity of public financial management and the legitimacy of the subsequent government. Yet given the absence of many alternative sources of campaign finance, it is hard to see an end to such practices.

The characteristics of the state over this period have had a substantial and continuing impact on the prospects for poverty reduction goals. In respect of economic performance, during the earlier period of President Kaunda's rule, Zambia showed many of the characteristics of a 'staple trap' economy in which substantial natural resources (notably minerals) are associated, for both political and economic reasons, with poor economic growth, stagnating or declining incomes, and lack of economic diversification. A second set of effects has been on empowerment. Here the picture is complex. The advent of multi-party democracy has created the possibility of more accountable institutions, and to some extent this is happening in reality. Yet growing factionalism has created a set of incentives facing the elite that have led to the dominance of short-term perspectives, and to decisions in the interests of small groups. In such a 'negotiable' system, important parts of the population, notably rural people and the urban unemployed or underemployed, remain marginalised.

One of the paradoxes which afflicts Zambia's prospects for economic reform and recovery is that the state is patrimonial, yet key reforms including liberalisation and privatisation threaten the patrimonial power of the state. The reforms that have made least progress are those that most threaten the ability of the elite to maintain patron:client relationships. For instance, the privatisation of the mines during the second Chiluba term was severely delayed; and over recent years, the slow progress of civil service reform has been another example.

The existence of patrimonial politics creates real dilemmas for those who would bring about change. On the positive side, Zambia's success in maintaining relative peace and stability over 40 years is in part due to patron:client relationships having provided some of the glue that has held the society together. The negative aspects, which can all be linked to the nature of the state, are very clear, however: economic performance has been dismal, theft of public resources is widespread and has so far gone largely unpunished; aid dependency has persisted; and some parts of the reform agenda are being weakly addressed.

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It is not clear (a) whether alternative paradigms (for instance one based on a separation of powers, a professional bureaucracy, a clearly-defined public sphere, a greater use of market forces, and a more limited role for the state) can be sustained in Zambia and can maintain political and social cohesion, and (b) that a transition from the present paradigm can be made in an orderly way.

Looking to the future, an extremely difficult dilemma therefore faces the international community. If donors act (for instance through drastically reducing aid) in such a way that the bonds between state and citizen are further weakened (and inter alia the patrimonial state is dismantled with no alternative being put in place), will the state disintegrate as has occurred elsewhere?

IV. Drivers of pro-poor change: overview.

The prospects for pressure for pro-poor change being applied and sustained are problematic. On the positive side, civil society (although still limited, and uneven) has grown in reach and effectiveness over the past 15 years, the multi-party Parliament is showing signs of vigour, there is more open public debate, the anti-corruption campaign has a degree of popular support, some of the state-owned enterprises that served as instruments of patronage have been privatised, there is a larger (if fragile) independent press and radio, and the Supreme Court has backed Parliament's removal of the former President's immunity from prosecution. It remains to be seen whether it will act with equal independence in its forthcoming verdict on the petition contesting the outcome of the 2001 election.

Negatively, some potential drivers of change are notably weak, and in important respects are getting weaker. Patrimonial politics continues to dominate, and many citizens, civil servants, and private companies have little choice other than to become part of the system; the formal private sector has contracted, manufacturing has been almost wiped out as a consequence of liberalisation, and privatisation of the mines was delayed and mismanaged with disastrous consequences. There have been privatisation success stories, but the weakness of the private sector as a whole undermines the role it might play as a source of pressure on government for improved provision of public goods. The middle class has shrunk; HIV/AIDS and poverty are contributing to the despair of many individuals and arguably reducing their ability to engage in wider issues; and much of the rural population away from the line of rail is disempowered by weak urban and industrial links, and by an institutional vacuum that has resulted from the virtual disappearance of trading networks, the limitations of local government, and the closure of the cooperatives.

Despite the evident problems and the uncertainty about outcomes, entry points do exist for strengthening the forces that can support pro-poor change in Zambia. They fall into two broad groups:

- first, there are measures, if necessary sustained long-term, to strengthen the social, political and economic context, for instance through education and literacy, improving the functioning of markets so that they are more inclusive and less constrained, enhancing the health status of the population, and reversing the decline in living standards.
- second, there are measures to support particular agents of change, including the media, civil society, reform-minded elements of the political system and of

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the civil service, associations of professionals and of large and small businesses, the churches and traditional leaders. Not all members of such groups are of course favourable to pro-poor change, and careful judgements are needed about how to work with them.

V. The social, political and economic environment

The factors discussed here are not necessarily exhaustive, but they are those which the team and interviewees identified as being influential in Zambia. Those covered are: markets for labour, produce and services; falling living standards; ethnicity, race and class; education and health; rural-urban dynamics; and (with reservations) cultural factors.

Markets. The reduction of poverty requires an increase in production and productivity on the part of Zambia's people, who need to be more closely linked to well-functioning markets (for instance of labour, finance, land and products) and the formal economy. Unfortunately, the underdeveloped state of the markets for labour, finance, land and produce is a major cause of poverty. Systemic weaknesses in markets reflect problems with the wider enabling environment, with the persistence of multiple market failures, with exclusion, and with weak market linkages. The latter shows itself across urban and rural, and formal and informal dimensions, and has worsened over the last thirty years.

However, despite the continuing weaknesses with markets, some progress has been made, for example in respect of **agricultural and rural markets** where there are some recent apparently successful attempts to re-commercialise some sectors. Within the last few years, for instance, Zambeef has begun buying large quantities of cattle in the Western Province; and the improvement of living standards for some people in rural areas in the second half of the 1990s is apparently linked to the liberalisation of maize marketing and to the growth and sale in suitable areas of crops with comparative advantage such as cotton, tobacco and beans. In relation to **the labour market**, at present less than 10% of the adult population is in formal sector employment, and it is more likely that employment in this sector will continue to decline than that it will increase. Nearly half of formal sector employment is now in government service, and progress with the reform of the civil service will result in further redundancies. The only significant increase in formal sector employment and production in recent years has been in commercial agriculture through the development of export markets for vegetables and flowers. **Finance markets** are crucial for poor people in Zambia to be able to mobilise financial assets, and the availability of credit are widely perceived to be necessary for formal and informal trade and production in both rural and urban areas, but the constraints are severe. The record of government-sponsored credit schemes has been generally poor, and micro-finance schemes run by NGOs are reaching some people, but the demand still appears to be greater than the supply. High interest rates, competition between the government and the private sector for scarce funds, the government's large and growing internal debt, and the preference of the banks for the relative safety of treasury bills, combine to make the availability of credit a major issue at all levels.

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Levels of living. Zambia has high levels of human deprivation that have worsened since the 1970s. Life expectancy at birth has dropped and most measures of mortality remain among the highest in sub-Saharan Africa. The effects of falling living standards on this scale on the prospects for pro-poor change are multiple and almost all negative.

- Growth is affected, as falling effective demand from domestic consumers, industry and government contributes through linkages to depressing service sectors and industry. Supply-side capacities also fall as the poor living standards have forced a number of qualified professionals to leave the country to seek better opportunities in other countries
- Social and political empowerment and the quality of institutions are also harmed. Two effects may be noted. First, falling living standards may make the poor more focused on short-term horizons and more receptive to particularist ‘rewards’ in exchange for their political support. Second, the take-home pay of public workers is so low that it has seriously affected morale and productivity, strengthening incentives for rent-seeking behaviour and graft.
- The access of the poor majority of the population to assets, markets and services is adversely affected as they are less able to purchase privately-provided services, and the quality of state-funded services falls. This especially affects rural areas which typically involve higher unit costs in service provision.
- Individual security is affected as assets are run down to meet consumption needs, and the publicly-provided safety nets which used to form part of the ultimately unaffordable welfare state decayed or disappeared.

While positive aspects may be hard to find, falling living standards have presented incentives for people to find alternative means of survival, and in the view of some have spurred the growth of an entrepreneurial culture that may have created new energies to be harnessed for future growth.

Race, ethnicity and class. Race has not been a major issue in Zambia since independence. The white settler community is small, but important in the business and commercial farming sectors. In the view of some, their high-profile role may have weakened the effectiveness of representative business and farming organisations as lobby groups. While race has not been central, there are nevertheless sensitivities that need to be taken into account in policy for future recovery, for instance in relation to the opening of new commercial farming blocks.

African ‘aliens’ are frequently blamed for crime, and an amendment to the constitution in 1996 excluded not only President Kaunda, but also hundreds of thousands of other Zambians of ‘foreign’ ancestry, from running for high office.

Ethnicity is clearly an important factor in Zambian politics, but the country has been blessed by the diversity of its largely mythical ‘73 Tribes’, and the more real nine language clusters. While political parties in Zambia tend to be identified by the perceived ethnicity of their leaders, no party can hope to gain power without presenting itself as national, and running candidates in most districts. However, the disputed results of the 2001 election created a situation where, for the first time since

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1964, the party in government was unable to draw on support from the majority of the provinces.

Some commentators have pointed to the absence of class-based political organisations in Zambia, and have suggested that class-based parties might be 'pro-poor' and provide an alternative to patronage and clientelism. The problem with this suggestion is that class-based political parties would be as incapable of winning power in Zambia as ethnically based parties. Classes are insufficiently developed to provide a basis for political action on a national scale.

Education. Measured by adult literacy rates, Zambia has made progress since the early 1970s. However, like other countries in sub-Saharan Africa, it has, since the mid-1970s, experienced a chronic crisis in its education system, and in particular in public education. The source of the crisis has been principally reduced funding levels in the midst of population growth and increased demand for education. Policy responses have included the promotion of cost-sharing and the establishment and ownership of educational institutions by communities, NGOs, churches, private companies and individuals. The resulting demand for, and extreme scarcity of, secondary school places has encouraged entrepreneurs to invest in the education sector. However, the scale is still limited and the standard of education provided in private schools varies enormously.

Education is an important tool for several of the pro-poor strategies set out above. Perhaps in the long term the most important issue is the relationship between education and political and social empowerment. A well-educated citizenry is more able to participate effectively in the political and development process, to make informed decisions and choices, and to hold government to account. Education, through its role in building human capital, is also central to the prospects for economic diversification and sustained growth, while those who have had an education are most likely to utilize available opportunities created by the market and liberalization to improve their well-being. Conversely, the less educated are more likely to be fatalistic and to remain in poverty.

Health. The links between poverty and health are clearly circular. Poverty leads to ill-health and ill-health leads to poverty. There has been a decline in the health of Zambia's population, and in the quality and availability of health services since the late 1980s. Life expectation has fallen from over 50 to somewhere between 37 and 41 today, with the beginning of the decline in the late 1980s. Although HIV/AIDS is the major contributor to the reduction in the expectation of life (the adult HIV prevalence figure is given as 21.5% in 2001), there are also other factors at work, including drug-resistant strains of malaria and TB, and the increased incidence of malnutrition resulting from poverty.

The political, social and economic consequences of the deterioration of standards of health are numerous and complex. While prophecies of total political and social breakdown may be exaggerated, the premature loss of many educated men and women has a similar impact on the life of the country to that of involvement in a major and lengthy war. HIV/AIDS, through raising insecurity may encourage short-termism and the pursuit of narrow interests among the elite; and in rural areas its disproportionate impact on women, who carry the greater part of the burden of

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cultivation, compounds the problem of periodic famine. The loss of essential labour power affects the ability of families to support themselves. Increasing numbers of children without parents, and of elderly parents without children, place a strain on extended family networks.

It would be wrong to suggest that any real benefit can flow from a health disaster such as HIV/AIDS. There is, however, no doubt that it has stimulated a great deal of research, as well as debate and discussion at all levels of society on issues such as sex, gender, women's rights, education and empowerment, as well as the role of the churches and of traditional healers. It has attracted large flows of donor funds and has stimulated the formation of a host of community-based associations, many of them involving women and girls, and it provides opportunities for intensified public education.

The urban/rural dynamic. The proportion of the population living in towns has remained more or less stable at 40% throughout the 1980s and 1990s, as the movement of people to towns stalled as a result of the onset of depression, falling copper prices, and rising oil prices. The withdrawal of mealie meal subsidies, and the decline of formal employment have resulted in an increase in the proportion of poor people living in towns. While the poorest provinces continue to be rural, the largest concentration of poor people now lives in the Copperbelt Province.

Population movements are highly complex, and only partially understood. For many people 'going back to the land' has not involved a return to a distant ancestral village, but an attempt to generate agricultural incomes while continuing to retain an urban base and, as far as possible, an urban life-style. It is probable that more people are now engaged in 'rural to rural' migration than in either 'rural to urban' or 'urban to rural' migration.

The need to move and to diversify livelihoods highlights the issue of land tenure, whether for farming or for housing. There is evidence that, in the Copperbelt at least, land tenure problems have created an artificial shortage of land, and that the system of land allocation, often involving patronage rather than market forces, disadvantages the poorest people.

There is now less justification than before for talk of 'urban bias' in Zambia. There is, on the contrary, a need to combat prejudice against the towns and to see urbanized people as an economic asset, as people with higher than average levels of literacy, political awareness, and useful skills.

Cultural factors. In its discussions, the team found a number of interviewees who took the view that some cultural or attitudinal features of Zambia could affect, positively or negatively, the prospects for pro-poor change. Team members take the view that there are a number of problems with such approaches, not least that identifying and measuring cultural factors or attitudes is extremely problematic, and that such attitudes can and do change rapidly. Despite these reservations, two aspects may, however, be worth mentioning, principally because they are widely believed:

- **Willingness among Zambians to associate with others.** A widely-held view is that many Zambians are favourably disposed towards associating on a voluntary basis with others for the purpose of collective endeavour in urban as

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well as in rural areas. The most common form of organization to which the majority of Zambians belong is the church. In addition, the growing number of community-based organisations and NGOs that undertake advocacy and/or service-providing functions, in part as an alternative to state-provided services, suggest that real needs are being unmet, and that collective action can go some way to making up these deficits. Associations of civil society provide an organizational framework of mobilizing the citizens to participate in both politics and development, and go some way to filling the institutional vacuum, especially in rural areas

- **Deference towards leaders.** A further common view is that an understanding of the problems of governance in Zambia may partly be explained by a tradition of deference to elders and traditional rulers that has implications for the relationship between the rulers and the led. This deference, it is suggested, has been transferred to the modern political leadership. However, this view can be overstated, as evidenced by the fact that people in towns took to the streets with dramatic political consequences in 1986 and 1990.

VI. Agents of change

A wide range of actual or potential agents for pro-poor change in Zambia were identified during this study and grouped into four categories:

- drivers from within: entrepreneurs and the private sector (with a focus on farming and tourism); the media; the policy research community; and professional associations;
- drivers from below: civil society organisations; churches; and trade unions;
- drivers from above: Parliament and reform-minded elements of political parties; traditional leaders; the civil service; the Electoral Commission; and the anti-Corruption Commission;
- drivers from outside: international agencies; expatriate Zambians; and regional actors.

6.1 Internal drivers

Entrepreneurs and the private sector. The private sector, understood as including a wide range of formal and informal enterprises, plays multiple roles in pro-poor strategies, including promoting economic growth; and pressuring government to provide key public goods that are necessary for the private sector to thrive --- including infrastructure, a supportive policy environment, equitable and efficient regulation, the control of animal disease, and so on.

However, the private sector has long been in decline and is subject to a severe set of constraints, many of them centring on the relationship with government. The position of different parts of the private sector in Zambia varies considerably in terms of the ways in which they can contribute to pro-poor strategies and the constraints to which they are subject. Some **larger-scale enterprises** should be well placed individually and collectively to apply pressure on government to ensure that public goods are provided. However, the reality appears to fall well short of the potential, for several reasons: it is difficult to apply effective pressure from a position of financial weakness

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and, despite privatisation, much of the private sector remains small and fragile; some of the formal private sector entities have been able to get access to required (formerly public) services privately and have therefore little interest in pressing for improved performance on the part of government; ownership of many enterprises is apparently concentrated in ethnic minority groups; there remains an atmosphere of mutual mistrust between government and private enterprises; in the case of some substantial subsectors (such as emeralds) private players and some interests within government have combined to create an industry serving the private interests of a few, but without substantial wider benefits; and some private sector players are perceived as part of systems of corruption and patronage and have learned to operate within the existing system. The overall effect of these weaknesses is that the private sector individually and through its chambers of commerce seems to lack effective bargaining power to influence government policies in its favour.

Small and medium enterprises are in a different situation, but they too offer some scope for applying pressure on government for addressing some of the constraints under which they operate. The constraints essentially centre on the absence of basic public goods (such as infrastructural weaknesses, and the need to pay bribes to obtain permits), and of key services, including financial services. By necessity, smaller enterprises need to combine if they are to be able to lobby effectively, but collective efforts can be costly and time-consuming.

The prospects for private sector growth, and the roles it might play in pro-poor change are examined in the paper in relation to agriculture and tourism. The majority of Zambia's poor and very poor people live in rural areas and are at least nominally engaged in small-scale agriculture. Yet the constraints remain severe, including around land, infrastructure away from the line of rail, veterinary services, and ambiguity in the mind of government as to the division of roles between itself and the private sector. As agents of change, commercial farmers have much to offer, including through their engagement with government in developing farming policy and in their linkages with small-scale farmers.

Tourism offers scope for poverty reduction, though it is still a relatively small industry and there are considerable infrastructural and other constraints on the rate at which this potential can be realised. It can create not only jobs in remote places, but also markets for food and crafts. Tourism is the one industry which has the potential to transform the remoteness and inaccessibility of much of Zambia from a handicap into an asset. There is room for debate about the kind of tourism that is best suited to Zambian conditions, but there is a useful literature on approaches to tourism that optimise pro-poor impacts. Further, an active tourism industry could act as a pressure group for improvement to some of the needed infrastructure improvements, with potentially wider benefits.

The media. Independent and critical media, and freedom of information, are essential for the building and preservation of democracy, for enabling people to hold government to account, for preventing corruption, and for promoting pro-poor change. The major developments over the past decade have been the increase in the independent printed media and the opening of a number of independent radio stations. Despite the evident public thirst for information, however, both the publicly and privately owned media labour under serious commercial difficulties. NGOs are not

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generally able to subsidise the media directly, but some appear to do so indirectly through advertising, and a Media Trust Fund supports training and upgrading of technical capacities.

The press still encounters problems in obtaining information on the activities of the public sector, and a tradition of investigative journalism has still some way to go. The problem appears to be more related to financial limitations than to the quality of the journalists, and some official harassment of journalists also occurs.

Radio, and especially the growing community radio stations, has considerably wider reach than the printed media, including in rural areas, and using local languages. Licences have, however, to be approved by the Minister for Information rather than by an independent authority, a situation considered by some to jeopardise the independence of the media.

The policy research community. Consistent and sustainable policy that commands general support and is not perceived to be externally-imposed has to be based in large part on locally-conducted research and analysis. Unfortunately, the policy research community in Zambia often lacks vibrancy, depth and completeness. While the implementation of major policy decisions is often preceded by debate in public fora, there is a general lack of information on the issues, and the participants in these debates do not always engage in critical analysis.

A detailed review of capacities, and of the reasons for shortcomings, was not undertaken as part of this study but some observations may be made. Funding problems within the two universities mean that the energies of staff are largely taken up with donor-funded consultancies, which are rarely published, and little academic research is taking place. Some of the advocacy NGOs and the churches conduct policy-relevant research and analysis, some of it of excellent quality and highly relevant to poverty, but the wider picture remains one of unevenness and weakness.

Addressing this dismal situation will be important for the long-term health of the public policy process in Zambia, but credible entry points are not easy to define. A starting point must be to find ways of strengthening the effective demand for quality policy analysis. Reform-minded elements of government and of Parliament may facilitate the cultivation of an environment that is conducive to debate and policy analysis, but if senior levels of government are not supportive there are limits to what can be achieved by this means. In respect of specific mechanisms for addressing the supply-side limitations on policy research, the establishment of a council for funding innovative research could be a worthwhile undertaking, perhaps organised jointly with the private sector.

Professional groupings. Professional associations have considerable potential, partly realised in Zambia, to act as agents for social, economic and political change, both through maintaining professional standards of competence and integrity, and through taking a lead role in advocacy on wider issues. In a situation of widespread corruption and patronage politics these roles represent a constant challenge. Lawyers have been one of the most articulate and consistent of professional associations in exerting pressure on government to respect the rule of law and human rights. The Zambia Institute of Certified Accountants, apart from maintaining professional

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standards within the accountancy profession in Zambia, have also voiced their concerns at the rise in corporate closures due to poor financial management and graft.

In a patrimonial political context, professional associations face problems if the leadership is susceptible to political manipulation and co-option, as has sometimes occurred. However, as a profession lawyers are still held in high esteem in the country, and they could play a big advocacy role on matters of governance.

6.2 Agents from below.

Churches. The churches have always played an important social and even political role in Zambia, but it is probable that this has increased in recent years, perhaps as the result of the apparent withering away of the grass-roots bases of political parties, and of the decline of the industrial trade unions. It is unwise to generalize about the role of churches in relation to the poor. The Catholic Church, for instance, is well organized at the level of base communities and continues to enjoy funding and staffing from overseas. Its personnel vary enormously in terms of political attitudes, and the church as a whole may be progressive on some issues and conservative on others. There is, however, no doubt that important work on poverty is being done by elements within the church. A number of churches continue to run mission hospitals in various parts of the country which tend to be better staffed and to have better access to drugs than government hospitals.

It is thought that at least two thirds of Zambians have an affiliation with a church. The churches are almost unique as institutions that bring together people of very different social, racial and ethnic backgrounds. It may be difficult to generalize about them as drivers of pro-poor change, but there is no doubt that most of them are in touch with poor people, and have the ability to communicate with, and to mobilize them. They also play an important role in the provision of safety nets for the most vulnerable people.

Civil society organisations. A feature of the 1990s was the relative decline in the political influence of the trade unions, and the rise of a great diversity of civic associations and NGOs, both as service providers and as advocates of democracy, human rights, and pro-women and pro-poor change. There are several reasons for their rise: the need for alternatives to state services as these declined; their role as channels for citizens' pressure for change to the political system from the late 1980s; the more open political culture since 1991; and the growing insistence of the international community on civil society participation in policy processes.

As with the churches, it is difficult to generalise about **NGOs**. Some have both international links, whether church or secular, but have put down local roots, and have a tradition of involvement with issues of poverty. Other international players lack long-term local roots, but have a strong orientation towards pro-poor change. A number of national NGOs have been established to deal with the promotion of human rights in general, and women's rights in particular. Some of these are led by strong local personalities, but are heavily dependent on international donor funding which in the view of many affects the extent of real local ownership. NGOs, along with churches, have played decisive roles in the recent political development of the country, as evidenced by the Oasis Forum, which reveals, however, both the strengths

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and some weaknesses of civil society, principally related to their dependence on donor funding which was arguably as central to the success of the campaign as was civil society pressure.

While it has been fashionable to see NGOs as an alternative to government as a channel for donor funds, they are not without their critics, and good information on the details of the quality of NGO governance and in some cases of party alignment is essential. Among the thousands of registered NGOs there are probably only a relatively small number of good ones.

There are very many **community-based organizations** (CBOs) in Zambia. Many of these are intended to put pressure on government for the improvement or maintenance of services. Many have been established at the local level with donor support to raise awareness, especially among women, girls, and school pupils, of HIV/AIDS. It is clearly difficult to generalize about such organizations as drivers of pro-poor change, as they vary in effectiveness enormously from place to place according to the quality of the people who lead them. It is always open to question how representative of the poor organizations of this kind are, as there is a tendency for them to be dominated by the relatively well educated and well off. On the other hand it is probably only through community-based organizations that the voices of the poor stand any chance of being heard.

There is no doubt that NGOs and CBOs can play an important role in the promotion of pro-poor change. It is, however, unrealistic to think of them as an alternative to government as a means of bringing about some of the changes Zambia requires. Donors can best continue to identify and to promote responsible NGOs, and to encourage links between them and grassroots organizations.

Trade unions. Trade unions in Zambia represent a small and shrinking proportion of the economically active population and there is confusion over their roles in poverty reduction. While some union members, and many former members, have fallen into poverty, others are not among the poorest groups in society. The trade union movement has tried, though largely unsuccessfully, to fight for workers' interests. They have had to adjust to economic decline, especially of mining, and to the reforms adopted by the Chiluba government in the early 1990s.

In addition to their focus on work-related issues, unions have also engaged in wider issues of public policy such as privatisation, corruption, and what they consider to be the excessive size and cost of the cabinet. They have also demonstrated that they can still pressurise government on national issues, for example over the appointment of District Administrators and over privatisation.

6.3 From above

Parliament and reform-minded elements of political parties. There is wide agreement that the policies of economic liberalization and reform which have been pursued by successive Zambian governments since the return to multi-party democracy in 1991 have not been accompanied by equivalent political reform. Constitutional changes which were enacted in 1991 did little more than remove the ban on the formation of political parties. Many people in Zambia make the case that

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greater accountability on the part of government can only be achieved as a result of constitutional changes which reduce the powers of the president and increase the powers of the legislature.

A number of reform-minded members of parliament have been making a determined effort in recent years to make the government more accountable. It appears, for instance, that the legislature does not have the authority to insist that the government spends budgeted funds on the votes which parliament has approved.

There are few if any discernible ideological differences between the parties represented in parliament, and their structures tend to be personalistic. Nevertheless, all include some reform-minded members. These make up, however, a minority who suffer from a number of handicaps in addition to their lack of constitutional power, including a lack of information with which to challenge government, and in some cases a lack of the education and/or independence of mind that are necessary to ensure proper scrutiny. Other problems with parliament include the lack of accountability on the part of its members to their constituents. There is a need for constitutional change, and a general transformation in political culture, before parliament can be seen as an effective driver of pro-poor change.

The Electoral Commission. The abuses that characterised the past two national elections, and that have generated much public anger and disillusion with democratic politics, highlight the need for sharp improvements in the performance of the Electoral Commission and other agencies of restraint. This is not a technical problem, but requires rather that citizen outrage at electoral abuse, expressed through the media and through civil society organisations and the churches, should be sustained; that the individuals responsible should show sufficient independence of spirit; and that all means of ensuring transparency of electoral processes should be strengthened.

Chiefs and traditional leaders. A number of people suggested to the team that chiefs and other traditional authorities are effective drivers for pro-poor change. It is difficult to make generalisations about the usefulness of chiefs in this respect in Zambia, in good part because they vary enormously in legitimacy and authority throughout the country. The chiefs as a whole have exercised remarkably little political power on the national scale since independence. Attempts over the years to organise 'traditionalist' parties in the Western Province, usually seen as the most conservative part of the country, have met with very little electoral success.

While some chiefs do have local legitimacy, in view of the essentially undemocratic way in which chiefs are chosen from among a small group of possible candidates, there are evident dangers in any moves to enhance their powers. Their main contemporary source of power lies in their role, usually exercised through councils, in the allocation of land, a process that varies considerably from province to province.

Overall, there are serious problems with land law in Zambia. The Land Act of 1995 is a dead letter, and land distribution is being carried out in an arbitrary manner in terms of regulations framed in 1985 in the context of earlier legislation. The obscurity of the legal position clearly creates a situation in which ambitious, and unscrupulous, chiefs and councillors may be able to profit at the expense of their people.

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If the best use is to be made of chiefly institutions it is clear that there is a need for further education of traditional leaders, and for a clearer definition of their role in relation to local government, the administration of customary law, which includes much of family law, and land distribution, and a greater recognition of their cultural role and of its importance in relation to such issues as gender relations, marital customs, and the support of children.

The civil service. Many of the interviews undertaken by the team came to focus on aspects of the performance of the civil service. Some interviewees expressed the view that civil service capacity has fallen to levels at which, even if there were genuine political commitment at the highest levels to certain programmes, the bureaucracy might now be too weak an instrument to put them into effect.

There are strengths to the civil service, despite all its problems. Systems are still in place for many of the basic functions. Yet there is a wide gap between actual performance, and what is required if the poverty reduction agenda is to be achieved. Some aspects may be noted: perhaps most fundamental, the civil service has become a central element of patronage systems that have led to a decline of professionalism, over-manning, poorly-judged appointments, and incentives that do not reward performance; the inability to control the public wage bill is at the root of government's fiscal deficit and the resulting domestic borrowing that is currently crowding out the private sector and depressing economic growth; such systemic problems in the civil service have reduced the provision of public goods (such as infrastructure) and the quality of key social services such as health and education; petty corruption has long been a way of life, and has increasingly been overshadowed by grand corruption that has required the complicity if not the active participation of some civil servants; and capacity limitations in some critical areas such as policy analysis and budget management have emerged in recent years as the civil service has found it difficult to attract and retain quality staff.

The prospects for reversing this decline go to the heart of Zambia's political system. Until such time as the political leadership develops the real incentives to demand better civil service performance, little change can be expected. This will, in turn, depend on effective pressure being brought to bear, and sustained, from all sides, from citizens acting individually or collectively through parliament and civil society, from the private sector, and from the media.

The Anti-Corruption Commission. The ACC is widely perceived to be performing well, in good measure because of active support from the President, combined with wide support from citizens, parliamentarians, civil society organisations and the media, and with some donor assistance. Yet the future holds significant risks. Continued political support from the Presidency and other senior political leaders is essential, not least because the ACC does not have a separate constitutionally-defined existence. This active support, backed by the allocation of sufficient funds, cannot be taken for granted in the event that people close to the President come to be implicated in current allegations around the conduct of the 2001 election.

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6.4 External agents for change

Aid and international agencies as agents of change. The high levels of aid flows to Zambia have political as well as economic implications. With the decline of mining revenues, aid is the principal source of economic surplus in the economy.

International agencies are highly influential in determining which organisations in the public sector and in civil society will survive and function.

This situation creates considerable dilemmas, some of which may be noted:

- Aid could reinforce patrimonialism, directly through funding the public sector or indirectly through providing a parallel chain of resources and services (for instance via preferred actors from civil society).
- Political accountability is made more complex. In relation to the PRSP, there is an awareness that Zambia has undertaken this exercise largely at the behest of, and financed by, the international community, and the terms in which it is cast are those adopted by the international community.
- Financial accountability is also problematic. While aid was primarily delivered through projects, this was often handled pragmatically through adopting the donors' procedures. To the extent that sector-wide approaches, and now increasingly direct budget support, expand as the principal disbursement mechanisms for at least some donors, the challenge becomes how to make use of flawed government systems while satisfying the accountability requirements of the donor.
- External involvement in political processes can be very powerful. An informed observer suggested that the Oasis Forum would not have succeeded but for donor support.
- Creating local ownership of civil society is not straightforward. Given Zambia's poverty, virtually all NGOs are wholly or largely funded from abroad, and many are off-shoots of international NGOs. The extent to which they have local identity and ownership is inevitably affected.

Yet, while the development agencies are highly influential, a sense of perspective on the limits to their power is needed. In particular, as has been learned in Zambia, they are often unable to push through sustained policy or institutional changes if these are opposed by strong domestic interests: the main development agencies are for instance profoundly frustrated at the slow pace of the Public Sector Reform Programme; and recently problems around privatisation show signs of creating difficulties in the relationship.

Expatriate Zambians. The large-scale and apparently continuing emigration of qualified Zambians represents a serious loss to the country, but the presence of Zambians abroad does create a new potential source of ideas and a means of access to international norms, and perhaps ultimately a channel for inward investment. These links may, however, have to be actively nurtured if Zambians abroad are not to cut themselves off completely from the country.

Regional players. Zambia's development has since Independence been strongly influenced by the regional context, which has often been difficult. For the future, some of the main regional players that will influence pro-poor outcomes in Zambia include: SADC and its ability, inter alia, to contribute to settling regional disputes,

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and to rationalise regional investments, for instance in transport and power; COMSA as a means of promoting trade; private investors, notably from South Africa; and agricultural producers in the region, and the impact they may have on Zambia's agricultural prospects.

VII. Some practical implications

Overall

This section explores some of the implications of the foregoing analysis for development strategies in Zambia.

The incentives that affect the behaviour of public officials, whether in the political classes or the civil service, need to be understood, and development agencies may have to develop the skills to undertake such analysis. In particular there is a need to understand the ways in which patrimonialism operates, and the impact this has on wider economic performance, on the accountability and effectiveness of public institutions, and on the effectiveness of aid. Those designing and managing aid programmes need to ensure that they are aware of the ways in which aid forms part of patrimonialism within the country.

While there are many ways in which the Zambian political process has negatively affected development, it is important to recognise that there are also positive aspects. Some frustrations in the government/donor relationship are inevitable given that both parties rightly have different lines of accountability; in particular the Zambian government is now subject to a noisy and factional political system. Longer-term prospects for poverty reduction will be enhanced by the extent to which tensions in these relationships can be contained rather than result in a potentially destructive fracture.

Two dilemmas need to be managed: how to manage the risk that aid continues to support, rather than helps to reform, patrimonial politics, thus perpetuating both the negative aspects of patrimonialism and the positive (notably that the patrimonial political system has constituted part of the glue that has held Zambia together); and, second, how to ensure real local accountability and ownership of policies when funding is substantially external.

The performance of government is central to poverty reduction, yet it is important to maintain a sense of perspective, in two respects: first, that many of the critical actions that determine the prospects for recovery will be taken by non-state players (individuals and the private sector) and the role of the state in relation to them needs careful definition; and second, there are critical determinants of poverty in Zambia, in particular the HIV/AIDS catastrophe, that go well beyond Zambia's ability to resolve alone, even were domestic governance to improve sharply.

Development strategies in Zambia should be partly based on strengthening the restraints on those with power, and on broadening accountability. In the long term the critical factors appear to centre on an informed and empowered citizenry that avoids co-option into patron:client relationships with the powerful.

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The remainder of this section sets out some of the approaches that might be taken by development agencies. These are, however, not all easily adopted for several reasons: it is difficult to demonstrate clear causality between some of the approaches and poverty outcomes, and quantitative links may not always be provable; progress may not be readily measurable; the approaches are staff-intensive and are unlikely to involve substantial disbursement of funds; some of the measures may be considered to be close to political intervention; and the time-scale of the expected results of some of the interventions could be very long, perhaps around 20 years.

7.1 Strengthening the context for pro-poor change

Markets. Pro-poor development could be enhanced by identifying and addressing the constraints that hinder the operation of markets that are of importance to poor people, including finance, labour and capital markets, and in rural as well as urban areas. These include elements at the level of the wider enabling environment, as well as specifically factors that exclude poor people from markets.

The fact that many people are forced to rely on informal markets and processes highlights the importance of building informal sector perspectives into development programmes. Informal markets may be strengthened through active interventions, but in other cases it may be more important to remove regulatory constraints and licensing requirements. Encouraging informal/formal market linkages offers promise.

The weakness of rural markets and institutional linkages is particularly striking in Zambia. There is a case for understanding, and building on, the signs of recovery in some rural trading networks, notably of cattle.

Living standards. The adverse effect on politics of a quarter-century of falling living standards has been noted. To the extent that measures to enhance education and public information can be insulated from economic decline, citizens' empowerment is likely to be enhanced in the longer term.

Race, ethnicity and class. The lobbying power of large-scale business, including farming, is likely to be greater the broader the ethnic base. Programmes for private sector development would have a more beneficial long-term impact to the extent that they are sensitive to the need for the economic empowerment of black Zambians. This consideration provides a further reason for strengthening the linkages between formal and informal business in which many black Zambians are active.

Ethnicity has fortunately been a relatively restrained element of Zambian politics. The robust response of parts of civil society and the press to signs of a recent growth in ethnicity in politics deserves support.

Some degree of ideologically-based politics is likely to be the main alternative to politics based on the personal pursuit of power, and should not necessarily be feared. Much of the strength of the case for support to constitutional reform is to make a constructive and lasting contribution to ensuring that opposition parties do not fall into the bad old ways themselves once they take office.

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Education. The importance to political accountability of having the bulk of the population literate can barely be overstated. Some of the practical implications are: to the extent possible to sustain levels of spending while effectively addressing the institutional and management problems that also affect the public education system; and to recognise the reality of private schooling and to develop a sound relationship between the state and private schools. A civic education curriculum may also have a role to play in creating a more politically informed citizenry.

Health. The decline in life expectancy, and the social and individual insecurity associated with HIV/AIDS, are likely to strengthen short-term perspectives, not only among citizens, but also among parliamentarians and other politicians. From every point of view, the humanitarian and economic, as well as the political, the fight against HIV/AIDS demands the highest priority. There may be scope for using some of the substantial resources currently available to Zambia for use against HIV/AIDS for purposes of supportive wider public education, for stimulating local groups for wider social mobilisation, and for changing some social norms, especially around gender relations.

The rural/urban dynamic. There may be positive aspects, including political, to the relatively large size of the urban population, that could be recognised and built into development planning. As compared with the poorer and dispersed rural populations, for instance, the urban population is more literate and may be better able to apply pressure for improved governance.

Land, both for urban and rural populations, appears to be both critical, and currently badly regulated and administered. Acting on the findings a recent review of the 1995 Act would be a starting point.

7.2 Supporting champions of pro-pro change

There are various ways of strengthening the role of **the private sector and entrepreneurs, large and small scale**, both as a source of economic recovery and as sources of pressure for improved governance and the provision of public goods. The entry of more large-scale foreign investors that are subject to internationally acceptable anti-corruption standards might serve as a source of pressure for improved governance. Strengthening government/non-government fora for policy development and discussion has also been suggested, and discussions to this end are under way between the private sector and government. Continued support for small-scale business associations appears warranted, enabling them to press more effectively for reducing the constraints to which they are subject.

While the interests of large and small-scale business are not always identical, there is considerable scope for seeking to develop synergies between them, encouraging joint lobbying to improve the provision of public goods.

In relation to **agriculture**, the emphasis on promoting links between the large and small scale subsectors appears to hold out promise, through outgrower schemes, and using the formal sector to strengthen backward and forward linkages that may then be

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of value to nearby small farmers. There is scope to encourage co-operation between farmers' associations with different strengths and capabilities. Both agriculture and **tourism** offer the means by which international companies, with their access to resources of capital and management, may become channels to Zambia of international norms and standards demanded by global customers.

The media have shown their essential role in strengthening accountability in the country and raising the risks faced by political leaders who abuse office. Continued and perhaps accelerated, but carefully judged (in the light of political affiliations), support appears warranted, in particular to address the present sources of fragility, especially financial, of the independent press. Radio offers further potential for public education and information, including in vernacular languages. The case for establishing a licensing authority that is independent of government deserves attention.

A key to bringing about the necessary improvement in **policy research** appears to be for various players (the civil service and political leaders, the large-scale formal private sector, international NGOs, and donor agencies) to sustain effective demand for quality research. The PRSP has already gone some way to improving the situation and can be further built on. Measures may also be taken on the supply side, addressing funding and management problems in the universities and research centres, supporting international links, promoting the use of local researchers and consultants, and encouraging teams to be composed internationally.

Professional groupings, notably of lawyers, accountants and perhaps economists, may be strengthened both in their roles in maintaining professional standards, and as advocates of wider change, through promoting international linkages, and through carefully-judged financial support for advocacy campaigns in which they are involved.

There may be scope for development agencies to establish working relationships with **churches** and associated faith-based organisations around matters of common interest, taking into account the fact that most churches are in touch with poor people, and have the ability to communicate with, and to mobilize them. There is also a strong common interest insofar as churches also play an important role in the provision of health and education services and safety nets for the most vulnerable people.

There is clearly a case for long-term support to the best **civil society organisations** involved in advocacy, as one means of strengthening scrutiny over, and accountability of, government. In terms of NGOs as service providers, it is probably more helpful to see them in a complementary role with government rather than as alternatives. Donors can most usefully continue to identify and to promote responsible NGOs, and to encourage links between them and community-based organisations, promoting local ownership to the extent possible. Obtaining good knowledge of NGOs, and providing the necessary attention to their governance, is very staff-intensive emphasising the need to find trusted intermediaries.

The **trade unions** are an active voice in calling for improved governance, and may warrant support in this role.

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There may be some means by which, with a low profile and careful attention to sensitivities, development agencies can usefully strengthen the functioning of **Parliament**, and support **reform-minded elements of the political parties**. Measures may include sensitisation and information sessions for MPs, and supporting the research functions and standing committees. Encouraging international linkages between political parties and democratic foundations may also be a worthwhile means of exposing members of political parties to international practices.

The case for a transparent and fair method of funding political parties, thus removing one strong incentive for abuse of public resources by the governing party, needs to be considered.

Assisting in the currently intensifying national debate on the reform of the Constitution may have long-term value.

There is a case for sustaining technical and financial support for the **Electoral Commission**, the **Anti-Corruption Commission**, and the **Office of the Auditor General** as key agencies of restraint.

The principal obstacles to reform of the **civil service** are political. Building coalitions of those who would benefit from improved civil service performance may be necessary if change is to come about. One approach may be to assist groups that would benefit from improvements to create a national campaign to bring to bear sufficient pressure for change in civil service performance. There is also an argument for continuing to support technical changes, which unfortunately do not directly address the central political problem, for instance in the way the budget is managed, and for transparency of public information on the functioning of government.

Chiefs and traditional leaders offer some potential for carefully judged support as drivers of change, building on the fact that some have more legitimacy in local, especially rural areas, than do other more modern institutions. The difficulties arise in part from the fact that chiefs vary greatly in their skills, personal characteristics and interest in change.

The unevenness of traditional leadership underlines the importance of bringing clarity and consistency to land policy and administration.

The development agencies. This paper has identified several types of international and regional agents of change. Most influential are the official aid donors themselves. Numerous suggestions have been made in section VI of the main paper, summarised above, for ways in which they could seek to make their own roles within Zambia more effective, in part through seeking to strengthen key drivers of change.

Operating internationally and regionally, they may also influence other players, in at least two ways: to continue to work to ensure that international investors in Zambia and follow practices and standards that are beneficial to the host country; and second, to support regional institutions (such as SADC and COMESA) to improve the prospects of southern Africa providing an political and economic environment conducive to the development of Zambia and its neighbours.

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VIII. Concluding remark

Zambia's long-term decline, and the massive challenges it now faces, create one of the most difficult environments anywhere for meeting the Millennium Development Goals. Indeed most will not be met in Zambia.

Many of the explanations for what has gone wrong lie in the political sphere, and, as this paper has suggested, for these to turn around will require changes to the framework of incentives and restraints that affect, even determine, the behaviour of those with power. It would be naïve to believe that this can happen readily.

Yet there is reason for hope. A decade of multi-party democracy may so far have disappointed many people in Zambia in its failure to reverse economic decline. But it has created a diverse civil society, political parties, and press, all of which contain individuals and organisations that are independent and demand more accountable government. As several events of the past two years have shown, they are now winning some battles, if not yet the war.