

**The Challenge of Poverty for the Church in
Zambia: A Response to the Effects of the
Structural Adjustment Programme (SAP).**

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Declaration

As required, I hereby state that the whole thesis, except where specifically indicated to the contrary in the text, is my own original work.

EMambwe

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Date: 25 November 2002

As supervisor, I have agreed to the submission of this thesis.



Dr. S. de Gruchy.

Date: 25-11-02

Dedication

To my dear wife Elizabeth
and
children Mumba, Kunda
and Mwewa, and niece Marian
for their love, endurance, encouragement and support.

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Abstract

The effects of the Structural Adjustment Programmes (SAP) that have been the International Monetary Fund's (IMF) prescribed economic reforms have accentuated poverty levels in Zambia. For the majority of the population, the Structural Adjustment Programmes have exacerbated poverty if not directly contributing to it. This paper argues that poverty has a historical aspect dating back to the colonial strategy of establishing and perpetuating rural-urban dual structures. The Zambian government upon attainment of independence continued this dual economic structure. The dualist approach favoured urban areas at the expense of rural areas in terms of social and economic development. To date it is estimated that 80% of Zambia's population of about ten million people (2000 Census) lives under conditions of abject poverty.

The Zambian economy did well in the first ten years of independence (1964 -1974), but went on a continuous decline from that period to date. Both internal and external factors have contributed to the continuous steep decline of the economy and subsequent increase in poverty levels.

Among efforts to turn round the economy, the Zambian government in cooperation with the IMF and World Bank embarked on the Structural Adjustment Programmes (SAP). President Kenneth Kaunda hesitatingly introduced the first SAP in 1981. The economic reforms, particularly the decontrol of prices and abolition of subsidies resulted in the increase of prices of foodstuffs leading to civil disobedience, violence, riots, looting and deaths in 1986. The SAP also contributed to income disparities.

In 1991 when Frederick Chiluba won the presidency, he implemented the SAP fully. The implementation of the SAP meant the decontrol of prices and removal of all forms of subsidies. The immediate effect was a rapid rise in prices and poverty levels.

This paper argues that in the face of this poverty the involvement of the Church has not been as comprehensive as taught by the Gospel of Jesus Christ. Emphasis has remained on spiritual emancipation with little stress on material well-being. Equally there has not been participation in decision-making by the affected people as the government and the donor-community make most decisions without consulting the citizens.

There also seems to have evolved a culture of dependence on “handouts” or free things, and lack of good work ethics and standards.

The improvement in the standards of life of the people may be realized if the Church through its prophetic ministry challenges global capitalism so that the powerful and rich western countries accept the New World Order that the Third World has been advocating for many years. The Church should also voice the fact that the Zambian politics and economic policies should not be motivated by profit making and individual gain but by a desire for hard work and fair distribution of the world and nation’s wealth. It is further proposed that the best economic and development policies are those that sustain human life and bring a better life in every human community. This ideal may be fulfilled if the Church through its diaconal ministry gets involved in developmental issues.

Glossary of Acronyms

| | |
|-----------------|---|
| ACC | Anti-Corruption Commission |
| AIDS | Acquired Immune Deficiency Syndrome |
| ANC | African National Congress |
| BESSIP | Basic Education Sub-Sector Investment Programme |
| BSA | British South African Company |
| CACZ | Christian Alliance for Children in Zambia |
| CCJP | Catholic Commission for Justice and Peace |
| CCZ | Christian Council of Zambia |
| CG | Consultative Group |
| CMML | Christian Missions in Many Lands |
| CSO | Central Statistical Office |
| CSUZ | Civil Servants Union of Zambia |
| DHMB | District Health Management Boards |
| ECZ | Evangelical Church in Zambia |
| EFZ | Evangelical Fellowship of Zambia |
| ESAF | Enhanced Structural Adjustment facility |
| GATT | General Agreement on Tariffs and Trade |
| HDI | Human Development Index |
| HIPC | Highly Indebted Poor Countries |
| HIV | Human Immunodeficiency Virus |
| IBRD | International Bank for Reconstruction and development |
| IDA | International Development Association |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| INDP | Interim National Development Plan |
| MMD | Movement for Multi-party Democracy |
| MPs | Members of Parliament |
| NAMBOARD | National Agricultural Marketing Board |

| | |
|---------------|--|
| NDP | National Development Plans |
| NCDP | National Commission for Development Planning |
| NERP | New Economic Recovery Programme |
| NPRP | National Poverty Reduction Plan |
| NGOs | Non-Governmental Organizations |
| OVC | Orphans and Vulnerable Children |
| PAM | Programme Against Malnutrition. |
| PHI | Presidential Housing Initiative |
| PWAS | Public Welfare Assistance Scheme |
| SAP | Structural Adjustment Programmes |
| UDI | Unilateral Declaration of Independence |
| UNICEF | United Nations International Children's Emergency Fund |
| UNIP | United National Independence Party |
| UNZA | University of Zambia |
| USA | United States of America |
| WTO | World Trade Organization |
| ZCTU | Zambia Congress of Trade Unions |
| ZEC | Zambia Episcopal Conference |
| ZITF | Zambia International Trade Fair |
| ZNS | Zambia National Service |
| ZPA | Zambia Privatization Agency |

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Chapter 1

1.0 Introduction

This paper looks at the challenge of high levels of poverty for the church in Zambia. It examines the reasons for the high levels of poverty from socio-economic and political perspectives drawing the role of the Structural Adjustment Programmes (SAP) sponsored by the International Monetary Fund (IMF) and the World Bank into the argument. The discussion focuses on Zambia's economic policies since independence in 1964 and how they contributed to the impoverishment of the majority of the population. A challenge is made to the church on how it can contribute to poverty reduction and eradication. The Christian perspectives of work, labour and wealth are evaluated in the face of the poverty challenge. The paper finally brings in the Christian teaching that obedience to the will and purpose of God, and to the comprehensive well being of humanity must constitute the moral and ethical standards either in politics or economy.

The paper is divided into five Chapters. Chapter 1 deals with the introduction, rationale, problem statement and literature review. Chapter 2 deals with Zambia's political and economic background describing and analysing political and economic policies pursued over two historical periods: The First and Second Republics characterised by state planning and mixed-economy policies from 1964 to 1991; and the Third Republic from 1991 to 2001 and beyond, characterised by liberalisation, free market, private sector development and full implementation of IMF/World Bank sponsored Structural Adjustment Programmes (SAP). The highest levels of poverty were recorded during the Third Republic. Chapter 3 discusses the effects of the Structural Adjustment Programmes (SAP) on poverty, and on the social sectors of health, education and employment. Chapter 4 deals with a theological perspective on poverty and wealth from the biblical point of view in both the Old and New Testaments. A Christian evaluation of global capitalism, work, labour and wealth in the Zambian context, concludes the fourth chapter. Chapter 5 considers the challenge of poverty for the church in Zambia. In this chapter an attempt to define development and the different approaches are made, and finally the chapter discusses two strategies, namely

the prophetic and diaconal ministries, which the church can employ to reach the politicians and decision-makers, and sensitise the population in empowering them for self-sustainable development. Chapter 6 is a summary and conclusions.

1.1 Rationale

The high levels of poverty in Zambia compels the church to use its prophetic voice to denounce evil and injustice in the areas of politics and economy. The servant motif is a basic principle for any kind of Christian ministry. The church is called upon to speak on behalf of the poor and vulnerable people in matters that affect them. The church should, in addition to preaching the Gospel of Christ and repentance, be involved in the physical development and transformation of communities.

The aim of this paper is to look at the effects of the SAP on the quality of life in Zambia, and the role that the church can play in mitigating the consequences of the economic reforms through its prophetic voice and involvement in development. It will argue that the two governments (the Kaunda Era 1964 –1991 and the Chiluba Decade 1991 – 2001), have had no ability and capacity to salvage the economy from the crisis due to a lack of human resources, financial constraints, mismanagement of resources or corruption, and the will to implement and evaluate the economic activities. The church as a primary group, though limited in some areas, can offer some alternatives to community development in order to alleviate the suffering and poverty experienced by the people.

1.2 Problem Statement

It is argued in this paper that the high levels of poverty in Zambia are a result of experimentation with political ideologies and poor socio-economic policies that have failed to bear fruit. After independence the government embarked on the nationalization of major economic assets and also Zambianized positions without a sound human resource base. The fall in the price of Zambia's main foreign exchange earner, copper, and the dramatic increase in oil prices in the

mid 1970s were the genesis of a protracted economic crisis in Zambia. Other contributing factors to poor economic performance included retaliation through military attacks on Zambia's infrastructure by regimes in neighbouring colonies such as Rhodesia, Angola, Mozambique and even South Africa.

The government of President Kenneth Kaunda and the United National Independence Party (UNIP) had for some time avoided or postponed signing agreements especially with the International Monetary Fund (IMF) for fear of the consequences of structural adjustment measures which were a precondition for receiving support from the IMF. Even when an agreement was entered into in 1983, the Zambian government could not meet the full requirements of the agreements and this led to failure to meet targets or bench marks agreed upon. The IMF and World Bank cancelled or suspended agreements and bilateral donors almost immediately withheld support to Zambia. The result was harsh economic difficulties for Zambia leading to shortages of essential commodities, poorer social and community services and lower standards of living. Perhaps the most difficult decision the Zambian government faced was the requirement to remove subsidies. Indeed when this was done in 1986, the result was food riots leading to loss of life at the hands of security forces. The Kaunda regime became so unpopular that it lost elections to the Movement for Multi-party Democracy (MMD), campaigning on a democracy ticket. The argument of the MMD was that the Kaunda regime had failed because of its unrealistic pro-socialist policies and dictatorial tendencies that denied people the opportunity to express their potential both politically and economically.

The MMD argued that structural economic reforms, otherwise referred to as Structural Adjustment Programmes (SAP), if fully implemented under a conducive economic and political environment, could bring prosperity to Zambia. In the Zambian context, the general characteristic of the SAP refers to economic reforms designed to transform a state controlled economy into a private or free market economy. The objectives were to control inflation, stabilise and diversify the economy, and build capacity to sustain economic growth.

This research tackles these questions: Does the Zambian government have had the ability and

capacity to salvage the economy from the current crisis? What is the role of the church in mitigating the effect or impact of the SAP on the Zambian people? In answering these two questions the study will address the following sub-problems:

- What have been Zambia's political and macro-economic policies since independence?
- How have these reforms affected the life of the Zambian people?
- What is the theological perspective and the response of the Zambian Church about the economic policies and SAP?
- Why should the church be concerned about these reforms and involved in community development?

1.3 Literature Review

Since implementation of the SAP in Zambia, research has been carried out to study its effects on the quality of life of the Zambian people. So far research has investigated the effects of SAP on: Agriculture and Trade (UNZA, 1996); Quality of Basic Education (UNZA, 1992); Rural-Urban Gap (UNZA, 1993); Impact of SAP on the Poor in Zambia (Catholic Church, 1999a, 1999b, 2001). The focus of the bulk of the research has been assessing the impact of the SAP on socio-economic aspects only, except for the Catholic Church whose focus has been on the effects on the poor in Zambia.

The larger part of the church, which includes the majority and the most affected poor people, is not well informed about the reforms. While academics may continue with their debates, the church on the other hand should act and be involved in community development. Some studies carried out by the academics and practitioners will be valuable in this research for the majority of the people who are vulnerable and marginalized.

Chapter 2

2.0 Zambia's Political Background and Economic Policies

At independence in 1964, Zambia experienced stable economic growth that enabled it to fund an ambitious social development programme based on speedy expansion of education and health facilities and services, and subsidies on basic foods. This relative prosperity was regrettably dependent only on earnings from the mining (copper) sector. In the 1970s the world market price of copper dropped and has not improved to-date. Today Zambia is ranked as one of the poorest countries with a per capita income of US\$ 300 and reportedly the ninth corrupt country in the world (Mulenga 1993:4; Jones 1994:25).

The government during the Kaunda era (1964-1991), which was characterised by state planning, production, distribution, price controls and one-party politics for most part of his rule was reluctant to fully implement the IMF/World Bank supported structural adjustment programmes. The Chiluba regime (1991-2001) characterised, on the other hand, by a free market economy and multi-party democracy fully implemented the structural adjustment programmes.

This chapter examines Zambia's historical political and economic perspectives in an attempt to trace the underlying factors for the current high levels of poverty.

2.1 The Kaunda Era (1964-1991)

The Kaunda era can be divided into two periods. The 1964-1973 period characterised by multi-party politics and a largely private sector led economy. During this time, Zambia was one of the richest countries in sub-Saharan Africa. The second period, 1973-1991 characterised by one-party state, state planning, production and distribution witnessed the poorest performance of Zambia's economy. However, to understand Zambia's political and economic situation during the two periods, there is need to look at the pre-independence era and the post-independence period.

2.1.1 The Pre-Independence Era

The territory that came to be known as Northern Rhodesia, now Zambia, came into being when the British South Africa Company (BSA) took charge under the charter of the British government in 1889. In 1911, Northern Rhodesia formally came into being as a protectorate of Britain but remained under the rule of the BSA until 1924 when the British government took over. In 1953, Northern Rhodesia became part of the Federation of Rhodesia and Nyasaland. The Federation came to an end in 1963 following pressure from Africans.

Kalapula (1990:64) and Ihonvbere (1996:47) point out that the combination of domination by the BSA Company and the British Government initiated an unprecedented era of exploitation. The discovery of copper culminated in the emergence of the Copperbelt region as the economic nerve centre of British domination. During this time a land tenure system based on racial grounds was instituted in favour of white settlers. The economy was structured to produce copper and other core metals and nothing else. Since then, it has been difficult to diversify Zambia's economy. Regional imbalances created during the colonial period still manifest today and continue to contribute to poverty in Zambia.

Kalapula (1990:64) further observes that most capital investment favoured the geographical areas inhabited by the minority European population. The biggest shares of foreign capital were invested in the mining, commercial agricultural and manufacturing sectors. Africans provided cheap labour, and the imposition of taxes to cover the costs of government forced them to migrate to the then developing urban areas to seek employment. The migration of the African labour force resulted in positive development in areas earmarked for European settlements and negative development in rural areas, which provided the labour force.

2.1.2 Post-Independence Period

Politically, the post-independent Zambia was a multi-party democracy. Unfortunately, partisan political rivalry took a tribal dimension and as a result created violence and threatened national

unity. In 1972, the main opposition party, the African National Congress (ANC) acceded to an agreement for a one-party state under the United National Independence Party (UNIP).

On the economic and social fronts, the immediate task of the new government was to redress the development and economic imbalances created by the previous colonial administrations. A major concern was the continued domination by colonial personnel of major positions in government and industry. Between 1964 and 1970, all major manufacturing, farming and distribution firms were nationalised and positions Zambianized. The period 1964 – 1973 was the most favourable for economic growth and development. Production and prices of copper were favourable and the balance of trade averaged around 33% in Zambia's favour (Government of Zambia 1971:7). Poverty as it is known today was not an issue, though it was rampant in the rural areas. During this period, four Five-Year National Development Plans (NDP) were implemented with varying degrees of success.

2.1.3 National Development Plans (1966-1991)

Prior to the First National Development Plan, an emergency plan 1964-1965 and a transitional plan 1965-1966 were pursued. **The First National Development Plan (1966-1970)** was characterised by major economic reforms with the nationalisation of the manufacturing sector (1968), the mining sector (1969) and trading businesses (1970). The main focus of the First National Development Plan was the development of rural areas and the improvement of transport and communication infrastructure between provinces and districts. New agricultural and industrial projects were located in these areas to bring development. Education and training were accelerated while rural credit and investment funds were made available to the rural population to increase their capacity in agricultural production (Government of Zambia 1971: 3; Kalapula 1990:67).¹

Significant progress was made in the social sectors. The number of secondary school leavers

¹For further information on the rural development, read Kalapula, ES 1990. Approaches to subnational planning and the changing planning environment in Zambia, in Helmsing, AHJ & Wekwete, KH (eds). *Subnational Planning Southern and Eastern Africa Approaches, Finance and Education*. Aldershot: Avebury.

with certificates increased from 1,200 to 6,000 while prospects to increase the number of graduates from 100 in 1964 increased in 1966 with the initial enrolment of 1,200 students at the newly opened University. The Health sector saw a number of health centres and district hospitals built. Training of medical, paramedical and nursing staff was intensified (Government of Zambia 1966: 63-64, 1971:1).

The Second National Development Plan (1972-1976) was implemented during Zambia's most difficult period. The main objectives were to continue the acceleration of economic diversification and growth. Consolidation of major infrastructure projects commenced in the First National Development Plan continued and zoning of the country for targeting industrial projects was the norm. Little was achieved by the Second National Development Plan for various reasons, mostly beyond the competence of the young government.

Politically, Zambia was a one-party state, and economically, copper prices went down by 40% in 1975 from 1974 levels and the country was badly affected by the oil crisis of 1973. The period witnessed the closure of the main international trade routes through the then Rhodesia because of the Unilateral Declaration of Independence (UDI) in 1965 and through Angola because of the civil war in 1975. The country also experienced drought during this period and the costly Zambia National Service (ZNS) was also introduced during this plan period. The domestic currency, the Kwacha was devalued for the first time in 1976 by 20%. The government approached the International Monetary Fund (IMF) among others for support (Government of Zambia 1979:8-9, 18).

The Third National Development Plan (1979-1983) focussed on self-reliance, probably because of experiences from the previous plan and the failure to maintain good relationship with the IMF and the World Bank. In pursuance of economic and social development objectives, the Third National Development Plan was guided by the ruling United National Independence Party (UNIP) which sought to promote socialism and the establishment of an egalitarian society as propounded by the then national philosophy of Humanism. Therefore, the provinces development strategy was dependent on their own resources and development potentialities, with

due regard to economic efficiency and equity (Government of Zambia 1979: 21, 69; 1986:1; Kalapula 1990).

The Third National Development Plan coincided with world economic recession and a fall in commodity prices after the second round of oil prices increase of 1979-1980. Equally, copper prices reached their lowest level during the world recession in 1981-1982. Back home, government priorities with regard to investment did not put agriculture at the top. Instead, the agricultural sector which was considered as the major sector in the diversification of the economy and in the creation of an egalitarian classless society, was third at 11.1 per cent of public investment after mining (31.5 per cent), transport and communication (16.8 per cent), and manufacturing (15.9 per cent). Provincial development that also was envisaged to contribute to a reduction in rural-urban migration, received meagre 2.1 per cent (Government of Zambia 1986:7). Attempts to implement Structural Adjustment Programme were made in 1981 with a stabilization and limited liberalization programme under an IMF Extended Fund Facility.

The Fourth National Development Plan (1987-1991) was characterised by reforms in nearly all sectors: economic, education, health, etc. In the economic reforms, the government widened the scope of the private sector, both local and foreign, in order to stimulate recovery and speed up the development of the economy. The new Investment Act of 1986 sought to attract foreign private capital to help exploit the natural resources of the country for mutual benefit.

The strategy in the education sector was to ensure the implementation of education reforms which included the provision of primary school education for all, the improvement of the quality of education, and the adjustment of educational curricula to meet the manpower development of the developing economy.

The strategy in the health sector was the emphasis on the provision of primary health care to the entire population, the encouragement of building health centres and clinics based on self-help by the community, and the introduction of medical insurance schemes (Government of Zambia 1986:130,131,146).

The Fourth National Development Plan was implemented during a time when the economy was in a crisis. The pressure on the government to carry out reforms increased. It is against this background that the government agreed to work with the International Monetary Fund (IMF) and the World Bank in implementing stabilization programmes centring on mining, agriculture and manufacturing. However, the government would not implement a comprehensive reform package and settled on a sequential approach. These major policy agreements were done during the Third and Fourth National Development Plans. Appendix 1 and 2 show the chronology of an overview of the reform programmes of the 1980s adapted from Gulhati and Jones. The period is divided into a number of distinct events.

The implementation of the SAP was very difficult for the government. Among other things the Kwacha was devalued, price controls were removed, and the government instituted a programme of mass retrenchment of workers mainly from parastatals. Since the government could not put the nation on a path to economic recovery, the people were under the control of the IMF. Two major stakeholders; the IMF and the Zambian people, presented different challenges. The Zambian people found the SAP too harsh and people demanded that Kaunda and UNIP leave the political arena. The IMF on the other hand could not agree to piece meal implementation of the SAP and at one time withdrew aid when government commitment seemed to wane. The handing over of the country to economic control (neo-colonialism), and the deterioration of living standards made the working class and the rural people in 1990 more restless and militant. In spite of the people's displeasure, the government signed an agreement with IMF.

2.1.4 Analysis of the 1964-1991 Period

From 1964 to 1991, the government had pursued the course of planned development of the country's economy. However, due to the fundamental structural problem of dependence on copper exports, and of the susceptibility of all sectors to copper price fluctuations, Zambia had failed to succeed in reversing the declining economic growth. Some of the factors that contributed to Zambia's failure to develop sustainably included the following:

(a) The Macro-Economic Policies

The first major factor was the macro-economic policies. Zambia's economic planning environment had been changing during the 27 years of Kenneth Kaunda's presidency. More so, the plans under review were subject to modifications due to external and internal pressure. The problems of Zambia's economic and social development, particularly in the First National Development Plan, was not the lack of financial resources. Zambia appears to have inherited a sound economy at independence until after the nationalisation of the mining sector in 1969.

The capital has not, however, been an effective constraint on development. The income received by the government, particularly from the taxes associated with the mining and exporting of copper, has exceeded the ability of the Government to spend this income. In general, ministries have been unable to spend their annual allocations and the Government has run surpluses.

(Goodman1969:166)

Zambia had a surplus on both the balance of payments and the government current account. The country had large resources of its own to finance development almost exclusively derived from copper. However one of the problems of macro-economic growth was the lack of sufficient experienced personnel to implement and help to diversify the economy. Again Goodman argues that another contributing factor was that "the Planning Office...had no systematic technique of evaluation or overall investment criteria to which the proposals could be subjected" (1969:167). Ihonvbere observes that the biggest drawbacks to economic growth during President Kenneth Kaunda's rule had been "mismanagement, corruption, the suffocation of popular groups and opposition elements, excessive dependence on copper exports for foreign earnings, and the proliferation of inefficient and wasteful corporations which simply reproduced Zambia's neo-colonial inheritance and under-development" (1996:58).

The depression of copper prices was one of the external pressures that resulted in serious foreign exchange limitations, and affected Zambia's capacity to accelerate adequately the pace of development. This dependence on copper made the economy vulnerable to external pressure. The collapse in the price of copper and related factors influencing the direction of assistance

began affecting development policies (Government of Zambia 1986:170).

The introduction of the foreign exchange auction in 1985 added to the problems already experienced. Gulhati (1990:72) observes that by the time the foreign exchange auction was abandoned in May 1987, the exchange rate of the Kwacha had jumped by just over 100% from K2.20 to the US\$ before the introduction of the auction, to K7.37 in June 1986; and in the same month of December 1986 the exchange rate rose from K15.00 to K21.00. Simutanyi argues that this had a negative impact on the standard of life of the people. By 1991 the economy had collapsed and the standard of living for an average Zambian was badly affected. The macro-economic policies of the Four National Development Plans had failed to achieve the formulated objectives (1996:826). Against this background, regrettably by the end of Kaunda's One-Party rule:

basic social services had crumbled, schools lacked books, and hospitals were spurned by all but the indigent. Food riots erupted in the capital, Lusaka in June 1990 after a government effort to decontrol the price of maize meal, the country's staple food, brought large price increases. During the riots angry protesters in Lusaka sent pointed political messages to Kaunda not only by setting ablaze a national monument commemorating his leadership role in the nationalist struggle, but also by singling out state-owned retail stores as the main target of looting. Citizens now explicitly blamed the single-party system for their economic plight.

(Ihonvbere 1996:90).

The negative response from the donor community in providing support to the reforms also contributed to the failure of the reform efforts. The resource transfer from the World Bank to Zambia was negative in 1983 and 1984; it became positive only in 1985 and 1986. The bilateral commitments from the Consultative Group (CG) of Aid Donors were lower especially in 1983 to 1985. Aid and debt relief in assisting Zambia's intensive reforms turned out to be too little and came too late. The amount of debt rescheduling was also insufficient. By 1991 the external debt stood roughly at US\$7 billion. This was considerably in excess of Zambia's capacity to service it (Gulhati 1990:73-74; Jones 1994:40).

(b) Nationalisation and Zambianization

Nationalisation of major companies and Zambianization of decision-making positions in government and major business enterprises affected the magnitude and quality of development in Zambia. Since political independence was a means for the economic empowerment of Zambians, the continued control of the major means of production by former colonialists and foreign nationals was seen as defeating the empowerment process. For this reason large-scale nationalization of the factors of production in the manufacturing sector (1968), the mining sector (1969) and trade (wholesale and retail) in (1970) took place.

The philosophy of humanism adopted by UNIP abhorred exploitation of one person by the other. As a way of combating exploitation, there was need for indigenous Zambian participation in business. As a way of creating a socialist egalitarian state, President Kenneth Kaunda advocated for the control of some businesses considered to be strategic in achieving the required transformation. Kaunda also involved the state in undertaking investments in business where private capital would be reluctant to go due to the (i) high risks, (ii) huge capital investment involved and (iii) low returns, but the project was nevertheless necessary in the national interest (Kaunda 1969:36).

The first task was to identify the difficulties that made it hard for the country to control its own economy and then to plan something about it. One of the key speeches about economic reforms was made by the President:

Today our society is being exploited very badly indeed by some unscrupulous men and women who are driven to the extreme right by the profit motive. A good number of them bring very little capital into Zambia, but because of their know-how they are able to build something locally on borrowed Zambian money and then send out of the country excessive profits after a very short time. It is difficult to stop such exploitation without first of all involving Zambians themselves. We can watch no longer. The last time I addressed you, I spoke in terms of some of you joining the economic field and, indeed, a few have already gone. More must follow.

(Kaunda 1969:36-37).

These speeches laid the foundation for major economic reforms to enable the country achieve its goal of economic independence under Humanism. According to Gulhati (1990:65) parastatal companies increased from 14 to 147 during the 1970s and in most of the nationalised parastatals, the government owned 51 percent of the shares.

The government also adopted the Zambianization policy despite a severe shortage of trained manpower resources. This resulted in reducing the standards of the civil service and low productivity in public sectors because most of the people who took over the running of parastatals lacked the skills and technical-know-how (Gulhati 1990:65).

When the state began to interfere in the economy by controlling 51 per cent of the shares in many big companies, it appeared things were beginning to move well. However, it proved disastrous afterward. The state's role in economic affairs should have been to facilitate good policies that could have created a favourable environment for free initiatives of the economically active citizens and that:

Another aspect... is the importance of keeping state interference in the economy to a minimum. To imagine that any economy, let alone a poor economy, could do without state guidance and state interference would be an illusion. However, the role of the state should not be to run the economy, but to make room for the free initiatives of the economically active population.

(Nürnberg 1999:407).

The introduction of the SAP in the 1980s was fundamental in the revision of the role of the state in economic affairs at this particular time. The state is undeniably one of many actors involved in economic affairs, to be partners with other economic institutions such as firms, banks and many others. In this way the state can safeguard the interests of its citizens. However, until 1991 the state had played a dominant role in economic affairs, being a manager of resources, distributor of goods and services, and controller of economic activities. Demery (1994:34) agrees with Nürnberg when he argues that the state's role must be redefined with regard to "acting as a facilitator and catalyst in mobilising resources; ensuing a level playing-field for the actors engaged in economic activity; providing economic and social infrastructure and other public

goods; and providing services to assist the poor and vulnerable”. After seeing all the mistakes, the Government of Zambia admits that the commercial sector and marketing had been characterized by monopoly trading rights for parastatals and cooperatives (1986:173). Regrettably, even the implementation of SAP did not stabilize the economy.

(c) The Internal Political Obstacles

The introduction of fees in schools and health institutions was a hard pill to swallow and so people did not welcome the introduction of the SAP. All this contributed to the failure by government to implement the reforms because of the threats of unrest especially from the urban poor who had depended so much on food subsidies. Jones (1990:40) observes that there was also opposition to the reforms from within the ruling UNIP both in the Cabinet and the Central Committee, although President Kenneth Kaunda in most cases overruled it.

During the implementation of the SAP, the decontrol of prices was passed to all commodities including maize meal, the country’s staple food. In December 1986, the government doubled the price the millers had to pay for maize to the National Agricultural Marketing Board (NAMBOARD). Millers in return responded by increasing the retail price by 120 percent. Their arguments were that arrangements about how government was going to pay subsidies lacked proper information. This increase activated widespread riots especially on the Copperbelt. In the confrontation between security forces and protesters 15 people were killed. After the riots President Kenneth Kaunda rescinded the decision to remove subsidies on staple foodstuffs. In April 1987, despite the commitment to keep the wages down, there were strikes for salary increases, and in Lusaka there were strikes against a scheme to increase fuel prices by 70 percent. This again made the government back down. It was a difficult time for the government to implement its tough policies in a situation of an economic crisis and discontent among the population (Gulhati 1990:73; Simutanyi 1992:827-828; Seshamani & Kaunga 1999:119; Jones 1994:34; Ihonvbere 1996:88).

(d) Income Disparities

The economic crisis created even more gaps between the rich and the poor. The inequalities between the rich and poor, and urban and rural areas, were noticed by the International Labour Office (ILO) in its report about Planning for Basic Needs and Productive Employment in Zambia. The report observes that in 1972-1973 during the Second National Development Plan:

The income share of the poorest 60 per cent dropped from 27 per cent to 20 percent that of the richest 10 per cent increased slightly and that of the middle 30 per cent increased substantially from 28 per cent to 34 per cent. In effect the top 40 per cent raised its income share at the expense of the bottom 60 per cent of the population. It can be assumed that the major beneficiaries of the increase are the people living in the urban areas, particularly those in formal sector employment.

(ILO:1977:293).

This feature of the pattern of income distribution and inequality has never been reversed. Instead it continued to widen over the past four decades of independence. The income disparities over the years have worsened the gap between the rich and the poor. These inequalities are not seen only between the rich and poor but between provinces as well. The emergence of the rural-urban gap has been due to the low investments in the rural areas, and the low average rural incomes compared to the urban incomes. The International Labour Office (1972:293) predicted that the “consequences of an unequal income distribution upon the provision of basic needs...for all the people by the year 2000 would be difficult to achieve...”. Since the pattern of the income inequality has continued to grow bigger this prediction had come true.

The failure of macro-economic policies to restore economic growth, the nationalization of major companies and Zambianization of decision-making positions in the civil service and business enterprises, and the income disparities and poverty levels precipitated the internal political instability that contributed to the fall of Kaunda.

(e) The Fall of Kaunda

The falling copper prices and supply limitations in the mining sector prevented export earnings from growing. The stand-by agreement with the IMF was suspended when the government failed to meet the targets for reducing payment arrears. However, another stand-by agreement was reached in 1984 when government successfully reduced its expenditure including the reductions in maize and fertilizer subsidies, but had problems implementing policies to increase revenues, and the targets on the level of the budget deficit were violated. Again, arrears were accumulated and the programme was again suspended in April 1985 (Jones 1994:29).

According to Ihonvbere (1996:85) the severe decline in capacity utilization that affected all sectors of the economy meant that the country's unendurable debt burden made Zambia an exporter of financial resources instead of earning resources to keep the economy stable. President Kaunda blamed the adoption of an IMF and World Bank accelerated SAP for the deepening economic crisis of the nation and argued that between 1983 and 1985 the country encountered a faster deterioration in its economic performance, and the suffering of the people.

Because of the growing political opposition to a One-Party State which was blamed for the economic crisis, the government, to a considerable degree, accelerated the process of reform in 1985. The centre of activity of implementation of the reform programme during the intensive period concentrated on: reduction of distortions in the economy by decontrolling prices; improvement of incentives for greater production and diversification; and strengthening the government's capacity for economic management (Jones 1994:29). The result of all this was that the people of Zambia lost confidence in the leadership of President Kenneth Kaunda.

The economic crisis created even more gaps between the rich and the poor. The rich did not behave as if the country's economy was in a crisis. Instead they took advantage to exploit the poor and relied on corruption as a major means of accumulating wealth and remained tenaciously unwilling to contribute to alleviating the country's worsening situation from a holistic and structural perspective. On the part of the government, the failure of economic growth, the

unpredictable dangerous situation in the country, and also the inability to control the bourgeoisie's hunger for more wealth, exploitation and corruption, made the government divert the people's attention. It accused South Africa of collaborating with the wealthy Zambians and some military officers for the coup d'état in 1988. In August 1988, the government amended the constitution to increase the members of the Central Committee of UNIP from 25 to 68. The purpose was to incorporate influential people who were representatives or leaders of different organisations of interest in the country such as labour leaders and industrialists. This was illogical since the public service reform policy of downsizing at this particular time was to be in force.

The government's intention was a systematic suppression of opposition to consolidate its position and authoritarian rule (Ihonvbere 1996:88).

According to Ihonvbere, in October 1988, six military officers and three others were accused of staging a coup d'état, treason and convicted in August 1989. This scenario exposed the fragility, insecurity and vulnerability of the government, looking for enemies as scapegoats to divert the suffering population from the failed economic and social programmes (1996:89). An attempted coup d'état in October 1990 received wide support throughout the country and Lieutenant Mwamba Luchembe became a hero of a political and economic revolution that promised to deal with the suffering and poverty of the people.

2.2 The Chiluba Decade (1991-2001)

The economic crisis, strikes, riots and looting were enough to convey great political pressure on the government. In May 1990 the government of President Kenneth Kaunda bowed to pressure and announced that a referendum on a change to multiparty politics from a one-party system would take place in October 1990. This was an opportunity for the opponents of the government, who had been provided with a platform by this announcement, to regroup under the issue of demand for democracy. Ihonvbere (1996:91) doubts whether these beliefs in democracy, empowerment of the people, accountability and social justice were genuine or simply were

coming from opportunist liberal movements brought together by a common dislike for Kaunda.

The Movement for Multiparty Democracy (MMD) was formed in July 1990. The economic hardships imposed on the people through the adjustment programmes, the persistence of corruption in the government's ruling elite, and the overall incapability to meet the basic needs of the people augmented support for the MMD. Eventually, under pressure President Kaunda in an address to the UNIP's National Council in September 1990, supported the call for multiparty politics.² Appendix 3 shows the events leading to the fall of Kaunda and the rise of Chiluba.

2.2.1 The Implementation of the Structural Adjustment Programmes

Following the Presidential and Parliamentary Elections held at the end of October 1991, in which Kenneth Kaunda and UNIP were defeated by Frederick Chiluba and MMD, the new government inherited a run down economy. The overwhelming majority victory was a mandate the people of Zambia gave the new government to tackle the many problems related to economy. At the time Chiluba came to power, poverty was on the increase, unemployment had reached high proportions and schools lacked teaching and learning materials. In order to improve the economy and social services as perceived by the IMF and World Bank, Chiluba agreed to continue with the implementation of the reforms negotiated between Kaunda and the World Bank. According to Simutanyi (1996:828) this included:

- Price decontrols of all products (except maize) and inputs;
- Exchange rate adjustment in real terms and elimination of exchange rate restrictions;
- Liberalization of export and import trade, while providing export incentives;
- Fiscal austerity measures to reduce the budget deficit and control inflation;
- Monetary policy measures to adjust interest rates and tighten monetary policy;
- Reform of the public investment programme to focus on resource allocation to priority sectors and programmes;
- Reform of the civil service and parastatals to improve efficiency and

² For better understanding of the political and economic situation in Zambia, read Ihonvbere, Julius O 1996. *Economic Crisis*,

- performance;
- The privatisation programme.

The economic crisis left by the previous government meant that Chiluba was going to face an economic and debt servicing problem, a shortage of foreign exchange, budget deficits, and a run down social and physical infrastructure. “To turn this economic legacy around required political skill, and the population’s support. The new government was able to count on its popular mandate to implement harsh economic measures and to do so in a short space of time so as not to give anti-reform groups an opportunity to oppose them” (Simutanyi 1996:828). Chiluba and the MMD were prepared to take bold decisions that they knew were painful if the economy was to be stabilized.

The long-term goals of the new economic policies under Chiluba and the Movement for Multi-party Democracy (MMD) introduced in 1992 were: (a) economic stabilization through the implementation of IMF and World Bank accelerated conditions; (b) economic efficiency and growth through local restructuring and encouragement of private initiative and a reduction in the role and involvement of the state; and (c) alleviation of poverty through improvement in the standard of living (Ihonvbere 1996:159).

Under the new government of President Frederick Chiluba, the Structural Adjustment Programmes (SAP) sought to shift resources to new and alternative productive sectors, since the country had had huge budget deficits, a poor balance of payments, and a huge external debt. It also implied fiscal restraint, tight monetary policy, currency-devaluation in order to discourage imports and promote more export competition, diversification of the economy through trade liberalization and the removal of subsidies from essential commodities in order to reduce government expenditure and encourage producers. Other measures included liquidation, overhauling unproductive and inefficient parastatal enterprises, and privatisation, liberalization of the foreign exchange market by the introduction of *bureaux de change*, liberalization of interest rates, liberalization of agricultural marketing, and the reduction of the civil service

(Lungwangwa 1992:1; Mulenga 1993:4; Simutanyi 1996:826, 828).

According to Lungwangwa the government introduced cost sharing schemes and private education and health services for the sake of maintaining a high level and quality of the social services, and also to reduce its budgetary deficits (1992:1). Simutanyi observes that in December 1991 a month after taking office the government removed subsidies from the maize meal (breakfast meal), which doubled the price of the commodity. At the end of 1993 all subsidies on maize meal and fertilizer had been withdrawn. Surprisingly, there were no protests (1996:829). Simutanyi concludes that the implementation of the SAP under the MMD has worsened the living standard of the low-income groups as well as the quality of opportunities. Furthermore,

the MMD government failed to record any success. A combination of natural disasters, continuing mismanagement, inefficiency, policy confusion, inexperience within the movement, and crises overhang from the UNIP years combined to worsen the state of the nation and economy.

(Ihonvbere 1996:159-160).

An evaluation of the implementation of the SAP in the first year of MMD indicated that prices in December 1992 were 207 percent higher than December 1991. The value added in the agricultural sector declined by 39.3 percent in 1992, reversing the modest 5.6 percent growth rate in 1991. The manufacturing sector's output declined 4.2 percent in 1992, and its share in GDP went down as well from 20 percent in 1991 to 18 percent in 1992. Inflation was the biggest drawback in the stabilization of the economy. Export earnings were estimated at US\$1,072 million as compared to US\$1,286 million worth of imports leaving a deficit of US\$519 million. Within a year employment declined from 485,000 in 1991 to 474,000 in 1992, leading to a net loss of 11,000 jobs. About 15,000 employees were retrenched from the public service, with no new jobs on the market. In his speech, the then Minister of Finance Emmanuel Kasonde, acknowledged that the performance of the government was totally unsatisfactory (Ihonvbere 1996:160).

With no visible progress in sight, tensions among the people began to rise. The MMD's

campaign slogan “The Hour Has Come” increased the aspirations of the average Zambian that they would soon enter the promised land, flowing with milk and honey. The defeat of Kaunda meant getting rid of a dictator and suffering, and ushering in of Chiluba meant the coming of a saviour and prosperity, and life more abundant.

However, the policies that were implemented within a year sent mixed feelings among the people especially the:

devaluation of the Kwacha, removal of subsidy from mealie meal, massive retrenchment in the public services, liberalization of interest rates which made it practically impossible for any one to borrow; removal of fertilizer subsidies; and general subservience to dictates from the IMF and the World Bank. People started grumbling about the “slow pace of change”...It was clear to observe that political pluralism was being conditioned and contained by deepening economic crisis in Zambia.

(Ihonvbere 1996:162).

Through the implementation of the SAP, exchange rate liberalization has been used as a policy instrument to enhance the performance of the reform measures’ objectives. In this respect, the government has committed itself to the implementation of the adjustment of the exchange rate to a level that does not interfere with the market forces. Saasa reports that exchange rate liberalization resulted in immediate devaluation of the Zambian Kwacha. In January 1992, a 30 percent devaluation of the Kwacha was effected. Two months later, companies were allowed to retain 100 percent of their foreign exchange. In October 1992, *Bureaux de Change* were allowed to operate and two months later, the official bureaux rates of exchange were unified. Since then, the market has been allowed to determine the exchange rate of the Zambian currency with a view to allowing it to achieve full convertibility (Saasa 1996:15). Reactions about the implementation of the SAP have been diverse depending on what angle it is evaluated from. However, the following are some of the strengths and weaknesses of the reforms.

2.2.2 The Strengths and Weaknesses of the SAP

(a) The Strengths of the SAP

Although there have been poor results with the implementation of the Structural Adjustment Programmes either during the Kaunda era or the Chiluba decade, there are some strengths that can be attributed to the reforms. These are:

The Privatization of State Controlled Corporations: The implementation of the SAP has promoted privatisation of parastatals in order to reduce government's control and involvement in running economic affairs. This was important to allow competitive business that would increase sustainable economic growth. Privatisation has been done in two ways in Zambia:

Firstly, under the heading of public enterprise reform, efforts have been made to have parastatals dismantled (particularly in the case of marketing and input supply boards), commercialized (through performance contracts with public utilities), liquidated (through closures), exposed to competition (by private companies), and divested (sale of public assets)...The second form of privatization concerns the strong appearance of non-governmental providers of public services...this change has come about by default rather than by design, as service users have been forced to look for alternative providers...

(Engberg-Perdersen, et al 1996:46).

Basically, privatization under the MMD has involved the dismantling of parastatals, through liquidation and sale of assets. Much progress has been made on a range of structural adjustment issues with a view to transforming the state controlled economy into a growing market economy. Comprehensive reforms therefore had been implemented since 1993, including far-reaching and ambitious privatisation programme. According to the Zambia Privatization Agency (ZPA) progress report, 244 of the 279 parastatals had been privatised by 30th June, 2000³.

Agricultural reform: The SAP sought to improve the agricultural producer prices, and a method of price setting based on broader pricing and marketing and transport costs were introduced.

³The institutional basis for the privatization programme was implemented after July 1992, when the Privatization Act was enacted by Parliament and the Zambia Privatization Agency (ZPA) came into being. Further information on Privatization of

Before the reforms the state controlled the food marketing system. The public system was predominant while the private sector operated in only a modest measure. Parastatals dominated the marketing system at wholesale as well as at the retail level. This pricing system effectively squeezed out of existence the unsubsidised private traders. The SAP helped to remove the statutory monopoly of the National Agricultural Marketing Board (NAMBOARD) on maize and fertilizer. Consequently, subsidies for maize and fertilizer were phased out, and the producer prices were to be set in line with international prices (Jones 1994:30,32; Pearce 1994:85).

Other important issues in carrying out the reform programmes effectively were: the improvement in efficiency in both the public and private sectors through the formation of appropriate market conditions and the implementation of competition policies; the emphasis on good governance and accountability; democracy; privatization, private sector development and free market oriented economic activity; encouragement of new investments by both local and foreign investors on a non-discriminatory basis; and reduced government budget deficits through fiscal discipline (Seshamani & Kaunga 1999: 157).

(b) The Weaknesses of SAP

Although the structural reforms have been implemented, they have not succeeded in reversing the trends of declining economic growth and poverty levels. The primary structural problem of dependence on copper exports, and of the vulnerability of all sectors to copper price fluctuations, has remained as severe as ever. Weaknesses in the implementation of the SAP can be categorised as follows:

- Very little attention was paid to the problem of transition from a state controlled and planned economy to a desired private transformed economy. For instance, analysis of Zambian agriculture should have verified some of the deficiencies of existing policies, and show how the sector might look like.
- Insufficient attention was paid to the political and social impact of reform, particularly in the context of removal of subsidies. This means that significant attention was not paid to

developing poverty alleviating measures, and the identification of vulnerable groups of the population and an assessment of the impact of reform on them.

- The reform programmes were perceived to be externally imposed on the Zambian people and insufficient attention was paid to their context and localisation.
- The attempted structural reforms appear to have been too difficult and ambitious in seeking to achieve immediate essential reform in almost every sector of the economy, given the inadequate implementation capacity of government.
- One of the errors on the side of policy implementation was the delay in carrying out fundamental adjustments on the part of the Zambian government, particularly exchange-rate devaluation. With each delay, the political and economic costs of reform increased. This tendency of delaying reform until external pressure was put on the government resulted in making decisions in unfavourable circumstances (Jones 1994: 40-41).
- Liberalization of agricultural marketing: the macro-economic policy changes have had far reaching implications for the agricultural sector. Saasa observes that through the Agricultural Marketing Act of 1989, the government deregulated the marketing of agricultural products and inputs. This meant that the state would not participate in agricultural marketing except in the acquisition of the strategic maize reserves and in areas unattractive to the private sector (1996:16). This created a very big problem for both large and small scale commercial and peasant farmers who now had to rely on inexperienced and undercapitalised new private buyers. Many small-scale farmers especially in rural areas lost out through cheating by dishonest traders and delayed payment by government buyers of strategic reserves.

Privatization as well has not lead to the recovery of the economy or an improvement in the living standards of the people. Newly privatised companies have failed to compete under the newly introduced competitive environment, because exposure to competition was non-existent prior to privatisation. Many newly privatised firms have experienced losses and this has portrayed a picture of economic instability and has tended to defeat the noble objectives of reform.

Another failure of privatisation has been the lack of increased productive investment that has

contributed to the overall poor performance of the economy. Recently President Frederick Chiluba admitted this when he opened the Zambia International Trade Fair (ZITF) saying that the privatised companies' performance has been poor. He gave an example of Luanshya which has "turned into a ghost town because of the court injunction blocking the sale of the mine to other investors"⁴.

There were also reports about the violation of the Privatisation Act involving the Presidential Housing Initiative (PHI).⁵ The article reveals that:

The finance ministry violated laid down procedures and contravened the Zambia Privatisation Act by authorising the transfer of funds from the sale of parastatal and government houses to the Presidential Housing Initiative (PHI) an illegal entity, the latest Auditor General's report has revealed.

(The Post, July 2, 2001).

The economy has not shown any sign of recovery. Even the government has been pessimistic about it. According to Ihonvbere, the National Commission for Development Planning (NDPC) noted in 1992 in its report that the prospects for employment were not promising due to the envisaged loss of jobs because factors such as privatization, retrenchment in the public sector, the continued credit squeeze, and measures to control inflation have caused a contradiction in the economy, hence the inhibited expansion in employment (1996:163). On the other hand the Zambia Congress of Trade Union (ZCTU), since August 1993, had been demanding the reintroduction of subsidies on food and transport to alleviate the plight of the starving workers. The ZCTU president Fackson Shamenda has argued that people are dying because they have no food. Everyone is crying to the government for sustenance and it is only prudent that the government listens instead of taking away even the little which citizens enjoyed previously (Shamenda, in Simutanyi 1996:835).

According to Ihonvbere, as of the middle 1995, there was no success recorded in the economic recovery. Infrastructure was even worse than the time the MMD came to power. Workers found

⁴The Post 2001. Ndola City Council's NTEs drop to \$40m. <http://www.zamnet.zm/zamnet/post/homenews.html> July 3rd, 2001.

⁵The Post 2001. Finance ministry violated Privatization Act over PHI. <http://www.zamnet.zm/zamnet/post/homenews.html>, July rd, 2001.

it impossible to make ends meet. Corruption continued to distort public policies and the image of politicians. By this time seven ministers resigned on charges of corruption and mismanagement, and seven others were dismissed on similar charges. The then Vice-President Levi Mwanawasa and a few ministers had resigned by this time to protest about the continued corruption in government (1996:165,174,190).

Reports of corruption continue to be read culminating in Zambia being ranked the ninth most corrupt state in the world according to the 2001 World Corruption Perception Index⁶. Other cases of corruption are being dealt with by the tribunal appointed by the country's Chief Justice involving three ministers (Finance, Home Affairs, and Works and Supply), and a sum of K2 billion scandal⁷. The seriousness of corruption cannot be underestimated with regard to the destruction of the social fabric. Dianna Games, reports that recently millions of dollars worth of copper and cobalt belonging to the Zambia Consolidated Copper Mines went missing during privatisation of the conglomerate in 2000. An audit done by a Mauritian chartered accounting firm, De Chazal Du Mee reveals the scandals amounting to US\$80 million for copper and US\$160 million for cobalt. The government which has been accused of delaying the privatization of the copper mines by nearly four years at a cost of US\$2 million a day, has denied the allegations. Equally, State House has also been implicated in the diversion of petroleum products worth more than K61 billion in 763 tankers travelling from South Africa (2001:24).⁸ Corruption has habitually undermined Zambia's economic growth and development. Chiluba's government, which came to power with the promise of new culture in terms of transparency and accountability has disappointed the electorate. The government has failed to improve the people's standards of living. Instead, the people feel they are suffering more now than under Kaunda, and some have been calling for Kaunda to come back (Dianna Games: 2001).

Corruption makes societies uneconomic. It deprives the government of revenues, it is costly, it retards economic policies and investment; it is an unfair way of amassing wealth at the expense

⁶ The Post 2001. Zambia's world's 9th most corrupt country. <http://www.zamnet.zm/zamnet/post/homenews.html>, July 2nd, 2001.

⁷ The Post 2001. K2bn scam gets hot for Mandandi. <http://www.zament.zm/zamnet/post/homenews.html>, June 16th, 2001; Cashier links Kalumba, Machungwa to the K2 bn scam. <http://www.zamnet.zm/zamnet/post/homenews.html>, June 25th, 2001.

⁸ For further information on corruption read Games, Dianna's article: Zambia: The Gravy Train, in Business in

of the poor, making them angry; and it is unsafe. Corruption anywhere threatens everybody, everywhere (Osborne 1999).⁹ Nürnberger observes that “unwieldy bureaucracies and pervasive corruption destroy the efficiency of the institutional framework of a society...[and]...Instances of corruption cause social scandals, loss of legitimacy and legal action” (1999:102). The evil of corruption in Zambia has presented a big drawback to the economic growth and people’s loss of confidence in the political systems and politicians regardless of how honest they might appear outwardly.

Conclusion

The Zambian government’s approach to economic policies during the Kaunda era had been overwhelmingly conditioned by the National Development Plans (NDP). However, the economic policies were decided much more by historical, ideological and political factors than by economic principles that would make growth certain. The implementation of the National Development Plans did not help the economy to grow except during the First National Development Plan that achieved some objectives in terms of education and health care. The large-scale nationalization of the major industries and the Zambianization of almost all positions in parastatals and the civil service with people who lacked technical training and managerial skills contributed to the collapse of the economy. The declaration of Zambia as a One-Party State in line with the socialist ideology, added to the problems of achieving economic growth.

During the Chiluba decade, the MMD government and the IMF have not paid much attention to the transition period from the one-party system to plural politics. The political and social impact of reform particularly in the context of the removal of subsidies from maize and fertilizer was not addressed in preparing the people for the worse times to come. Participation has been very minimal since the reforms were considered imposed on the Zambian people. The implementation of the reform programme has appeared to be complex and has been ambitiously seeking to

Africa. Page 24, June 2001. website: www.businessin africa.net.

⁹ Osborne, Denis is a former British High Commissioner to Malawi. The information quoted above is from a paper he presented on “Corruption” in London in October 1999 when I attended a course: *The Christian in a Modern World* at the London Institute for Contemporary Christianity. The same month (October 1999) he presented the same paper in Shanghai, China.

achieve fundamental reforms of the economy within a short time, given the limited capacity of government and its people. In the implementation of the reforms, attention has not been paid to the assistance and benefit of the vulnerable people in society.

The Zambian people have not seen much commitment by both governments of Presidents Kenneth Kaunda and Frederick Chiluba to a structural alteration of the economy. Only lip service has been rendered to economic diversification, agricultural transformation and productivity, and self-reliance for almost four decades since independence. Ihonvbere observes that “we have not seen any serious commitment to change, to restructure, to empower the people and their communities, and to stamp out waste, irresponsibility, mismanagement, and corruption” (1996:96). Corrupt practices in both systems of government have left about 80 percent of the Zambians poor who are living below the poverty datum line.

Chapter 3

3.0 The Effects of the Structural Adjustment Programme on the Quality of Life

Zambia embarked on its structural reforms in 1992. The purpose was to transform the state controlled, stagnating economy into a growing market economy. Extensive reforms were implemented which have included among other things: trade and exchange liberalization; agricultural liberalization; the privatisation programme; and civil service reform. These factors have promoted government's cuts in the provision of social services. Declining service quality, retrenchments, and the introduction of school fees and medical schemes have been blamed for the drop in schools' enrolment and health clinic attendance, especially for the poor. This chapter discusses four facets of poverty as effects of the SAP. These are: (1) The Deterioration of life standards; (2) Declining health services; (3) Declining enrolment in the education sector and poor education standards; and (4) Unemployment.

3.1 The Deterioration of Life Standards

Probably the worst effect of the SAP is poverty. Poverty is a relative term which is hard to define. Nevertheless, there are two definitions that may be appropriate to the Zambian context. Cassen defines poverty as " ...the condition of people below a poverty income threshold, determined by their ability to afford an adequate diet and other minimal necessities...Poverty has of course non-economic dimensions, including inequalities before the law and access to public services" (1994:35).

According to Saasa "poverty can...be defined in the Zambian context as ' lack of access to income, employment opportunities, normal internal entitlements by the citizens to such things as freely determined consumption of goods and services, shelter and other basic needs of life that include education, preventive diseases'" (2000:2). Poverty, therefore, is not only the lack or

absence of money and food, but also the lack of knowledge, lack of access to information, exposure, and ignorance.

Poverty remains the most pressing problem in Zambia. According to the International Monetary Fund's (1999) Press Release on Enhanced Structural Adjustment Facility (ESAF) loan approval for Zambia,¹⁰ its estimates demonstrate that in 1996 about 70 per cent of Zambians were living in poverty, with 58 per cent of the population lacking basic nutrition. The Press Release further states that the Public Welfare Assistance Scheme (PWAS) is the government's main strategy for meeting the needs of the poorest, but concedes that its coverage and effectiveness have been limited. Meanwhile,

85% of Zambians live under \$1 a day. Living under one dollar means a situation where you do not have stalks of food in the home and have not paid up your bills. Out of that dollar one is required to afford his/her breakfast, transport, tea or drink, lunch and supper, entertainment, etc. Within \$1, one is expected to pay for education and health care. Many Zambians, since the introduction of fees at schools and hospitals, have found it hard to access the services of these institutions. A greater number of people earn very little and the cost of living is just too high for them.

(Kufekisa-Akapelwa & Sampa 1999:2).¹¹

The economic reforms accelerated by creditors especially the IMF and World Bank have had devastating effects on the nutrition, health and education on the Zambian people. These policies have been denounced because they have lacked human focus. They have not responded effectively to the fundamental needs of the Zambian society, especially the poor. Many indicators validate the ineffectiveness of the reforms. Instead poverty, unemployment, morbidity and mortality rates, uncertainty and insecurity in people's lives have been increased.

¹⁰For further information, see IMF 1999. Press Release: IMF Approves ESAF Loan for Zambia. <http://www.imf.org/external/np/sec/pr/1999/PR9910.HTM>, Press Release No.99/10, March 26, 1999.

¹¹ Kufekisa-Akapelwa, Mulima & Sampa, Kalungu Joseph are editors of SAP Monitor. This is a Catholic Church, Justice and Peace Department's Bulletin of the SAP Project to monitor the impact of SAP on the poor in Zambia. The above quote is taken from: SAP Monitor, Issue No. 22, May to August 1999, Page 2. Poor Zambians live under \$1 daily. At the time this thesis was being written one US\$1= K3800.

In the Letter of Intent and Memorandum and Financial Policies to the IMF of March 10, 1999 the Zambian Government acknowledges that the widespread poverty in Zambia remains a key concern. The letter states that the government has worked out a National Poverty Reduction Plan (NPRP), which aims at cutting down the overall incidence of poverty from the current 70 per cent of the population to 50 per cent by the year 2004. "This is to be achieved through rural development, increased investment in infrastructure, the development of human resources, and targeted poverty reduction programs. In this regard, we intend to allocate at least 36 percent of domestic expenditure...to the social sectors in 1999-2001. We also intend to promote the construction of dwellings and home ownership through the President's housing initiative, which is expected to gain momentum in 1999".¹² On the other hand the Zambian government through the Minister of Finance, presented the paper on: *Poverty Eradication as an Uphill Battle* which says: "The fight against poverty is an uphill battle and government projections to have this reduced by half by 2015 can only transform into reality if every Zambian gets involved and starts being more productive".¹³

It's true that the promotion of the construction of dwellings and home ownership through the Presidential Housing Initiative (PHI) started in 1999. However, very few have benefited, predominantly the civil servants who did not occupy either government or council houses. Furthermore, the Presidential Housing Initiative started to gain momentum in 1999, and has made progress in building a good number of houses (low, medium and high cost units). Nonetheless, one wonders how this is going to reduce homelessness among the poor people when for instance in Lusaka, these houses are being sold at about US\$ 9,585 for the one-bedroomed-house, and about US\$19,170 for the three-bedroomed-house, and they have been

¹² Debates and discussions are going on about "*Poverty Reduction Strategy Process*". Some of the papers that have already been presented about poverty reduction include: Poverty Reduction Strategy Paper (PRSP) by Dr. Jonathan Chileshe, Chairman: National Economic Advisory Council at the Stakeholders Conference on June 30th, 2000; Commentary on the National Poverty Reduction: Action Plan by Freda Luhila: Programme Against Malnutrition on June 30th, 2000; Zambia's Efforts in Poverty Reduction by Meselina Muchindu Hampango: Acting Permanent Secretary for Ministry of Community Development and Social Services. This paper was presented at the poverty reduction strategy sensitization workshop; Civil Society Presentation on Gender (Gender Division of Poverty Line about Women) to the Consultative Group (CG) Meeting held in Zambia on July 16th, 2000; Poverty Reduction Strategy Process: Opportunities and Threats as perceived by Civil Society by Chrispin Mphuka, Jubilee 2000-Zambia; and Civil Society Paper on Political Governance, submitted to the Ministry of Finance for the Consultative Group Meeting by the Civil Society on July 16-18, 2000.

¹³ See Times of Zambia, *Poverty Eradication as an Uphill Battle*, March 29th, 2001.

asked to pay cash in the pretext of building more houses. As indicated above, the average civil servant gets US\$70 per month. It would take this person about 11 years and 4 months to buy a one-bedroomed house without spending any of this money on interest, let alone food or other basic needs. The Minister of Finance is right that the fight against poverty can be won if all Zambians get involved and become more productive. Again, as stated earlier on, the dependency syndrome must be avoided as each person is required to produce what he or she may need. However, the government has the responsibility to create a conducive atmosphere through meaningful investment that will motivate the population to get involved, otherwise a sick and weak population with hunger will not be productive.

Poverty will not be reduced if the government does not provide a good playing field for all stakeholders including the poor for involvement in one way or the other. Luhila (2000:6) of Programme Against Malnutrition (PAM) in the paper: *Commentary on the National Poverty Reduction Action Plan* reveals that "for Zambia to reduce the levels of hunger; there is need to target 250,000 people every year or 40,000 households. On average, the target households per district is 600". This is an enormous task that needs the involvement of all stakeholders such as the government, the church, civil society, non-governmental organizations, and the community itself. She further discloses that the indicator for maintaining a household food secure is only achievable when a household is growing sufficient crops to provide a family with at least US\$100 worth of food or the individual is earning at least US\$100 a month, and that the particular household is generating adequate income to meet costs of medical schemes and/or medicine, education and other household costs.

Unfortunately, the IMF by the year 2000, could not even allow the government of Zambia to increase the wages of civil servants to K200,000 which was roughly US\$50 according to the foreign exchange rate at the time. The

International Monetary Fund (IMF) which has been named as the stumbling block in establishing K200,000 as minimum monthly pay for Government workers, has proposed that the last phase of the three phases could be given in January 2001...The IMF's argument is that the wage bill should be five per cent of the Gross Domestic Product (GDP) for Zambia to qualify for the Heavily Indebted Poor Countries (HIPC) initiative this year. This is against Government's proposal of the

wage bill being six per cent plus of the GDP.

(Times of Zambia, July 11, 2000).

Although the Fund sought a compromise with the government whereby wages would be raised in three phases with the third taking effect in January 2001, one wonders what difference a wage increased of 5 per cent to US\$50 would make in three phases when the prices of essential goods and services go up without warning.

For this reason, poverty necessitates the Zambian government, the church, the civil society, the non-governmental organizations, community and other stakeholders to promote and activate the culture of willingness to work, since poverty is a multi-dimensional experience which requires a multi-sectoral approach.

3.2 The Health Sector

The quality of health of the Zambian people, the standards of the health institutions and the services are pathetic. In 1995, the government implemented the decentralization of the health sector into District Health Management Boards (DHMB). The IMF and other international financial institutions that supported this re-organization of the health sector, spent millions of dollars on the organizational structures and more resources were allocated to non-personnel costs. This programme envisaged to make the District Health Boards more autonomous than centrally administered from Lusaka. It meant that these Boards would be responsible for all the employees in that particular constituency.

According to the Enhanced Structural Adjustment Facility Policy Framework Paper (1999) which was prepared by the Zambian authorities in collaboration with members of staff of the IMF and World Bank, it was assumed that “the goal is to provide a package of essential services (costing about US\$7 per person) to all Zambians, compared with an allocation of about US\$3.20 in 1997. This increase will be financed by the reallocation of resources from lower-priority

ministry and hospital expenditures”.¹⁴ It is sad to note that after spending so much money in the organizational structures, the District Health Management Boards have failed, and the health sector has reverted to the old system administered from the central office. These resources could have been spent on the renovations of the deteriorated infrastructure in the health sector, the purchase of drugs and the development of human resources.

The Zambian government, International Monetary Fund, and the World Bank (1999) all acknowledged that, “the quality of health services continues to be low, owing to the deterioration of facilities and equipment, shortages of drugs, and a poorly staffed, inefficient, predominantly publicly owned health system”.¹⁵ The Zambian government and the donors would have done well to have spent money on improving the quality of health services, instead of introducing the Western system in a poor country which could not work. Although there is a belief of commitment from the government to providing affordable health care services to the population, it has no capacity to provide essential and cost-effective health care services or even building the districts’ capacity to manage health services, developing human resources, and increasing local involvement in the development of health services. In December 1999, when about 350 junior Doctors went on strike, demanding among other things the improvement of their conditions of service, making available necessary and essential equipment and drugs in hospitals, the government reacted by dismissing all of them. Only a few who re-applied were reinstated but the rest have been retired prematurely. The effect of all this is the brain drain, which the country has continued to experience. The only beneficiaries from the Zambian taxpayers’ money, which gave free education to these highly trained medical personnel, are the neighbouring countries where better conditions of services are provided.

¹⁴For further information, see Policy Framework Paper— Zambia: Enhance Structural Adjustment Facility Policy Framework Paper, 1999-2001, March 10th, 1999. <http://www.imf.org/external/np/pfp/1999/Zambia/index.htm>. This paper was prepared by the Zambian authorities in collaboration with the staffs of the Fund and the World Bank.

3.3 The Education Sector

The education sector like the other social services has deteriorated. In Zambia to boost the quality of and admittance to education and training it is fundamental to raise the productivity of human resources, the reduction of poverty, and the achievement of higher economic growth. The Zambian government, International Monetary Fund, and the World Bank (1999) admit that:¹⁶

The education sector has experienced a deterioration in all major indicators. The net enrolment ratio at the primary school level (the percentage of children of primary school age enrolled in school) fell from 73 percent in 1993 to 69 percent in 1996; in 1996, the rate of enrolment in rural areas was only 62 percent and in urban areas 81 percent. The decline in the quality and expectations of opportunities for formal sector employment has eroded parents' perception of the importance of education.

To correct the declining education standards, the Policy framework Paper (1999) reports that the Basic Education Sub-Sector Investment Programme (BESSIP) has been introduced to increase the current under enrolment in lower and middle basic education (grade 1 to 7), by 4 per cent per year, and to improve the quality of education as measured by student learning. The other considerable components of BESSIP include the construction and rehabilitation of schools which are regarded as substandard by 26 per cent, improvement of accessibility, provision of instructional materials aimed at achieving a pupil book ratio of two to one, improvement of the health and nutrition of school children, the creation of bursaries for impoverished students, and the development of capacity building in order to establish district education boards.

While these appear to be acceptable policies in the improvement of the quality of education in the country, there is no indication that these policies are achievable. Enrolment continues to go down since the introduction of school fees. Many parents and guardians cannot afford to pay school and boarding fees especially when a family has about four or more school-going children. The increase of orphans and street children has complicated the issue, and in the years to come Zambia may well have more illiterate adults than it has currently. Those finishing grade 12 have

¹⁵ See Policy Framework Paper— Zambia: Enhanced Structural Adjustment Facility Policy Framework Paper, 1999-2001 on Health, March 10th, 1999. <http://www.imf.org/external/np/pfp/1999/Zambia/index.htm>

¹⁶ See Policy Framework Paper— Zambia: Enhanced Structural Adjustment Facility Policy framework Paper, 1999-2001 on Education, March 10th, 1999. <http://www.imf.org/external/np/pfp/1999/zambia/index.htm>

little chance to enter tertiary education because there are not enough places for a large number of students. The costs are too prohibitive to many parents, and even if someone had the opportunity to have a professional training, there are no jobs around.

Commenting on the on-going Structural Adjustment Programmes in Zambia, the British Foreign Minister of State in charge of African affairs Peter Hain was quoted as saying:

I sympathise with the Zambian people...referring to the negative social impact the reforms have had. The structural reforms were imposed on the people and some mistakes were made in the process...He regretted the deteriorating education standards in Zambia and maintained that there would be no sound future for the country if the matter was not addressed. We are very worried about the falling number of children going to school and we are ready to assist in improving the situation. It should be realised that unless you have children going to school you will have no future as a country.

(The Post, May 12, 2000).

Zambia is at a transitional interval in its education system, beyond which some new action or different state of affairs must take place, or as Hain pointed out, the country is bound to face more and serious difficulties in the years to come. One remedy at the moment appears to be community schools which mostly have been established by the Catholic Church and Non-Governmental Organizations (NGOs), like Christian Alliance for Children in Zambia (CACZ). According to the Post Newspaper (May 15, 2001), there were 56 community schools in 1996 but the number has risen to 701 in 2001 with the enrolment of about 75,000 children.¹⁷ However, most of these community schools have untrained volunteer teachers. So the quality of education is below the standards, unless the Ministry of Education provides trained teachers or assist in the training of these teachers, there isn't much that will come out of such education.

The report by the Policy Framework Paper (1999) that the Zambian "government plans to increase the number of trained teachers and reduce the numbers of untrained teachers, with a view to phasing the latter out over time,"¹⁸ is misleading. The Structural Adjustment Programmes envisage the reduction of civil servants including teachers. How will this be

¹⁷ The Post 2001. Community Schools on the Increase. May 15, 2001. <http://www.zamnet.zm/zamnet/post/homenews2.html>

achieved in a country where there is already a big shortage of teachers, and while others are migrating each year to neighbouring countries? About a thousand teachers are dying every year (according to the unpublished reports from the ministry of education) due to HIV/AIDS related sicknesses. The capacity for intake in the Teachers' Training Colleges and the University of Zambia's School of Education has remained the same over the years without any expansion of the facilities. How will the phasing out of the untrained teachers be achieved? In some places in Zambia, especially rural areas, most primary schools have more untrained than trained teachers because trained teachers shun rural areas since there are no incentives and motivations to remain in undeveloped areas. The other problem is that teachers' conditions of service are pathetic and below the poverty datum line, and they have no proper housing. It is not possible for the government to improve the health and nutrition of school children, and the creation of bursaries for impoverished students in Zambia where about 85 per cent of the population is poor. What criteria is the government going to use in order to determine the real impoverished category of the children? At the same time, one of the conditions of the adjustment programmes is for the government not to give free education and also to reduce recurrent expenditure in its budget.

3.4 Unemployment

The Zambian government adopted on September 1, 1997 a comprehensive public service reform programme, with a purpose of reducing excess employment in the public sector especially the non-military public service from 136,775 to 80,000 persons by the end of 1999. In the context of the programme, about 7,600 public workers were retrenched by December 1997, and another 7,900 employees were retrenched in 1998. This programme was perceived to improve output and the delivery of public services, and eventually offer more competitive remuneration. By December 1998, the size of the public service was estimated at 119,500 and by December 1999 the number dropped to 112,500. 15,500 public workers were retrenched between December 1997 and end-1998 under this programme. The government's target was to remove 7,000 civil servants from the payroll in 1999 through retrenchment, natural attrition, and the hiving off of public institutions. The government was further to reduce the size of the public service by

¹⁸ See footnote 19.

restructuring the ministries. This would be achieved by eliminating 500 positions in restructured ministries; 645 civil servants were planned to be retrenched voluntarily; natural attrition of 355 employees, compulsory retrenchments of 1,746 contractual daily employees, and the hiving off of three government institutions with a total 3,754 employees.¹⁹

Although the specific number of retrenched public workers is difficult to get from the government, it keeps on increasing because the public service reforms are an on-going exercise. The reduction of the public workers has increased those below the poverty datum line, and that poverty is a determinant factor in the lifestyles of the majority of the people. This has led to overcrowding and mushrooming of squatters and shanty compounds especially in Lusaka which has become dangerous to life due to less attention to individual and communal hygiene. These poor living conditions have contributed to the outbreaks of diseases such as cholera and pose a big risk to the residents with a fear of many more outbreaks. Morbidity and mortality rates are higher in these overcrowded areas than the low density areas of the Zambian towns.

The Structural Adjustment Programmes through privatisation contributed to the retrenchments of employees causing a lot of misery among the poor people. Unemployment in Zambia today is a serious problem. It has grown more seriously in the last ten years of economic reforms. Even those who have maintained their jobs or those who have found other jobs after retrenchments struggle with low incomes.

The problem of the working poor in both urban and rural areas, is the most serious symptom of Zambia's past pattern of economic policies and development, and which requires the highest attention in the years to come. Due to retrenchments the rates of unemployment have risen rapidly especially in towns. Self-employment or the informal sector has expanded in the last ten years to fill the gap since the comprehensive Structural Adjustment Programmes were implemented. Unemployment has increased frustration among the job-seekers, in particular the

¹⁹ For further information, see Zambia Letter of Intent and Memorandum... and Financial Policies, March 10th, 1999. <http://www.imf.org/external/np/loi/1999/031199.HTM>. The Letter of Intent was from the government of Zambia sent by the former Minister of Finance Edith Nawakwi to Michel Camdessus, Managing Director of the IMF. It describes the policies that Zambia intended to implement in the context of its request for financial support from the IMF. Attached to this letter is the Memorandum of Economic and Financial Policies from which the above information is quoted.

young and the educated. The results of these frustrations have contributed to political, economic, social and cultural instability. The time that the young and those retrenched spend in job-seeking disturbs the young in starting up adult life and also the continuity of life for those whose jobs are terminated without any future plans, and who have struggled to get even their dues after retrenchments. This has demoralized the individuals, families and the whole society is affected. Retrenchments have not only made people jobless but it is also a waste of human resources.

There is a substantial perception in the country of the gravity and implications of the unemployment problems because of the economic policies and reforms which have been adopted and implemented since independence, and much more since 1991 when the reform programmes were comprehensively implemented. The measures taken have undoubtedly been to deal with the economic crisis but unfortunately, there is again and again within these policies, the neglect of rural areas, the poor, and the old economic bias in a more expansive form. Moreover, the inequalities in income structures have widened further, making the rich, richer and the poor, poorer by the day.

As mentioned earlier the basic services such as education, health, and nutrition are not within the reach of many Zambians. The only social change that the people have experienced through aid is the deterioration of the standard of living. "It would be better for all concerned if the limits of aid's capacity for the direct relief of poverty were clearly recognized" (Cassen 1994:35). The IMF and other donors could have done more to benefit the poor if they had paid more attention to the poverty effects in their reforms.

Conclusion

The evaluation of the progress and achievements in the implementation of Zambia's macro-economic policies and growth especially under the Structural Adjustment Programmes may be debatable. This depends where one is coming from or how one evaluates it on the basis of structural performance, assessment of the macro-economic growth, progress made in the public

service reforms, the implementation of measures to improve expenditure control especially on the part of government, the success of privatisation of state corporations, and how much empowerment in building the capacity of the majority of the poor people has been accomplished. However, the Zambian Minister of Finance has admitted that: “despite economic reform programmes embarked on by government, poverty levels in Zambia have remained high with more than 70 per cent of the population classified as poor...” (The Post: *Reforms fail to reduce poverty in Zambia*, May 16, 2001). In the same newspaper’s edition, the North-Western Province Permanent Secretary addressing a consultative workshop on poverty reduction told his audience that “deprivation continues to afflict many households in Zambia while poverty continues to be high and severe among the vulnerable...[as]...Zambian economy had not grown to levels where resources could trickle down to meet the needs of the people”. But the deputy president of the Zambia Congress of Trade Unions says the country’s high poverty levels stood at over 80 per cent, and that ignoring the plight of the public service workers most of whom are impoverished is not fair (The Post, May 16th, 2001). Ihonvbere observes that the implementation of the SAP under the MMD has worsened the living standard of the low- income groups especially after the removal of all subsidies on maize and fertilizer. He states that the MMD government has failed to record much success. A combination of natural disaster, systematic mismanagement, inefficiency, policy confusion, inexperience within the party, and also the crises overhang from the previous government contributed to the worsening state of affairs of the nation and economy (1996:159-160).

As stated above, the IMF also acknowledges that poverty remains a most pressing problem in Zambia. The reality of the matter is that both the donor and the government of Zambia as implementers are saying the reforms have failed, and have contributed to the levels of poverty. This failure of the reforms has had adverse impact on individuals, families and the country as a whole. Zambia’s slow-paced economy, high inflation, the depreciation of the Kwacha almost every week, and the unsustainable external debt burden have had an unsatisfactory impact on the poor people. This kind of deprivation has resulted in inadequate access to basic social services, and it has increased the migration of people from the rural to urban areas with the undesirable phenomena of family disruption and the rise of street children.

The biggest mistake of the reform programmes has been the failure to empower families in economic development, and by enhancing their participation in decision-making on issues that affect their lives. The International Monetary Fund has imposed the programme on the people and Zambian Government. It is an economic programme which is top-down. Zambia needs an economic programme that involves the people at the grass-root level, or bottom-up economic programmes that are community based.

The superior difference in the economic situation between the urban and the rural areas, or between the West and Zambia, and between the wealthy ruling elite and the rich, and the poor population is unequivocally noticeable. The next section looks at the theological perspective and response on the issue of wealth, poverty and lifestyle.

Chapter 4

4.0 A Theological Perspective on Poverty and Wealth

Throughout the history of the Christian church, there have been different interpretations on how to make the Bible relevant in every contemporary generation and society since the political, economical, and socio-cultural situations are diverse. The Old Testament prophets and their prophetic voice had made an impact in their own time and draw our attention to crucial themes such as justice, righteousness and many others beyond the boundaries of a narrow definition of religion, into politics and economics, and the national and international scenes. In the words of Carroll: “Moved by the biblical message, and indignant at the prevailing social situation, ‘prophets’ from a wide theological and ideological spectrum across the centuries have spoken out and attempted to challenge the status quo. Theirs has been no mere academic interest in the biblical literature, but rather a passion to change the very structures of society” (1992:15).

In our time there is equally reawakened interest in the prophetic ministry and the church is distressed with the unjust socio-economic realities of our time. The task of this chapter therefore is to give a: (1) theological perspective on capitalism and poverty drawing principles from both the Old and the New Testaments; (2) Christian evaluation of global capitalism; followed by (3) a Zambian case study on work, labour and wealth ; and (4) the Christian response to global capitalism especially in connection to the Structural Adjustment Programmes, and the issue of debt.

Through its ministry, the Christian church ought to encompass the proclamation of ethical standards, the critique of social injustices and oppression, and a reformulation of Christian service in the present day political and economic structures of our ‘global village’. The prophets in the Old Testament and Jesus Christ in the New Testament challenged injustice and oppression during their time and were critical of the actions of the ruling class, the society and even individuals. Carroll points out that “the prophetic word is a denunciation of the injustice, but involves, too, both the assignment of raising the consciousness of the people as well as the

announcement of the hope of a better world” (1992:20).

4.1 The Old Testament

The great inequality in the economic system of the wealthy ruling elite and the poor Israelite peasants may not be a good and fair comparison with the contemporary world’s rich and poor. Today’s world has made tremendous progress in the socio-economic and political context. However, Ton Veerkamp has argued that, “there is an indisputable continuum in the history of societies in that people have to find a means to sustain their lives...A life-giving economy” (in Duchrow 1995:127). The point is that there is a continuation of all human history and that it can be a reference to all generations. The following are the elements of economic activity which have remained the same in the history of mankind:

- the satisfaction of basic needs;
- the emergence of new needs;
- the continuation of life through procreation;
- cooperation in the production and reproduction of human life with the help of productive labour, hence the relationship of production as social relationships;
- the need for those who work productively to achieve a surplus to help various groups of people who do not work productively and must therefore be provided for communally (Ton Veerkamp, in Duchrow 1995:127).

Therefore the message of the prophets, and Jesus and the rest of the Bible concerning affluence and poverty is appropriate in this regard. I am aware already of the critique by Carroll who argues that:

To attempt to apply the prophetic concerns to modern realities according to a historical reconstruction has been shown not to be methodologically viable...What is decried can be generalized as ‘oppression’, ‘judicial abuse’ and ‘exploitation’, but the precise mechanisms of the social evils for the most part elude the researcher. Ascertaining, with any rigor, a consistent, coherent and clear picture of prophetic activity and social class within that system is also beyond reach. Accordingly, to try to bridge the gap of millennia on a system level...or by a behaviour-imitation claim, is unattainable (Carroll 1992:48).

Although Carroll does not say that we cannot use the prophetic material to speak to us today, and he proposes not to seek to reconstruct the system the prophets attacked, but that to try to ascertain how the prophetic text functions in a given context (1992:48). I find this statement a contradiction to the earlier one where he acknowledges that the prophets proclamation was no mere academic interest in the biblical literature, but rather a passion to change the very structures of society. Carroll in the above statement is trying to be academic and he loses sight of the important message of the Bible and the prophets which can be applicable to all contexts at different times.

...Socio-historical exegesis does not tackle the biblical text with a method that neglects the theological question. With respect to Israel, this method is truly theological...With regard to...Israel, we should state clearly that a historical picture can only be a *reconstruction*, not an “objective” description of the facts. That means the process of reviewing, understanding and acting has to be repeated constantly and is never completed. That is precisely why it is important to pursue the way Israel remembers its history through each new historical constellation. Only in this way can we see whether there is a pattern running through Israel’s history and faith. Only in this way, too, can we see whether, with all the individual questions the scholars dispute, we may speak with the Reformers of the “clarity of scripture.”

(Duchrow 1995:143).

The truth is that the context of Amos is different from the context in Zambia today. However, the economic and business systems in terms of basic needs satisfaction, emergence of new needs, oppression, judicial abuse, exploitation, injustice and many others are similar. The Israelite society was supposed to be an egalitarian society but was in fact a class society with the rulers and the ruled, the rich and the poor, the master and the slave, the lender and the borrower, the landowner/landlord and the tenant. All these moved the prophets to speak against such evils and must move the Christian church to speak against the same evils which have been advanced by the technological advancement of our time.

Riches are perceived with positive value in the Old Testament. They consisted mainly of flocks and herds, children and slaves (Gen.13:2; 30:43), and were a gift from God. At the conquest of Canaan, God gave everyone the share of the land. Since the land belonged to God, he outstretched his protection to the individual’s property (Ex.22:23). In the wisdom literature,

wealth is common, with natural praise of it (Prov.10:4,15), but wealth has power to direct humanity off the mark (Ps.52:7).

The Bible in the Old Testament considers riches as a sign of God's blessing. Wittenberg's (1978:141) evaluation of wealth in the Old Testament alludes to God's blessing on the patriarchs as tangible among other things also in their wealth. He says Deuteronomy underlines the complete connection between human actions and divine response. He observes that if Israel lived in conformity to God's precepts, God would bless her in all the work of her hands (Dt.7:13; 14:29; 15:10,18; 23:20; 24:19; 30:16). He concludes that:

Wealth then is a sign of God's favour. This line of thinking is pursued in wisdom literature. Where God blesses he gives numerous descendants (Ps.112,2; 128,3f; Job42,13), landed property (Ps.37,22), abundant livestock (Job 1,10; 42,12), and wealth (Ps.112,1-3; Prov.10,22),...*hôn* "wealth" being a favourite term in the Book of Proverbs (cf.Prov.3,9f; 10,15;18,11; 19,4; 28,8.22). Wealth is reward of virtue while conversely poverty is punishment (Prov.10,4.6.15-16).

(Wittenberg 1978:141).

Why did the prophets condemn affluence then? Hasel (1991:102-103) alleges for instance that Amos is understood to condemn wealth in principle and support an egalitarian society. Hasel asks a question whether Amos was a forerunner of modern socialism? In his answer, he quotes James L Mays and Herbert B Huffmon. The former's conclusion about the wealth that Amos denounces is that it was specifically the result of oppression of the poor and corruption of the court, and the latter notes that, "an important aspect of the potential social role of Amos' message is that he does not condemn wealth in principle. Instead, the issues are how one acquires wealth and how one uses it. In other words, Amos is not condemning wealth in principle and does not lift up poverty as the ideal" (Huffmon, in Hasel 1991:103). The accusations of Amos harmonise in most cases with specifications of the Covenant Code (Ex.20:23-23:19), and therefore appropriate to a society desired by God to be just and righteous (Hasel 1991:103). Wittenberg (1978:142) points out that the context of the prophets has to be considered. He argues that the logic of the prophetic reprehension of affluence is not the suspicion of the delight of eating and drinking and all manners of material goods as such, but the close correlation between

luxury and oppression. The skepticism of wealth cannot, therefore, be treated in separation. The condemnation of luxury is parallel to the prophetic criticism of social injustices, and both have to be considered together.

In analysing the socio-economic developments in Israel up to the eighth century, again Wittenberg (1978:142), observes that during the epoch before the settlement in Canaan, the living together of the nomadic families, clans and tribes was organized by unwritten laws of the ethos of kinship associations. He quotes E.von Waldow who shed more light on this when he says:

There are no social differentiations in this kind of community. Either the whole clan or tribe is rich or all together are poor, depending primarily on the yields of the pastureland. In such a society private property is never used to oppress the neighbour, or, as is the case in a capitalist society, as a means to come to more property. Instead it is used generously to entertain guests and to help the poor. Due to this attitude and this use of property, wealth can never create social classes, because according to the way of life in the desert a tent community can be wealthy (e.g., by a successful raid against a neighbouring tribe) today and tomorrow can lose everything to plundering enemies.

(quoted by Wittenberg 1978:142).

When the Israelites were established in the promised land and the land appropriated to each tribe and clan (Jos.13-19), they maintained the essentials of the nomadic social order, particularly in the structuring of their society conforming to families and clans. Their society was distinguished by kinship. This social set up meant that the harmony of groups was produced not by sovereign political leadership but by the members' position towards the genealogical attachments of the kinship system. Therefore, "the segments of society were...not superior or inferior, but of politically equal rank" (Duchrow 1995:144). Duchrow further points out that economic activities were based on family output, and self-sufficiency was established on rights of collective consumption and responsibility but not of ownership.²⁰ Politically, the groups were autonomous

²⁰ In making a comparison between the pre-capitalist markets and the present capitalist market, Duchrow (1995:20-21) refers to the brilliant and prophetic insights of the Greek philosopher Aristotle who analyzed the difference between the need-oriented household economy and the money-accumulation economy. Aristotle's point of departure was "oikonomia", that is the house economy, as being designed to supply the basic needs of the members of the household and of the community as a whole (*koinonia, polis*). For Aristotle the prime goal of a natural economy was to meet basic human needs. In other words, property and goods can be regarded only as means of sustaining life, which is intended for practical use. The relevance to our understanding of

within the families. This was not due to lack of state apparatus, however, this was a thoughtful wish for self-determination and independence.

This political and socio-economic environment only came to an end with the advent of the monarchy. Its impact on the socio-economic position made itself felt when considering the issue of Naboth Vineyard (e.g. 1Kgs21:1-3). According to Wittenberg, “the institution of the monarchy itself had an even more direct bearing on the social development”(1978:144). The other contributing factor to poverty was the difference between the Canaanite pattern of land tenure from the Israelites. Land to them was a property that could be sold or freely disposed of, unlike for the Israelites. Again Wittenberg explains that this kind of “inclusion of Canaanite territory into the Israelite state therefore meant that now two types of property ownership existed side by side. More enterprising families could now increase their estates and this tended to undermine the old principle of equality” (1978:144). Economic development undeniably ushered in classes, and those who were incapable of managing their estates were disadvantaged. The upper classes benefited from trade, tribute and the Temple revenues, but it was a bad time for rural people and the urban poor.

Prophets such as Micah, Amos, and Isaiah condemned these structures and demanded that the Israelites change the discriminatory system. Firstly, Micah condemned the enlargement of large-scale land ownership (Mic.2:9f). Duchrow says that because of this, Micah implored the Israelites to go back to the “ancient Israelite land law: ‘a man and his house, a man and his inheritance’ (Mic. 2:2f). The use by the rich of the *law of credit and pledge* is therefore attacked heavily, since it leads people not just into poverty but also into the loss of their livings and slavery...They convert everything into *money*, even the left-over ears of wheat reserved for the poor”. (1995:153). The upper class even overlooked and bent the laws governing poor people.

Hasel (1991:102) observes that Amos illustrates Israel’s guilt as a failure to do what is right (3:10), much more is the recurring of words such as justice and righteousness. According to

different forms of market according to Aristotle was the insistence on production for use as against production for gain as the essence of household economy; and that accessory production for the market should not destroy the self-sufficiency of the

Amos the rule of justice and righteous behaviour should have the effects of life-giving water (5:24), but unfortunately the rule of justice is deflected into poison (6:12), righteousness is forcibly cast to the ground (5:7). The foundations of ancient Israelite clan life are thereby destroyed. Instead arrogance dominates Israel's way of life. It is for this reason that the prophet criticizes Israel's social life-style and addresses a number of transgressions that dehumanised the people. There were exploitation and suppression, such as items taken in pledge and fines (2:8). The rich extracted levies and taxes by getting the poor's grain (5:11), selling the poor into feudal slavery (2:6), economic cheating and striving for unreasonable profit (8:5-6), bribery (5:12), amassing of wealth (3:10), and enjoying a life of luxury (6:4-7). "This destruction of the structures of Israelite society breaks the Šālôm with God and among men" (Hasel 1991:102).

According to Wolf, Amos in most cases mentions very specific transgressions, which is evident in the following three: the court procedure, the accumulation of wealth and the cultus. He writes:

In the court procedure at the city gate every Israelite ought to receive the justice due to him. But the prophet must voice his sharp criticism here, for hatred is the reward of anyone who champions the rule of law, or of anyone whose testimony is complete (5:10). Judges accept bribes and hence the innocent are afflicted and the poor especially cannot count on the legal redress (2:7a; 5:12). People fall prey to debt-slavery on account of trifles (2:6b).

(Wolf 1977:104).

This was an evil result of the early economic system in Amos contemporary world. Therefore, he condemned the societal life-style of the leading classes even more thoroughly than the judicial system and its process. The wealthy elite resided in luxurious houses (3:15; 5:11; 6:11). They indulged themselves in clamorous feasting, with all imaginable gratification, but at the expense of the exploited classes (4:1).

Like Israel, even foreign nations were guilty before God because they had mistreated weaker human beings (1:3,6,13; 2:1). Basically there was no different standard of justice for them than for Israel. Therefore, it is God who also will prove to be their judge (1:4-5, 7-8, 14-15; 2:2-3). So it is God who determines the future of all (cf.9:7b; 2:9). The prophet takes an investigation of the

household as long as the cash crop is raised on the farm for sustenance. The sale of the surpluses should not destroy the basis of

principal nations bordering on Israel such as Damascus, Philistines, Tyre, Edom, Moab, Judah and others for the purpose of showing that none of these will escape retribution for having violated some generally recognized principle of humanity and morality. In chapter 4, Amos rebukes the ladies of Samaria for their heartless self-indulgence and cruelty (Wolf 1977:104-105).

Driver (1907:100) observes that the circumstances of the age of Amos, is the darker side of the picture, the moral deterioration resulting from the continuance of unbroken prosperity. The affluence of the wealthy was not acquired as the result of their own honest hard work, but was extorted by injustice and oppression, from the hard working poor as cultivators of the soil. Driver continues by reminding us that the Book of Amos is full of references to the “sufferings inflicted upon the poor by the hard-hearted aristocracy, by remorseless creditors, by avaricious and dishonest traders, by venal judges..[and that]...justice was sold to the highest bidder”(1907:100). The debtor was sold into slavery; the sufferings and misfortunes of the poor were viewed with complacency. Power ruled over justice, and the palaces of the nobles were stored with the gains of violence and robbing (3:9-10), the claims of innocence were listened to with impatience; presents and bribes were openly demanded (5:7, 10-12; 6:12). Violence reigned supreme (6;3). The greedy merchants longed for the time when the Sabbath or the new moon would end in order that they might resume their dishonest practices, and make fresh profits out of the helplessness of the poor (8:4-6).

The ruling class of Samaria, absorbed in their own pleasures, were selfishly indifferent to the welfare of the nation of which they were responsible leaders. According to Driver (1907:101), they (the ruling class) were satisfied with the external show of strength and soundness which it presented; they had no eye for the inner flows which the prophet’s zealous vision truly perceived; and they were unmindful of the future.

These were the sins and vices which were rampant in Israel, and which Amos denounced with straightforward indignation and plainness of speech. In his condemnation, Amos lays an

injunction against the leaders of the nation, and sets forth the principles and conduct which God demands.

The lessons from Amos and other prophets teach with force, clarity, and simplicity the truths which cannot become obsolete even in our time. These truths are that justice between human beings is one of the divine foundations of society and the globe at large; that privilege implies responsibility, and the failure to recognize responsibility will surely bring disaster to those who appear to be protected now.

4.2 The New Testament

In the New Testament, the Gospels describe Jesus' way of life as one of self-chosen poverty. This is demonstrated by his response that he gave to his would-be disciples: "...Foxes have holes and birds of the air have nests, but the Son of Man has no place to lay his head" (Matt.8:20). Jesus' disciples also left everything and followed him (Matt.4:18-22; Lk.5:1-11; Jn.1:35-51). The sale of possessions and the life of discipleship in poverty were required of the rich young ruler as the prerequisite of eternal life (Matt.19:16-22; Lk.18;18-24). The mission of the disciples was to be achieved without possessions or provisions (Matt.10:1-16; Lk.9:1-6; 10:1-12). This kind of life appears to have demanded a double detachment: from possessions and from family linkages. Jesus told his disciples that anyone who loved his father more than him was not worthy of him; anyone who loved his son or daughter more than him was not worthy of him (Matt.10:37ff; cf Lk.14:25-33). This means that

the life-style which Jesus adopted for himself and called his disciples to adopt was one which exemplified the Sermon on the Mount, especially the beatitudes. But the particular emphasis on poverty characterized by lack of possessions and cutting loose from family ties suggests that Jesus identified himself with the poor in the Beatitude. His whole way of life was thus a conscious identification with the poor and the O.T. concept of poverty.

(Esser 1976:825).

According to Esser (1976:825-826), Matthew stresses the dangers inherent in riches that it may be an obstruction to enter the kingdom of God, but does not regard them as evil (Matt.27:57).

When Jesus criticizes the affection to earthly possessions, for instance he says: "I tell you the truth, it is hard for a rich man to enter the kingdom of heaven. Again I tell you, it is easier for a camel to go through the eye of the needle than for a rich man to enter the kingdom of God" (Matt.19:23), Esser observes that Jesus condemnation applies to riches in exactly the same way as it does to every human self-designed security and an irrational pre-occupation which would make it impossible for the rich man to comprehend the kingdom of God. Care of wealth or riches is the distinctive nature of this age (Matt.6: 25-32). Every kind of riches is deceitful if it so fascinates human beings that they are hindered from hearing the good news of the kingdom of heaven. In other words riches are a characteristic of humanity of this world. Selter (1976: 844) points out that the selfish rich are completely rejected in the Book of James. The judgement of the Old Testament prophets is repeated and the rich are depicted as the unrighteous (2:6), and can only anticipate calamity in the coming transformation of the world (5:1-6). In contrast it is the poor, the rich in faith that have been chosen and to inherit the kingdom God promised those who love him (2:5).

Selter (1976: 844) argues that what James attacks here is not the riches as such but the attitude of the rich both in public and in church worship fellowships (2:2f), he demands equal esteem for the poor. He argues that mercy towards others on earth will be the standard in the final judgement (2:13), and reprimands everyone to keep the royal ethical standard found in scripture, "Love your neighbour as yourself... But if you show favouritism, you sin and are convicted by the law as lawbreakers"(2:8-9)

Luke stresses much about poverty. The Beatitudes are intrinsically confined to: the poor; the hungry; those who weep; the hated; the insulted; and rejected (Lk.6:20-22), and this is followed by woes over the rich for they have received their comfort, though they are fed now but they will go hungry, and they will weep (Lk.6:24-26). According to Decock, "Jesus calls for a total and exclusive dedication to God's kingdom; as only openness to God's promises and not reliance upon riches will bring salvation to man"(1978:153). Jesus instructs us to seek God's kingdom, and all other things will be given as well (Lk.12:31; cf. Matt.6:33).

Selter (1976:843-844) points out that in Luke (1:53; 16:25; 6:24ff), those who reject Jesus and his message because of enslavement by the present age and its deceitful riches, and allow their thoughts and imagination to be absolutely dominated by wealth, will lose the future in their endeavour to secure the present. Being provided for by the deceptive power of possessions means downfall. Salvation comes to those who are liberated by the gospel, and know that their riches lie in the future which is now commencing. The reversal of all earthly significance will prove that only those riches that have been stored up with God have everlasting value and bring salvation to humanity (Lk.16:9). Zacchaeus' conduct (Lk19:8) and the caution of Jesus by not inviting to luncheon or dinner one's friends, brothers or relatives with a view of being invited again but that one ought to invite the vulnerable people (Lk.14:12ff) because of their situation are paradigms for life.

Decock adds that, Jesus' sayings about the heavenly treasure embraces the abdication of the earthly treasure. Maintaining this earthly treasure in the hope that it will offer assurance of life, "is the type of foolishness which is unmasked in the parable of the rich fool" (1978:153-154). The world's wealth is incapable of giving life. The rich and self-righteous people are concerned about their wealth that they can't see its deceptiveness.

Brown (1976: 827) observes that Paul (1Tim.6: 17ff) does not reject earthly riches, but he warns the rich against putting their confidence in riches which are temporal, and are summoned instead to become rich in good works by a right use of their riches. However, in Pauline theology, the concept of poverty is used only occasionally, although Paul was very concerned for the poor. Paul mentions the poor in the literal sense in connection with the collection for the Jerusalem church. Paul speaks of the contribution which the Macedonia and Achaia's churches made (Ro.15:26; cf. Gal.2:10). The Apostle gives different recommendations about the collection, proposing as he did with the Galatian church, that they put some money aside on the first day of the week (1Cor.16:1-4). Paul wrote to the Corinthian church that he was not commanding them to help their fellow brothers and sisters in Christ, but to prove their sincerity and that their love was genuine (2Cor.8: 9). It appeared the Corinthians did not follow Paul's instructions or were not willing to share with other believers (2Cor.8 & 9). Essentially a year had elapsed and the

collection was not sent (2Cor.8: 10). Then Paul challenged them with the example of Christ: “For you know the grace of our Lord Jesus Christ, that though he was rich, yet for your sake he became poor, so that you through his poverty might become rich” (2Co.8:9). Paul reminds the Corinthians about the theology of giving. He considers the response to the needs of the poor as a free manifestation of obedience that accompanied their confession of faith to God. The need for material alleviation at Jerusalem for the poor is self-evident from the story of the appointment of the seven deacons to save the daily distribution (Acts 6:1ff).

According to Brown, Paul’s collection was a famine relief sent from Antioch. This collection began as an act of charity, instigated at the Jerusalem meeting described in the Epistle to the Galatians. But as the tensions increased between the Gentile mission led by Paul and the more conservative Jewish attitude which clung to the law and its practices, the collection took on a theological, Christological, and soteriological significance for Paul. It was not only an act of charity among fellow believers, motivated by the love of Christ, it was also an expression of the solidarity of the Christian fellowship, showing that God had also called the Gentile to faith (1976:827).

Brown (1976:828) further stresses that the theme of poverty is additionally developed in connection to the Apostles who among other things are depicted by Paul as “poor, yet making many rich; having nothing, and yet possessing everything” (2Cor.6:10). The paradoxical nature of the apostolic ministry follows the pattern set by Christ who is himself the foundation and pattern for all Christian life and giving. Christ becoming poor is the paradoxical motivation of the true riches of the believer.

Selter (1976:844) concludes that the Book of Revelation contains a double message: the rich stand before the wrath of the Lamb (6:5f) and those who have been enriched by Babylon fall together with it (Rev.18:3,15,17,19). The church in Smyrna, though it is persecuted for the sake of the faith, is truly rich (Rev.2:9). For instance, Laodicea though spiritually rich is regarded poor unless she turns to the Lord (Rev.3:17). However, the Bible basically does not condemn wealth. The crucial point is to teach balanced stewardship of worldly possessions so that when

they are phased out, there will be an enduring prosperity for the recipients from such good stewardship.

4.3 A Christian Evaluation of Global Capitalism

The Israelite's socio-economic and political-ideological context, and the Palestine of Jesus' time although far removed from our age in many different ways are a proto-type of our socio-economic context. Just as the Israelite society established and developed an internal class society, and external city-states and empires, and the enslavement of the conquered people as labourers for all aspects of economy, meant that:

In economic terms this behaviour was characterised by ... direct oppression by the *looting campaigns*, forced labour, or *slavery*; and institutionalised oppression through the imposition of duties, or tribute...The *looting campaigns* aimed at the extension of territory and thus the accumulation of land as a means of production; the seizure of raw materials (above all gold, metal ores and minerals, either in ready-mined form or in the form of long-term control over areas with raw materials); finally the capture of slaves.

(Duchrow1995:129).

The establishment and development of internal class society, the creation of colonies accompanied with oppression, slavery, accumulation of land through partition of Africa, and the seizure of raw materials, are some of the cardinal socio-economic elements which have contributed significantly in the rise of global capitalism. The political and economic structures of the colonial era for many years have been the determining factors in the relationships of the conquerors and the conquered. The conquered people have been ruled by compulsion, and this has resulted in resistance against discrimination of the system.

This generation has seen the development of a system which is only concerned with the increase of the amount of capital, a system where capital is in the hands of private owners, a system which stresses much about production, selling and buying goods and services in the free market with very minimal government interference and involvement, and a system which allows substantial autonomy to the market forces. According to Higginson, capitalism is a system which

has four key features, these are: “economic growth, private possession of capital, individual freedom, and the autonomy of the market”²¹ (2001:1). He further says that the reality about capitalism is that it is an economic system which broadens the gap between the rich and the poor. The dark side of capitalism is that the “Pursuit of self-interest has not worked out for the general good” (2001:3). He says that according to the international historical statistics, two hundred and fifty years ago the difference in income per individual between the richest and the poorest countries in the world was about five to one. Today, it is four hundred to one (2001:3). Van Wyk (1978:209) adds that global capitalism is a system which is established on the principle of individuality and freedom in the process of production and trade. There is a conviction that people should be given equal opportunities in economic life and that innovative and enterprising persons will win in the process of competition. The state should take a non-interference stance in the production and trade matters with the aim of controlling it, such as to protect the employees against the employer, but must allow that wages will be decided by the free interaction of supply and demand.

Van Wyk concludes that capitalism has a lot of defects such as individualism; polarization between rich and poor; uninhibited economic freedom (economic liberalism); economic concentration of power (autocracy); unfair distribution of wealth; exaggerated self-interest (egotism); and injustice. In other words “without doubt it is impossible to consider capitalism to be the most responsible and Christian economic system, for it contains too many unchristian and unbiblical elements. Apart from that in its pure form it is an obsolete system even from an economic point of view” (1978:210). This analysis agrees with Emil Brunner, (the Swiss theologian’s critique of capitalism) who says that, capitalism overthrows the purposes of service. It requires dignity and responsibility, but regrettably it is irresponsibility having conformed to such a system. In addition capitalism is economic disorder and lawlessness and as such the

²¹ Dr Richard Higginson is Director of the Ridley Hall Foundation for the study of Faith and Work Issues and Lecturer in Ethics at Ridley Hall Theological College, Cambridge UK. This information is from his paper about Christian criticism of global capitalism which stems from the biblical concept of good stewardship. He argues that this is not just about guarding or preserving something in its original state, but also about realizing potential by adding value to original resource. He says God’s special concern for the poor is seen in the message of the prophets and Jesus’ ministry. Dr. Higginson notes that wholesale rejection of the current system prevents churches and their members from voicing constructive protest. He is of the view that it is more constructive for Christians to consider how to influence the system for good than simply to call for an end to global capitalism. Responsible involvement will effect change and is good stewardship. for further information see: *A Christian Response to Global Capitalism*. Hawthorn: Zadok Institute for Christianity and Society. Zadok Perspectives-S112, autumn 2001.

Christian is obligated to fight against it and for sincere distribution of wealth equitably (Brunner, quoted by Van Wyk 1978:210).

Capitalism is not a political structure, but an economic system which uses political power and structure to procure business rights. The political system is the means that it uses to force governments especially in the poor countries to getting concessions and certain terms of trade. Duchrow observes that, “in the modern capitalist global economy the economic actors do not need to cover the political costs of their profits themselves, yet they can take advantage of state facilities to improve their market opportunities” (1995:214). Against this background, there is a tendency by the church to underestimate its vocational responsibility for what goes on in the capitalist system. According to Duchrow (1995:216), Luther denied political institutions the right to call themselves or their own actions Christian. However, Duchrow argues that when political institutions call themselves or their actions, “Christian”, it may be imperative to de-ideologize and relativize the ruling system, and that this may have serious consequences with regard to the church’s prophetic ministry to the political ruling elite. He gives a biblical example from Jeremiah (Jer.22:15-17) where knowing God (even by the political leadership) was identical with giving help to the poor and weak in order for them to enjoy their rights.

We may criticize capitalism for its emphasis on profits and deny it the right to call its actions Christian because it appears to tarnish the image of Christianity. However, Higginson argues that this may be hypocritical when in the Anglican Church in the United Kingdom for instance, there are more critics than supporters of capitalism, but these same clergy do not protest about the fact that their “pension provision comes from the Church Commissioners’ investment of the church’s money in a wide variety of companies on the Stock Exchange. We are active players as investors, even if the investment is made on our behalf by other people, and even more fundamentally, we are active players as consumers” (2001:2). The history of Christianity may prove that the church has had a part to play in supporting capitalism by being partners with the ruling elite, and by being on the side of the socio-economically powerful people, and then neglecting the weak and oppressed, unlike the prophets and Jesus Christ. The church as an institution is likely to take sides in economic and political matters and justice.

The role of the church is to be in solidarity with the poor and the oppressed. Duchrow gives Francis of Assisi as a model who protested against the adaptation of the church to wealth and power. “In other cases the monasteries and converts did a great deal to develop new forms of agriculture leading to a marked improvement in the economic and social conditions of the poor population” (1995:216). The church is called upon in its ministry to mind about the extent to which its participation in political and economic activities allowed the exercise of Christian ethical standard of love. Jesus ethical statement

to love God and neighbour, is an imperative without limitation to the present or the future: its claim is absolute. Its foundation appears to be the normative value of the texts from the Hebrew Bible which Jesus cited. They are taken to be immediate and on-going requirements, which do not begin or end with the arrival or passing of any apocalyptic epoch.

(Chilton & MacDonald 1987:7).

Capitalism is a system distinguished by the lack of love and compassion, and by exploitation of the weak, the destruction of the world’s ecosystem, the spread of materialism and the worsening plight of the poor. Christianity has a foundation in two virtues; ie. love and justice, at its heart. The activities of capitalism are opposed to the teaching of the Bible. According to Higginson (2001:6) these are:

God’s bias to the poor: God has a special concern for the poor. (This has already been elaborated on from the prophets and in the life and ministry of Jesus). The poor have to be compassionately treated;

Humanity’s responsibility for creation: the biggest responsibility of humanity entrusted to it by God is to be faithful stewards or managers of the created order for the benefit of all and the future generation;

The Doctrine of the divine image: human beings are created in the image of God. This is demonstrated through the incarnation in the person of Jesus Christ for the purpose of redemption. Therefore, our identity is in Christ and not in the material things of this world which are temporal and lead to idolatry;

The paradigm offered by the institution of jubilee: The Old Testament law sets forth an example of a periodic release from debts which provides restoration from the inequality created by the activity in trade, and enshrines the principles of justice, mercy and hope in dealing with those who have fallen on hard times.

Duchrow (1995:221) further argues that the global economic system through capitalism is so serious an incarnation of evil that it must be a confessional matter for the churches. Luther did not encourage any compromise by the true church with those who charged interest, because this had a bad effect on society and the church as well. According to Luther:

Secondly, if you know for a fact that someone is a usurer, remember not to give him either the sacrament or absolution until he repents! Otherwise you will be conniving in his usury and his sins. Then you too will go to the devil with him because of his sins...Thirdly, be careful that you let the usurer die like a heathen and do not bury him among other Christians! Also that you do not follow him to his grave if he has not repented before! If you do that, you will be conniving in his sins, as I said above. Since he is a usurer and idolater, since he serves Mammon, he lacks credibility, and cannot have or receive the forgiveness of sins, neither the grace of Christ nor the community of the saints. He has damned, isolated and banned himself, until he confesses his sin and does penance.

(in Duchrow 1995:220-221).

The church is a community which should encourage a balanced life in society, and avoid any compromise with the world based on competition and status quo. However, on many occasions the church has had to compromise in the issues of national or international interests. Religious activities are usually not determined by the search for justice and righteousness. While the political leadership depends on the international financial institutions and the donor community for the development of the poor nations, the church has fallen into the same trap and is also dependent on the international mission organizations and “the sister-churches” for hand-outs. The colonial legacy that has affected Zambia, and later neo-colonialism has affected the church as well. The conditions of the accelerated Structural Adjustment Programme of the IMF and the World Bank, are also prescribed by those who support the church financially, creating institutions, hierarchies and bureaucracies which will benefit the leadership only. Since the

hierarchical and institutional steered church has rules and regulations which under-value the membership, the church fails to use its prophetic voice to change the political and socio-economic structures because it is administered in the same way as the state. It is for this reason that Boff (1986:8) speaks against the hierarchical and the institutional church.²² He is of the view that people must be liberated from the hierarchical, bureaucratic, and institutional church which is in partnership with the oppressors of the poor people, the capitalists who are the owners of the factors of production, and the ruling class who exploit the people. He calls upon Christians to be struggle minded for justice. Furthermore, he states that the preaching of the gospel is for the sake of justice. He writes that “without the preaching of justice there is no gospel of Jesus Christ” (Boff 1985:23). He would only be comfortable when the church in its prophetic role condemns injustice and oppression but he is quick to point out that the church should first of all remove its oppressive tendencies in its system.

With the collapse of the Soviet Union and Communism which offered competition to capitalism, the system has triumphed and will continue to be an economic force. The triumph of capitalism which is an ideology of self-interest, and which is a complex phenomenon is difficult to fight. Capitalism has the power to disturb indigenous cultures and is shaping a wearisome uniformity of consumer and material oriented culture, and has the power to create artificial human need. Nürnberger is right when he says that “human appetites are alleged to be limitless - and they are entitled to be limitless...[so]...to keep the economy going, contentment must be undermined, dissatisfaction must be induced, and consumption must be activated” (1999:304-305). In Lusaka for example where many people are poor, most of those in shanty compounds have television sets, and other expensive items but have no clean water, minimal social infrastructure, medical facilities, and children go to dilapidated and overcrowded schools without teaching and learning materials. Mandela (2001:3) warns that globalisation has not shouldered the poverty issue and should not be accepted blindly since it is only interpreted from a point of view of the rich and mighty. He concedes however, that globalisation is here to stay and obviously it has some benefit

²² Boff, Leonardo 1986, in his book *Eccliogenesis*, although he speaks against the hierarchical and the institutional church, he admits that the church as an institution and a community of faith with ecclesiastical patterns and their dialectical interaction has subscribed to a strong conscientization of the church as a whole with respect to its missionary activity.

which can be embraced as long as we take advantage of education seriously.²³

Higginson (2001:5) observes that the formidable measure of power in capitalism lies with some international financial institutions that were established at Breton Woods Conference in New Jersey (USA) in 1944 before the end of the Second World War. These are the World Bank that previously was the International Bank for Reconstruction and Development (IBRD), the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT) which is today called the World Trade Organization (WTO). According to Duchrow (1995:95) the aim of forming these institutions or organizations was to achieve a balanced global development. However, today

the IMF has become a financial policeman working for the owners of financial capital. It squeezes as much money as possible out of the poor debtors and only grants or authorises further loans when their exports have been increased to the maximum and their social services have fallen to the minimum - and this then merely earns interest for the creditors. The result is the above-mentioned net capital transfer of US\$50bn from the debtor countries to their creditors every year. The aim of the IMF is now the reverse of Keynes' original concept. The poor are financing the rich.

(Duchrow 1995:100).

All that the IMF does is achieved through Structural Adjustment Programme measures as discussed earlier in the case of Zambia. Since the mid 1980s the (IMF)'s response to the plight of the impoverishment in the country took the form of the SAP requiring the country to reduce its public spending and increase its exports in order to equal the balance of payments imbalance. As we have seen, this has resulted in cuts in basic education, health and social services with catastrophic results.

The message of a Christian response to global capitalism should be a clear call to responsible involvement. What the church and each of us can do may appear very small; but we should not underestimate how much collective strength we potentially have as Christians. Higginson (2001:10) writes that:

²³ Mandela, Nelson 2001. "Globalisation has not tackled Poverty", in *The Mercury Newspaper*: Wednesday, May 30, 2001.

In a recent article for the journal which I co-edit, *Faith in Business Quarterly*, Larry Reed, Network Managing Director of Opportunity International, quotes a responsible estimate that Christians today earn about one quarter of all the income on the world - no less than \$10 trillion. This is approximately the same as the total revenue of the world's top 350 companies. Even if Christianity is not as strong in many Western countries as it used to be, there are still many Christians worldwide with a formidable amount of wealth.

(Higginson 2001:10).

4.4 Work, Labour and Wealth in Zambia

Is it fair to lump all the blame on capitalism for the economic crisis and poverty in the “Third World” in general, and Zambia in particular? Capitalism has some positive aspects and there could be people in the system who exhibit a high degree of honesty and integrity, and may care intensely about the people affected by their activities.

Capitalism's organization and structures allow people to use their skills and initiatives in the approach to life and work. Like in any other traditional society, Zambians do not appear to have a good work ethic on issues such as whether they begin work at the right time and end at an appropriate time. People in industrial countries (centres) are mindful of the responsibilities with regard to work ethic standards unlike those in poor developing countries (peripheries) who may not mind much about work and time. Nürnberger (1999:101) observes that “centre people are conditioned by the values needed by an industrial society, such as punctuality, efficiency, and precision, while peripheral people are much more relaxed in their approach to life. It does not matter to them whether a meeting begins an hour late, or whether a furrow is not straight. All this has a great impact on production.” According to Nürnberger, the social structures of the centres are noticeably similar the world over. Individuals stand on their own and are free to make relationships as they please, and to build up initiatives in accordance to their gifts and desire (1999:101). Perhaps free education, free medical services, subsidized maize meal and coupons had a negative impact on the attitude that Zambians have had towards work. The words of Paul to the Thessalonian church (2Thes 3:6-10) might be helpful here:

In the name of the Lord Jesus Christ, we command you, brothers, to keep away from every brother

who is idle and does not live according to the teaching you received from us. For you yourselves know how you ought to follow our example. We were not idle when we were with you, nor did we eat anyone's food without paying for it. On the contrary, we worked night and day, laboring and toiling so that we would not be a burden to any of you. We did this, not because we do not have the right to such help, but in order to make ourselves a model for you to follow. For even when we were with you, we gave you this rule: "If a man will not work, he shall not eat."

The work ethic here is a principle that should not be neglected by the church from the pulpits. Even when we condemn the elements of capitalism such as accumulation of wealth, individualism, profit motive or market manipulation, the concentration of power in the few people, achievement principle and many other elements, the importance of work must be emphasized. Every one of us should try and make the most out of our gifts, talents and time, doing as much as we can to provide for ourselves. Work is essential for existence. This is predominantly validated on the basis of the Genesis creation story and reached culmination in the words: "God blessed them and said to them, 'Be fruitful and increase in number; fill the earth and subdue it. Rule over...'" all creation (Gen.1:28). Work has an element of toil as well (Gen.3:17-19). It is this toil that should bring human fulfilment and the provision of what we want to eat and make life meaningful. Work must be the major factor to the Zambian social issues. The Zambian church has the obligation to give guidance to the population through its prophetic ministry about work, and also the political and socio-economic changes to the ruling elite so that authentic progress on both sides by the ruler and subject, and society is achieved and enjoyed by all. "Comprehensive well-being as the ultimate goal implies the targeting of *specific* deficiencies in well-being, occurring in any dimension of reality, until thresholds of optimal satisfaction are reached" (Nürnberg 1999:381). The optimal satisfaction will not be reached in the Zambian context when the country depends on handouts without being productive, when the deficiencies of laziness are not rectified. The church's stand on social justice must correspond with the insistence on working hard if the fullness of life for people will be the standard for dealing with the rest of the world in the industrial and economic order of globalization. Zambia with the population of about 10 million people has plenty of arable land, more than probably any country in Southern Africa. However, the country is one of the biggest importers of foodstuffs in

the region. Work humanizes nature.²⁴

Work sets up a unique relation between man and nature. Since “nature in the raw” cannot directly answer our complex needs and desires, we must overcome this distance by reshaping nature, thus creating economic utility. Work makes nature accessible, part of the human orbit...Through work... we leave the imprint of our human person on corporeal nature..[work] expresses the whole human person, takes on moral meaning and value.

(Aubert 1982:8).

In my view this is a big challenge to the church and the entire population of Zambia. What kind of imprint have we made on the nature around us? Work can only be destructive of human freedom and alienating if it is only considered as a curse (Gen.3). I am aware that the obligatory nature of work is a result of a curse. Humanly speaking we find work to be burdensome because it is driven by necessity. In the passage referred to above, the curse of work is put into a context of providing one’s daily sustenance through toil and sweat. Work has its own pain and if this idea dominated humanity, then there will be alienation from nature. Moreover, if work is also considered as a commodity to be sold by the worker and bought by the employer, such work will only be a means of procuring daily basic needs and will not be appreciated according to God’s intentions and eventually will become a burden to humanity. However, work can be redeemed by relating its value to the divine will.

The Bible does not condemn wealth or possessions except where the passion for it drives one astray. There is room for common property alongside with private property to those who work hard, and it is just unfair to criticize capitalism on moral principles. There are many passages in the scriptures that we sometimes interpret literally and we become prejudiced towards one or more groups of people. One verse is the one quoted above from Matthew 19:13. Using the same verse Faux (1999:53) cites Clement of Alexandria (d. ca.215 C.E) who deplores the literal interpretation of Jesus’ words, “It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God” (Mk.10:25 cf. Matt.19:23). He does not favour poverty that is unrelated to eternal life. Clement of Alexandria comments that, “true detachment is detachment from passions; the poverty required to enter the kingdom of heaven is spiritual

²⁴ For further information on work see: Aubert, Jean-Marie 1982. Human Work and Christian Faith, in *Theology Digest*. St. Louis University. Vol.30, No.1, Spring 1982.

poverty”²⁵ (quoted by Faux 1999:53). According to Clement a certain standard of comfort is indispensable to manage a life in accordance with spiritual values or appreciation. When a person is in need of the basic goods and services of life, there is little possibility to have a contrite spirit and such a person can neglect the spiritual things as he or she attempts to procure these necessities through various ways. Therefore, “poverty, then, is an evil, but the existence of the poor is accepted as natural” (quoted by Faux 1999:53). Clement then justifies the accumulation for wealth and that without it helping the poor would be meaningless. He asks how the hungry could be fed, drink given to the thirsty, the naked clothed and the homeless considered if everyone were in want of all these things? Clement argues that Jesus could not ask people to renounce their possessions and at the same time expect others to help the poor. His view is that Jesus approved of wealth as long as one did not forget others. Wealth, nonetheless is neither good nor bad, but can be accumulated as a mechanism to be well used. It is human beings who make decisions how to use the wealth which is entrusted to them whether responsibly or irresponsibly. We are, therefore to “do away not with...possessions, but rather with the passions of ...[the] soul which pervert their use” (quoted by Faux 1999:53). Clement recognized that even in his community, in the local churches, there were both rich and poor, and that was accepted. In the New Testament, Christian communities were consisted of the rich and poor. He cautions the readers of the Bible to observe the abuses surrounding the Lord’s Supper at the Corinthian Church (1Cor.11:17-34). He further argues that “the very persistence of the exhortation to respect the poor shows the persistence of inequality... show that these inequalities are as much present in Christian communities as in the surrounding environment” (quoted by Faux 1999:54).

Epiphanius of Salamis gives a summary of the common teaching of the church then: “The church...believes in voluntary poverty, but it does not look down on those who are in righteous possession of property...God’s ship takes any passenger except a bandit”(quoted by Faux 1999:54). Are the rich people or nations that are lending Zambia the money more evil than the people within the country who are using under cover methods to amass wealth from the same money which is supposed to be invested and used in the development of the country so that the

²⁵ See Faux, Jean-Marie 1999. Wealth and Salvation in the early church, in *Theology Digest*. TD 46:1 Spring 1999. According to Faux, in a context not fully penetrated by the gospel, early Christians wrestled with the question of salvation for the wealthy. Some of their responses are inadequate for today, but others remain an authoritative guide.

poor can benefit as well? Or should we embrace laziness and then condemn the rich for taking advantage of us?

During the National Development Review Forum on May 24th, 2001²⁶, a good number of speakers revealed the seriousness of corruption in the Zambian government. Some of these speakers have served the government as ministers or senior civil servants, and current Members of Parliament (MPs). When such revelations come from people who have been in the corridors of power, one wonders whether the conditions of the IMF and World Bank are worse than these corrupt leaders? This forum also heard that politically, economically, and socially Zambia is worse off than she was 30 or 40 years ago before independence. There are more injustices in our systems of governance than in the pre-independence Zambia. The resources that have been mismanaged or stolen in one way or the other by leaders after independence could possibly be more than what was taken out of the country during the colonial era. These are serious allegations. During the same forum the Civil Servants Union of Zambia (CSUZ) representative asked whether it was illegal for the under-paid workers to fight “for what is right or letting ministers who have stolen billions of public funds to continue to hold positions of responsibility and to be still in charge of public funds?” These allegations came from eye-witnesses.

Conclusion

As we have seen from a theological point of view, it is a clear violation of biblical principles on the part of politics and economic activities to exploit the weak. God is concerned about the plight of the poor and vulnerable. He expects justice in all areas of human activities to prevail. “It is important to remember: mechanisms and structures which only serve to accumulate money, and harm the majority of people, nature and future generations, are to be rejected on principle” (Duchrow 1995:239).

²⁶ See The Post, <http://www.zamnet.zm/zamnet/post/homenews2.html>, May 25th, 2001.

It is important to realize as well that the bible does not condemn wealth as such. It encourages hard work and abhors laziness. The dependency syndrome that has characterized the Zambian society and the church, places the country in a difficult situation in our 'global village' which is controlled by capitalism with its individualistic and competitive tendencies. Again Duchrow cautions that, "competitiveness for unlimited money accumulation is the objective and subjective basic structure, the 'god' of our market society, which determines the whole. Accordingly, the core of what we must reject is the absolute value attributed to competition and the total absence of limits set on the cancerous growth of capital" (1995:234). The church through its prophetic voice must step up campaigns of action against oppression, exploitation, injustice and corruption. This should be done in a spirit of solidarity with the poor and marginalized.

Chapter 5

5.0 The Challenge of Poverty for the Church in Zambia.

In Chapter 2, I began with the analysis of Zambia's political and economic background during the Kaunda era (1964-1991) and the Chiluba decade (1991-2001) that led to the current economic crisis. Chapter 3 discussed the effects and impacts of the SAP on the quality of life on the Zambian people. Chapter 4 dealt with theological perspective about poverty and wealth drawing some principles from both the Old and New Testaments. It evaluated capitalism based on the response of the church, and finally it looks at the prophetic voice of the church in the current economic issues.

This chapter draws attention to the challenge of poverty for the church in Zambia and its involvement in development. The concept of development is defined and two alternatives to meaningful development are proposed: (i) life sustaining development, that is oriented to real life based around the person in the community and the household and (ii) life-in-community development, that is oriented to common life in the community where nobody should lack anything, and that there should be a sense of equality and happiness. The role of the church in development through the provision of formal education and skills, the church's prophetic ministry, the church's response to debt and globalisation, and the church's response to injustice and corruption are also discussed. Finally, the church's diaconal ministry is dealt with followed by a case study of the church's involvement in educational development in three poor communities in Lusaka through a church based Non-Governmental Organization called Christian Alliance for Children in Zambia (CACZ).

5.1 The Concept of Development

It is important that the term development is defined, although it is not easy to do so in a single statement since it takes various disciplinary and situational contexts. However, I will take two

definitions derived from the report of the South Commission chaired by the late former Tanzanian President Julius Nyerere, and from the United Nations' Development Programme's (Human Development) Report of 1991 (in Rist 1999:8-9):

1. The Report of the South Commission defines development according to the aspirations and policies of "developing" countries as "a process which enables human beings to realize their potential, build self-confidence, and lead lives of dignity and fulfilment. It is a process which frees people from the fear of want and exploitation. It is a movement away from political, economic, or social oppression. Through development, political independence acquires its true significance. And it is a process of growth, a movement essentially springing from within the society that is developing" (in Rist 1999:8-9).

2. The Human Development Report of 1991 published by the United Nations Development Programme, defines development as follows: "the basic objective of human development is to enlarge the range of people's choices to make development more democratic and participatory. These choices should include access to income and employment opportunities, education and health, and a clean and safe physical environment. Each individual should also have the opportunity to participate fully in community decisions and to enjoy human, economic and political freedoms" (in Rist 1999:9).

Putting the two together in the Zambian context, the concept of development may be defined as drawing up national plans to expand agricultural and industrial production, health, education and welfare services in a more conducive democratic atmosphere. In this way development will involve engagement in the action-reflection cycle shaped by the context of poverty for the majority of the people. The principle focus being on self-reliance by participating in decision-making, enabling the people realise their potential, build self-confidence, and lead lives of dignity and fulfilment.

Development is the capacity to empower the marginalized poor toward economic accessibility and opportunity in the context of the particular community. At the same time it should be comprehended that any viewpoint of development must have an accomplishment of liberation of

people in the sense of giving them power over their own affairs, allowing them to structure their own lives as they see it fit. According to Nissiotis “development is the autonomous activity of man (sic) to achieve a higher standard of dignity and material sufficiency or the totality of processes by which individual human beings and human societies seek constantly to realize their potentialities” (in Kee 1977:82). Therefore, development undertakes to address the material or physical and spiritual, the individual and collective (communal), and it is both qualitative as well as quantitative which should be the essence of the mission of the Zambian church. Understood in this way, development embodies all dimensions of human existence with regard to morality, engagement with our environment and vision. There can be no significant development in the absence of social, economic, political, environmental, cultural and spiritual dimensions of life.

For community development to take shape, the church must begin with God and his goal to liberate humanity and societies from physical, intellectual and spiritual bondage. The vocation of the church is to be involved in the mission of God (*Missio Dei*) in the world that is fulfilled through the incarnational ministry of Jesus and the Christological relationship. The views about Jesus Christ’s incarnation should remind the church about the historical conditions that have affected humanity. The incarnation that resulted in Jesus’ death and resurrection was the cornerstone of the historical church. Jesus’ atoning death was the avenue of redemption to reclaim humanity to the lost glory and to revolutionise the individual and collective life. This theological implication is the fundamental reason for the church’s challenge in poverty alleviation and involvement in development.

The other dimension of development is through the mission of the church which is the historical agent of God in eternal destiny. In this way, the redemptive Gospel is a constitutive part of development that the church has to make known to humanity. The church on earth is the historical agent of God or an agent of change to fulfil the eternal purpose of God and his divine perspective with regard to human problems. This “has an eternal dimension because to be human means to have an eternal destiny which is determined by our response to the gospel” (Nicholls & Wood 1996:16). Therefore, the functions of the church consist of building the transformed and healed new community through the proclamation of the gospel, becoming the world’s moral

conscience. This can be accomplished by actuating the prophetic voice, denouncing sin and evil in society, because people cannot develop when there is oppression, exploitation, and injustice.

The biblical authentic theology esteems Jesus Christ as the epitome and means of self-affirmation under God. Christ's ministry is holistic. He reminds humanity to have dominion over the earth, which is a divine gift for all humanity. This earth is where all human beings live, and it is what makes humanity to be a community with due rights and dignity. For this reason, the church has an obligation to be concerned and involved in development because it is part of the contemporary society where it is supposed to examine and discern God's will so as to bring soundness in all spheres of social, political, and economic liberation of societies. According to Nürnberger the church cannot afford to ignore the fact that it is an agent of social, economic, political, and religious change for the development of communities (1999:363).

Meaningful development would include development of both humanity and nature to ensure the integrity of creation. Unfortunately, creation's integrity and earth's full life are under house arrest (Rasmussen1996: 9-10). The environmental crisis is a symptom of the defect of humanity to submit its power to grace in humility. Because of the emphasis on the material at the expense of the spiritual, the earth is distressed and this has caused the depletion of the natural resources such as fresh water, forest destruction, soil erosion and the emission of the gases that destroy the ozone layer. These activities caused by globalisation and capitalism, demand that the church responds through its concern and involvement in the aspects of development so as to bring about development that results in sustainability and empowerment of the people. The church is greatly needed in poverty reduction, alleviation and development to remind humanity about the integrity of the earth, so that it may use it in a way that benefits both humanity and creation itself.

The theology of development must be comprehended as the theology of revolution or change because it demands elevating the standards of humanity so that people may not be poor, oppressed, exploited, and their human rights as individuals and as a community are not abused. This responsibility may require confrontation with the systems that would-be due to political, social and economic imbalances, because concern and involvement in development is part of the

church's struggle against sin. Therefore, the action for development, and structural transformation is an integral part of the way that leads to God. The church is to be concerned and involved in development because it (development) is a *pastoral responsibility*, since many poor people who are struggling with life's basic needs and sustainable livelihood are inside the Zambian church. When the church considers these members as its children within the family or the community of faith, it would not sit back and let the children suffer, but will get involved in the issues of development such as education, health care, nutrition, and employment. Development is part of the mission of the church (*the missiological church*). The relevance of the ministry and pastoral method, and the effectiveness in developmental issues of the church can be achieved and seen in its independence from the state. In his *theological mandate*, the prophet Isaiah (Is.58:6-7 cf Lk. 4:18-19; Matt.25:31-46) calls those entrusted with prophetic ministry to loose the chains of injustice, to set the oppressed free, to break every yoke, to share food with the hungry, shelter the homeless and clothe the naked. The mission of the church will not be complete, unless the needs of the communities and sustenance of life of both humanity and creation is realized. God's will is that the redeemed community of faith must be good and responsible stewards of self, others and nature.

The church should also provide the checks and balances in the way that aid agencies such as the IMF, World Bank, and other donor communities give to Zambia. This will be its contribution to the overall development through infrastructure building and the production systems in order to sustain and rehabilitate existing investments. The church has the ability to help the government strike a balance between long-term development and strategies for tackling poverty. Unfortunately, in Zambia aid has not been used to raise incomes and consumption of the poor, and has instead worsened their situation. The projects or reforms that have been implemented are not benefiting the poor, but the rich. The privatisation of state corporations is a clear example of sectoral activities that have benefited the rich while the poor are giving out even the little that they have. For instance the concessions that the government has given to new investors on electricity tariffs for a number of years, has forced the Zambia Electricity Supply Corporation (ZESCO) since it is the only electricity company, and state controlled, to increase the tariffs so that the company does not make any losses. The most affected category of people are the poor as

part of the consumers of power.

In order for the church to contribute meaningfully and appropriately, it is imperative to identify strategies that can be used in sustainable development. The brief paper on poverty reduction action plan presented by Meselina Muchindu Hampango (Acting Permanent Secretary for Ministry of Community Development and Social Services) at the poverty reduction strategy sensitisation workshop entitled: *Zambia's Efforts in Poverty Reduction*, gives us five (5) major strategies that the church and those involved in poverty alleviation can use. These are:

- To achieve broad based economic growth through agriculture and rural development;
- To provide physical infrastructure;
- To increase productivity of urban micro-enterprises and informal sector;
- To develop human resources; and
- To coordinate, monitor and evaluate poverty reduction programmes and activities

In an attempt to alleviate poverty (and the Socio-economic problems) that confront the Zambian rural and urban poor communities, different workable development programmes need to be initiated. Poverty issues haunt people, and the results such as diseases, high illiteracy rates, high infant mortality and morbidity, malnutrition, and many others are all manifestations of poverty.

Due to the problems which have retarded the development strategies employed to raise living standards in the Zambian society and communities, the church has an obligation to use other alternatives or other approaches that can help to build the capacity and empower the people to bring better results in sustainable development in their individual lives and collective endeavours as communities. Two development alternatives are, therefore, proposed here which appear to be appropriate for the context of the church in Zambia. These are: (1) Life-sustaining development, and (2) Life-in-community development.

5.1.1 Life-Sustaining Development

When dealing with development alternatives, it is imperative to acknowledge that economic

dimensions result from different approaches between local community, provincial, and national (even at international) levels and factors. The church (or any other development agent or primary groups) should be aware of the level they are dealing with. Something which may work at a particular local community level, may not necessarily be replicated or work exactly in the same way at another community or at a much higher level, at provincial, national and international, and vice versa.

The development alternatives we are contemplating must be life sustaining in three ways. Hence Duchrow (1995:242) argues:

- the life of all present-day people, ie: it must satisfy basic needs;
- the life of all our fellow creatures on earth; and
- the life of future generations.

A life-sustaining development seeks to provide goods and services to the person in the community or the household as the smallest unit of production and consumption as the term of reference for economy and development (Duchrow 1995: 243), as opposed to the tendencies of global capitalism that advances individualism, and wealth accumulation. The modern world's economy does not think much about other creatures living on earth and future generations. *The attitude is produce now, supply now and accumulate wealth now.* What happens to other creatures and to the generations to come is their problem. What the Zambian church should emphasize is "an 'economy from below'...[to]...replace an 'economy from above'"(Duchrow 1995:243). The planning in an economy from below involves families or households within the community. For fundamental development to take place, people must be players (participants/subjects), and not economic or development tools (spectators/objects).

If the church will play a leading and successful role in its concern and involvement in development, its approaches must focus on the *person in the community, and the community of persons*, to use that person in his or her obligation for the benefit of the community, and the community and its resources both natural and human for the benefit of the person. It is for this reason Aristotle in his contemporary time underscored need-oriented household economy as

opposed to the money-accumulation economy (Duchrow 1995:20), because the latter does not have the person and community at heart but it is individualistic. This approach becomes authentic for the Zambian population where the person is valuable in the community especially in rural areas regardless of status, and where the community and everything in it can be used to satisfy the specific needs of people. The primary group that can facilitate this kind of life-sustaining economy and development is the church because it has contacts with the grass-root population even in places where the government officials and NGOs cannot reach. The economy that fails to deliver the goods and services to the needy must be replaced by an alternative life-sustaining economy and development. A life sustaining economy and development must contribute appropriately to the alleviation of poverty of an individual in the household context. Being the smallest unit of production and consumption, the household can be helped to build capacity and empower them with skills and tools to produce goods and services according to their needs.

The provision of basic needs (goods and services) to the rural and urban poor population within their communities is a responsibility that the Zambian church cannot leave to the government and economic players, and civil society alone. After all the message to the church is to 'carry each other's burdens, and in this way...fulfil the law of Christ' (Gal.6:2).

5.1.2 Life-in-Community Development

Life-in-community development is development that is oriented to real life of individual persons within the community in the provision of basic needs. This can be done through corporate identification of needs, resource mobilisation, planning, decision-making, participation in development activities and distribution of wealth equitably.

In relation to spirituality, Paul's idea of community finds its physical expressions in fellowship. The unity of the early Christians involved putting together their material resources. In practical terms this did not mean selling all their property, but it was the sharing of their abundance with those in want that makes them distinctive from the global village's individualistic attitude. Paul

does not demand for the nullification of personal property, or for its conversion into communal ownership. The message of the gospel does not allow being covetous of what belongs to another person but is about offering of a present. “All that the believer owns has to be viewed through the cross, to feel its imprint and become the basis for service to others in some instances that will mean parting with things, particularly when there is more than enough...as with Paul himself, it will mean parting with all and not even asking for recompense in return” (Banks 1980:89-90). The community that shares with one another all that they are blessed with, will grow together, and appreciate each other. However, the information we lack from this is whether this kind of community invested in the lives of others seeing that the church consisted of masters and slaves, and rich and poor. We also do not know how long this common sharing lasted. The best thing the church can do is to mobilize resources, empower individuals as well as communities to build their capacity in productive projects.

One case in which the Zambian church has lost its chance of contributing to the life-in-community development is on the wastage that has been done over the years through the Government’s Constituency Development Fund which is given to each of the 150 Constituencies throughout the country every year (K30, 000, 000). These funds are for development projects and programmes in each constituency. If this amount of money was used to improve the methods of agriculture, animal and crop husbandry, fisheries for the rural population, and to give skills and tools for development to the youths in urban areas, it could have helped to empower many poor people. In 5 years before Parliamentary Elections are held a Constituency would have received K150, 000, 000. No-one knows how this money is used, who uses it, and there are no visible things to prove that it has been used correctly. The church through its prophetic voice and influence can do the advocacy on behalf of the poor people to make sure that this money is used appropriately. Through the church, every community could have utilised the spiritual, political, economic, social, and cultural expertise of the people to come together to mobilize and sensitise the people, plan, identify their needs together with them, and implement the projects or programmes. The church can be useful in providing checks and balances because of its integrity in financial matters.

The church, whether at local, national, and ecumenical level, can use the principle of public financial accountability and transparency, to carefully regulate the affairs of the communities it is serving and help to keep the programmes within the limits of the community's financial strength. It should help to plan small, and start small with a goal of introducing the community to development of a life-in-community which would be simple but fulfilling. This particular development will not exclude anyone regardless of reasons such as social status, and academic qualifications. "Work: a shared life and communal use of goods; a simple lifestyle; trust in others and in the goals...simple resources" (Duchrow 1995:248), must be accorded to everyone.

One point worth mentioning is that the post-independence Zambian government inherited an economy extremely dependent on the mining industry. The inability of the government to diversify the economy, and the poor economic growth leading to the Structural Adjustment Programmes and privatisation, necessitated the genesis and growth of the informal sector. The informal economy started as a failure of the large-scale mining industry, manufacturing and agricultural sectors to absorb the labour force and eventually leading to retrenchments after privatisation. In this way the informal sector has been used as a *"fill the gap kind of economy"* for survival purposes especially by those earning very little and the unemployed. Due to the shoddy performance of the formal sector and unemployment, especially in the urban areas, many people found the informal sector a safe refuge. The informal sector is a business system with the scope for transformation, expansion and development since there is no indicator to show that the economy will pick up to give employment to the unemployed. In this regard the informal sector is performing a very substantial role as an anti-poverty development approach and therefore must be considered as an appropriate alternative economic activity.

The church can take advantage of the insufficient conceptualisation of this phenomenon and turn it into a viable operative life sustaining, and life-in-community economic and income generating activity. The church can help this to become a consumption-oriented entrepreneurship satisfying the immediate household basic needs. Some of the areas the church can exploit are the informal sector's class marked by the micro-size, labour intensive, low skilled business people, low wages, low quality products and many others to improve their performance by providing the

necessary training that they need such as accounting, marketing, pricing, banking, and advertising. These are some of the services the church can offer to the community without much financial strain since there are professionals (accountants, bankers, economists etc.) in its corridors, some of whom would be willing to give these services for free.

5.2 The Role of the Church in Development

5.2.1 Prophetic Ministry

The church in Zambia has had a part in the whole social system's injustice and corruption. It has not done much to respond to the negative economic policies that have marginalized the majority of the poor people from economic accessibility and opportunities. Although the church has contributed to the democratic process, the government in power has used state resources to suppress and deny the people a comfortable life. The church has had little influence on the government with regard to good governance that includes accountability, transparency and the Zambian government's poor human rights records.

It has been complacent in the last ten years just because Zambia was declared a Christian nation in December 1991. The church thought that the political leadership had become "angels". However, the Christian Council of Churches in Zambia, some Evangelical groups and the Roman Catholic Church in particular had blindly supported the declaration and the constitution. The lavish feasting by both the church and political leadership at State House especially during the commemoration of Zambia as a Christian nation made the church to believe that all was well. This ideological use of Christianity by seeking approval from the church was a wrong path to institute what "the South African Kairos Document calls...state theology and church theology" (in Duchrow 1995:208).

The Kairos Document describes *church theology* as a theology that preaches "peace" and "reconciliation" in a situation marked by injustice and strife. It does not eliminate the fundamental causes of hostility and injustice, because of the institutional interests of the Temple, or later the Church, and indirectly the strong who perpetrate injustice are made stronger. One example is the priestly upper classes in Judea at the time of

Jesus, who collaborated with the Romans... Church Theology is about passive conformism to the ruling powers; it suppresses necessary conflict with them, or at least avoids it.

(Duchrow 1995:208).

Through *state theology* the church tried to idolize the Presidency and regarded him as God sent. Since the president professes the Christian faith, he alone can rule with perfect justice and whose citizens will enjoy perfect peace (Ps.72) and prosperity. “State theology betrays the innermost core of biblical faith in God, it idolises power” (Duchrow1995:207-208).

However, the true intention of the characters of the ruling class was experienced when it began campaigning for the Presidency’s third term of office against the Republican Constitution that limits the President’s term of office to a-two-five-year terms. Ever since, the Roman Catholic Church that has been supportive has become critical of the government’s position. This has been observed by the involvement of Catholic Sisters in the protest march against poverty in Zambia which resulted in their clash with the police. Therefore, the church through its prophetic voice is obligated to speak against depravity of the society whether by open or hidden violence of life, law, and livelihood. The model of governance that is required is a government moderated and subjected to the common good through the rule of law.

Therefore, in political and socio-economic activities, the church is in better position to remind the powers that would-be, to make it know that the Bible’s doctrine reveals that God is purely the owner of the universe (Ps. 24:1). While the Bible does not completely condemn possessions, however, it teaches us to let God’s will to be the principle rule whether in political or socio-economic life of society. The church has a responsibility to act as a “signpost” to direct people to the kingdom of God where love, justice and righteousness are some of the ethical standards. God’s rule is the model in all the activities of humanity whether in politics, economics, social and culture, and all his subjects must accept this authority and be obedient to his commands. The injunction of Jesus Christ is to “seek first his kingdom and his righteousness, and all these things will be given to you as well” (Matt.6:33). God is the rightful ruler of the universe, who is able to confront human life, challenge it, seek to restore it and take it under his control. When one seeks (whether capitalist, rich, ruling class, poor, oppressed etc...) to enter this kingdom, there must be

readiness to surrender life to be brought under the governing power of God. May your kingdom come (Matt.6:12) may mean pointing humanity's concentration to a new and dynamic initiative which God is taking. It is action by God that is making possible a new relationship between God and humanity, and between one person and the other especially if love, justice, righteousness, and unity are going to be achieved in the "global village" of capitalism.

The current macro-economic crisis in Zambia leading to much poverty summons the church for concerted efforts with other groups and organizations to get involved in developmental activities. The Christian church has the potential to influence the government, civil society, and NGOs to be concerned and to participate in humanitarian service with a view of improving poor people's standards of life. The church is in a position to affect things as a partner in development with the government and consumers of goods and services. But how can the church do it in its weak position regarding politics and economics? Nürnberger offers some principles on the matter. He states that the purpose of the church in the circumstance of this nature and magnitude is its *prophetic ministry*. The church is well positioned to show its support to the powerless in the social fabric and that the essentials which can enhance human life be taken seriously (1990:45).

Accordingly the church "can expose structural evils and the abuse of power, it can demythologise ideological preconceptions, urge the contending parties to the negotiating table and offer ethical guidelines based on a Christian anthropology" (Nürnberger 1990:45). The implications for the Christian faith based on the Gospel is a fresh understanding of God's mission and vision which we are part of. Again Nürnberger (1999:167) urges the church to realize that "the ultimate intention of the biblical God is the *comprehensive wellbeing* of all human beings within the context of the comprehensive wellbeing of their entire social and natural environments." Therefore, it is the obligation of the church to be concerned about the level of poverty by addressing the political and socio-economic system in Zambia and adopting a distributive and sharing system. The effectiveness of the church will be evaluated objectively if it avoids aligning itself or becoming partners with the powers that would be either the capitalist exploitation or the communist dictatorship, but at the same time support good policies that will redeem society from its shell of poverty and bondage. Duchrow describes capitalism either at

national or international level as a system that uncovers much selfishness, inhuman, cynical or manipulative and much that displays the flagrant exploitation by vested interests of their status quo (1995:7).

The church is one of the institutions which can have great influence as a torch bearer to the truth. It is the link between the politicians and the subjects, the rich and the poor, the employer and the employee, the literate and the illiterate, the villager and the urban dweller, the local and the international governments, etc... The church has a big voice in matters like these more than anyone as long as it knows how, when, and why to use it. After all, history has it that the church has contributed even today to the removal of dictatorships and exploitative governments and leaders from power. It is more powerful than it has realized. Nürnberger reminds us that, “the church has important *assets* not easily attained by secular organisations...[which can be utilized in its pursuit of reality in the lives of those it is serving. These are:]... spiritual and moral foundations which can be mobilised to generate vision, motivation and responsibility...access to the most deprived grass roots communities...members in all kinds of secular professions and primary groups with all kinds of spheres of influence scattered throughout the fabric of society...[and]...international network of communications” (1999:371).

5.2.2 The Church’s Response to Debt and Globalisation

A very good example of the church’s prophetic ministry is the *Jubilee 2000-Zambia* campaign. On February 24th, 2000 the *Jubilee 2000-Zambia* and the Church organized a Conference with regard to debt relief for Zambia. The church through the three mother bodies: the Evangelical Fellowship of Zambia (EFZ); the Zambia Episcopal Conference (ZEC) of the Roman Catholic Bishops, and the Christian Council of Zambia (CCZ) was among the initiators of this conference which included among others, academic and government institutions, civil society and/or Non-Government Organizations. The conference centred on debt relief as essential to poverty eradication and ultimately to development. It was agreed that the Zambian debt has reduced progress in the expansion of human social infrastructure. The achievement of any meaningful development entailed that people should have adequate access to social services. But due to the

large amount of money that goes to debt servicing every year, the resources to meet these needs and aspirations of the people are scarce. Therefore, the conference unanimously agreed that without radical, effective and significant action for debt relief, there is no hope for poverty reduction and very little hope for Zambia to develop. It observed that because of debt burdens the country was failing to attract investors since unpayable debt discouraged foreign investment, represses consumption and affects commerce and trade.

The huge debt may be a contributing factor in the future's environmental destruction and pollution since this might force the country to use cheap but environmentally destructive methods to earn revenues, and also the country may be a dumping ground (as it already is) for toxic materials from some foreign companies which have no other dumping places. The conference asserted this situation has lowered the labour standards that have led to lower wages and growing poverty.²⁷

The main outcome of the discussions was that there was need for all stakeholders to work together on the cause for cancelling the debts. *Jubilee 2000-Zambia* and its partners committed themselves to the establishment of a participatory process that would allow for the effective involvement of all people and groups concerned especially the church that had a direct link with the poor in the country. One obvious challenge for Zambia is to secure the cancellation of debt. However, the question is: does the church have the ability to put mechanisms in place on how the government will utilise the resources once the cancellation of debts has been achieved seeing that there is a lot of corruption allegations in the political system?

The campaign for the cancellation of Zambia's debt according to the *Jubilee 2000-Zambia* will be an on-going crusade until a significant portion of debt is written off. Apart from the international campaign for the cancellation of debt, there will be also an internal campaign for the creation of a debt management mechanism. The debt management mechanism's task is to monitor the activities of the government to see to it that Zambia gets debt relief if the government shows the seriousness in the reduction of the poverty level in the country. According

to *Jubilee 2000-Zambia*, the debt cancellation for poor countries like Zambia not only makes good economic sense but it is also an ethical and religious obligation. This will give both the rich and poor alike a better chance for development and peace as we move into the new millennium. Debt with its conditions by the IMF and World Bank through the Structural Adjustment Programmes (SAP) and Heavily Indebted Poor Countries (HIPC) initiative have had an inflexible focus on monetary benchmarks to determine sustainability and lack the focus on human development and the reduction of the extreme high levels of poverty. The goal of the *Jubilee 2000-Zambia* is about advancing to the 21st Century and the new millennium with a development paradigm that puts people pre-eminently in the planning and implementations of community development programmes. *The Jubilee 2000-Zambia*, debt management mechanism will stress the effective use of resources to alleviate the levels of poverty and also stress that the poor themselves must be part of the process that determines their destiny by being involved in how resources could benefit them (1999:1).²⁸ In other words there is need to avoid top-down planning but adopt a bottom-top method of planning if the poor people will participate fully in the developmental programmes in their communities.

There is no doubt that part of the church has paid attention to the plight of the poor in our society. The establishment of the *Jubilee 2000-Zambia* is an expression of the church and other civil society organizations to respond to the physical and emotional needs of the poor people. The churches have responded individually and collectively to the needs of the poor and the orphans. But one regrettable thing is that what the church can accomplish is negligible in the light of the proportion of the needs in our country today.

The opposition and dissatisfaction about globalisation can be seen even in the industrial world. In June 2001, as the 15 European Union leaders debated how to move forward with the admission of up to 12 Eastern European countries (from former Eastern Block) and Mediterranean countries, masked anti-globalisation protesters battled riot police near the

²⁷ For further information on why debt is a problem for a poor country like Zambia, see SAP Monitor 1999. Why is Debt a Problem for the Poor. Issue No.21, March/April 1999.

²⁸ See, SAP Monitor 1999. Editorial. Issue No.22, May to August 1999. Page 1

conference centre in Gothenburg, Sweden.²⁹ According to Archbishop Denis Hurley, unskilled workers in the industrial countries perceive a threat from globalisation about their jobs and income. He observes that globalisation alters the balance of power between employers and unions in the developed countries. He quotes Dr Asmi Hassan who has a pessimistic view of economic globalisation. Dr Hassan identifies eight reasons why economic globalisation tends to make the rich richer and the poor poorer. These are called 'divides' and are itemized as follows: wealth, power, rights, health, education, environment, economy and technology. He writes that: "The disparity is very real where on one side are the powerful and wealthy and, on the other side, the powerless and the very poor". According to Archbishop Denis Hurley, the pattern of ownership of wealth reveals that an extreme form of concentration with just 10 countries accounts for the bulk of all the technological activities in the world. These are: the United States, Japan, Germany, France, UK, Italy, Canada, Netherlands, Sweden and Switzerland. All these countries account for more than 95 percent of technological output. It is further observed by the World Economic Forum in Davos, Switzerland in January that the process of globalisation was producing uneven and sometimes unfair results that resulted in widening the gap between the haves and the have-nots. The United Nations Secretary-General Kofi Annan was once quoted as saying that if the international community cannot make globalisation work for all, in the end it will work for none. President Thabo Mbeki is also quoted as saying "unless action is taken to bridge this divide, we must expect the poor, disenfranchised and disempowered will at some point say no".³⁰

The difference between the 10 countries mentioned above and Zambia is that, Zambia is among the 28 countries of the world that lie at the bottom of the Human Development Index (HDI). Out of 162 countries, covered by the just released 2001 Global Human Development Report, Zambia is ranked 143.

²⁹See, Reuters 2001. Anti-Globalization Protesters Riot at EU Summit. http://dailynews.yahoo.com/fc/World/European_Union/; European Union Says Enlargement Irreversible. http://dailynews.yahoo.com/h/nm/20010615/wl/eu_summit_dc.html, Friday June 15, 2001.

³⁰ See, the speech which was delivered by former Chancellor of the University of Natal and Archbishop Emeritus of Durban, Archbishop Denis Hurley, at the 8th Alan Paton Lecture held on the Pietermaritzburg campus on 31 May 2001. The title of the speech is "**Liberalism and Globalization**". Archbishop Denis Hurley quotes someone who defines Globalization as follows: Globalization refers to the growing interdependence of countries worldwide, to the increasing volume and variety of cross-border transactions of goods and services, and of international capital flows; and also through the rapid and wide-spread diffusion of all kinds of technology. <http://www.nu.ac.za/nu/extra.asp?id=169>, May 31, 2001.

The 28 countries at the bottom of the index are all in Africa. The HDI is measured in terms of income per person, educational enrolment and adult literacy as well as life expectancy.³¹

The church in Zambia as part of the ecumenical and universal church has a mammoth task to speak on behalf of the powerless who have no international voice that their plight may be heard. Its voice may help to neutralise the collective consciousness that appears to be a norm of economic globalisation.

5.2.3 The Church's Response to Injustice and Corruption

Zambia is a typical case of the Heavily Indebted Poor Countries in the world. The country is struggling to pay its debt-serving bills and at the same time meet the social needs of the people especially education, health care, agricultural productivity, and employment. With a population of about 10 million people, Zambia alone owes creditors about US\$7 billion, about US\$700 for every individual citizen, children inclusive.

Because of the debt servicing, the implementation of the Structural Adjustment Programmes, and reports of scandals in the government's system, the negative effects on the quality of life of the people continue to be experienced. For instance, the introduction of school fees in the education and health sectors have had a big impact on the medical care costs, and the powerlessness of the poor parents and guardians to pay school fees. The removal of subsidies and coupons on food has created food insecurity in many of the families since this meant rising food prices. Poverty relief measures have failed, and lead to greater poverty and vulnerability. There is no doubt the reform programmes have persisted to hurt the poor. There is a general view of deception about job creation as a result of privatisation of the factors of production.

In view of the situation like this, the challenging voice of the churches on various critical problems related to corruption, exploitation, and to deficient reform programmes must be heard.

³¹ For further information see: The Post 2001: Zambia lies 28th on World's HDI. <http://www.post.co.zm/homenews2.html>, July 17, 2001.

According to Seshamani & Kaunga, the churches in Zambia recognize the need for reform programmes, but believe that it should have a development content which should have a human focus but is lacking in its implementation. The title of a 1993 Pastoral Letter published by the Bishops of the Zambia Episcopal Conference, '*Hear the cry of the poor*' has also become the theme of the Catholic Church. However, the poor do not appear to be heard. The 1993 Pastoral Letter states that the call by politicians appealing to "Zambians to 'make sacrifices' and 'tighten belts' can only be perceived as cynical at best, abusive at worst, when they come from officials who receive disproportionately high salaries and benefits" (1999:167).

The church has also called for concerted efforts to fight corruption in the government's systems. This is contained in a joint communiqué issued by workshop participants drawn from the Evangelical Fellowship of Zambia (EFZ), Christian Council of Zambia (CCZ), Catholic Commission for Justice and Peace (CCJP) and various independent churches in Lusaka. The workshop participants observed that the incidence of corruption at all levels of society is very high, with the political and social determination to fight against it lacking. The communiqué further states that "the Church has a unique mandate to emphasise on the evils of corruption."³² The church further noted that although efforts have been made to stamp out corruption, closer collaboration with the Anti-Corruption Commission (ACC) had been minimal. The church is considering to help the ACC build up its human and financial resource to be more equipped than it is now. The two-day workshop's theme was "the role of the church in the prevention of corruption" and was organized in conjunction with the ACC and Christian Information Network. The church must be involved at all stages of the process to fight the incidents of corruption that has contributed to the dehumanisation of Zambians. Reports that even the Head of State is linked to fraud by international companies such as Carlington Sales Company of Canada³³ do not encourage the poor.

³² See, The Post 2001. Churches Call for Concerted Fight Against Corruption. <http://www.zamnet.zm/zamnet/post/Homenews2.html>, July 3rd, 2001.

³³ According to the Post Newspaper, President Frederick Chiluba has been accused by Carlington Sales Company of Canada of presiding over a government system that has been endemic with fraud, corruption, torture, violence, murder, gun running and

5.3 Diaconal Ministry

Diaconal ministry may be defined in terms of examining humanity's relationships with regard to the theological significance and relevance in order that the church can participate responsibly in the processes of human development. The Zambian society has undergone and is undergoing constant change in response to various forces especially political, economical, and social issues. Therefore, the current poverty levels in the country calls for intensive effort from the church for holistic servanthood ministry.

The Zambian church has a history of concern and involvement in development since the coming of missionaries from the second half of the nineteenth century. One such piece of history is educational development which did not start with the colonial government administration, but by the individual contributions which were made by the various pioneer missionary societies.

One of the first tasks undertaken by virtually every missionary group which entered the country was to commit to writing the vernacular language of the area in which they had opened their mission station. The next step was to start a school and to teach the people the elements of reading and writing. The first 'school' in the country was opened in 1883 by the pioneer Brethren missionary, Frederick Arnot. By 1925, when the Government established a sub-department of Native Education, there were estimated to be roughly 100,000 pupils attending nearly 2000 schools run by fifteen different missionary societies throughout the length and the breadth of the land.

(Snelson 1990:4).

While the pioneer missionaries priority was to fulfil the great commission of Jesus Christ of making disciples of all nations (Matt.28:18-20), they had also included education as one of the developmental activities that the recipients of the gospel would receive. Snelson (1990:5) observes that Dr David Livingstone's (the first missionary and explorer to go through Zambia) writings and speeches, and also the reports of Henry Morton Stanley had concerns on the physical needs and poor living conditions of the people, and the hopelessness state to which some tribes had been reduced by the slave trade.

diamond smuggling. For further information see: The Post 2001. Canadians Link Chiluba to Fraud, Murder.

Missionary Societies decided to bring education to the indigenous people if they were to understand the Bible properly. Opening up schools played an important role in missionary work in Zambia. Education, therefore, was an essential element not only in evangelisation and in nurturing Christian leadership but was considered to be a “civilizing” force, for a long-term welfare of the Africans. Through this kind of education these early pioneer missionaries made efforts to raise the living standards of the people by instructing them in western skills which they thought would help to make life a little more comfortable. According to Rev. John May in 1900, he said:

It is most important that the converts should learn to read in order that they may attain to a fuller knowledge of the scriptures, but I think it is even more important that they should learn to live self-respecting, progressive Christian lives. The mission that turns out good carpenters and blacksmiths does more among people such as you have than that which turns out good readers and writers.

(in Snelson 1990:13).

Although Rev. John May died in 1901 a year after making this statement, his vision was carried over at the London Missionary Society (LMS) at Mbereshi in Luapula Province, where many young people were trained in building, carpentry, metalwork and other crafts. At the same station, Mabel Show pioneered the development of girls’ education by teaching them various aspects of “homecraft and mothercraft” (Snelson 1990:13).

Snelson reports that other missionaries instructed people on better methods of agriculture as a means of improving the people’s livelihood in crop production. Others taught the people in their communities how to improve the productivity of the gardens and the cattle, and showed the Tonga people in Southern Province how the dreaded annual famine that afflicted them towards the end of each dry season could be successfully overcome. He observes that some churches were concerned only for the salvation of the people’s souls, but that others were concerned and involved themselves in the improvement of physical and social well-being as well. Although some missionary groups felt that the objective of the schools was to instruct the Christian community in strengthening its leadership, others had the view that schools were necessary as a Christian obligation to the community as a whole, Christian and non-Christian alike (1990:13).

According to Snelson, by 1925 there were at least 2000 schools in operation. This extraordinary rapid rate of expansion by the missionary societies in educational development enabled them to broaden their programme of evangelisation, and empowered individuals and communities in sustainable agricultural productivity and other productive skills and activities. These institutions provided a quality education that was both theoretical and practical in its approach. The pioneer missionaries had a greater vision in terms of concern and involvement in development than today's church and the so-called "career missionaries" at a time when the resources, knowledge, and the infrastructure are much more abundant than the second half of the nineteenth century when mission stations and schools were established, and infrastructure was non-existent. The missionaries, despite their many shortcomings, played a priceless role in the country's educational development. Although, since independence, the expansion of educational facilities has been financed by the government, the church has still a considerable part to play, a contribution which the government and the people would continue to recognize (1990:13). The challenge to the church is that it must increase its effort and resources to continue to respond to the educational needs of Zambia, especially now at a time when many children have no opportunity to enter school due to lack of school places, high expenses of sending children to school, and many of these children are orphans and vulnerable because of HIV/AIDS pandemic.

The church was not an alternative to the education system but was an initiator of education in Zambia even before the government (colonial) established their own schools. Today, with politics and economy taking the lead in determining the destiny of the Zambian people, the church can still offer some alternative to the development of the country through different programmes. It may be difficult for the church to make a distinguishing contribution within the formal educational system. However, there are opportunities to continue with its contribution in the field of education through compensatory education for the many orphans and vulnerable children, vocational and skills training programmes among the unemployed urban youths, and agricultural production methods in rural areas. Agricultural instruction would be of more benefit to the rural peasant farmers at a time when the government has failed to diversify the economy for the rural population. In order to achieve a measurable success in developmental activities, there should be partnership among the stakeholders contributing to the welfare of the Zambian

people, be it the civil society, the government, financial institutions, clubs, and the church.

The praxiological church is strengthened only in the context of involvement in the social transformation of the community in which it is serving. The servant motif is a basic principle for any kind Christian ministry that must be incarnational. “For even the son of Man did not come to be served, but to serve, and to give his life as a ransom for many” (Mk.10:45). Although the church in Zambia today has not expanded its education outreach like in the eighteenth century by missions’ organisations, the case study below seeks to demonstrate the potential that the church has with regard to involvement in development even in the context of financial limitations. This is one case in which the church in partnership with the church based non-governmental organization is contributing to educational development to help the orphans and vulnerable children in three high density poor compounds in Lusaka namely Garden, Mtendere, and Kanyama.

5. 4 The Church in Development: A Case Study

The following is a case study outlining the experience of Christian Alliance for Children in Zambia (CACZ)³⁴ an NGO that deals in intervention programmes of the orphans and vulnerable children mainly in the poor compounds of Lusaka. This case study is concerned about the project that CACZ pursued during the first quarter of 2001.

Christian Alliance for Children in Zambia established the Local Church Interventions for Orphans and Vulnerable Children as a-three-month pilot project following a UNICEF sponsored Christian leaders conference on Orphans and Vulnerable Children (OVC) held on July 6th, 2000 in Lusaka, Zambia.

³⁴ Christian Alliance for Children in Zambia (CACZ) was established on July 1, 1998 as a church based NGO, with the aim of intervening in the lives of orphans and vulnerable children. I was a founder member and the first chairman of the Board of Directors. This case study is part of my involvement with the organization during the latter part of the implementation in starting up the schools.

(a) Objectives of CACZ

In its response to the challenge, Christian Alliance for Children in Zambia (CACZ) identified three needy communities and sought to mobilise the church and the people by setting the following plan objectives:

- (i)** Identification of Christian churches in three high density (poor) compounds in Lusaka namely: Mtendere, Garden, and Kanyama which showed receptivity to the needs of orphans and vulnerable children (OVC);
- (ii)** Incorporation of representatives from the churches in these compounds into community based committees called Christian Alliance for Children in Mtendere, or Garden, or Kanyama;
- (iii)** Initiation and/or expansion of well-planned interventions for orphans and vulnerable children that should be started or expanded as soon as possible;
- (iv)** Restoration of hope- “I am not alone in the battle”;
- (v)** Renewal of strength - “ We can do something. But we do not have to do everything”;
- (vi)** Pioneering of strategies that can be reproduced in other compounds or areas within the country.

(b) Anticipated Results Within Three Months

The establishment of community schools in the three (3) poor communities in Lusaka was sponsored by UNICEF for six (6) months as a pilot project. It was agreed that after three months an evaluation was to be carried out and a report sent to UNICEF’s office to assess the progress made. The following are some of the anticipated results:

- (i)** The needs of OVC regardless of their belief or faith would be identified and strategies developed by the local Christian congregations or parishes to help meet the most pressing needs;
- (ii)** The orphans and vulnerable children within the community would receive assistance in critical areas of need;
- (iii)** Individual congregations/parishes would synthesize their strengths and resources, and this

would contribute to the development of a sense of the larger church family or community;

(iv) When these interventions are successful, churches would begin to realize their own potential in assisting OVC, would develop the confidence, and would become more concerned and involved in the development of the needy;

(v) The Christian community in other places within and outside Lusaka would gain and receive the encouragement to join, or replicate the project and/or programme.

(c) Plan of Action

The Christian Alliance for Children in Zambia (CACZ) appointed a trained facilitator and CACZ leadership who are members of particular communities. Their duty was to visit the local church leaders and to invite them to attend and participate in a one-day planning meeting to identify the most urgent needs of orphans and vulnerable children in their own three communities, and then to prioritise activities that could be embarked upon immediately, either by individual local congregations, or a group of local congregations sharing the resources within their community in order to:

- (i) Identify the most urgent or pressing needs of the OVC in the specific Community and develop strategies of intervention;
- (ii) Find ways in which the strength and resources of individual communities could be blended, developing a sense of a larger church family or community;
- (iii) Help the church realize its potential in assisting OVC and be motivated to respond to their needs;
- (iv) Establish a community committee within each community to ensure efficiency and community participation and ownership of the programmes.

(d) Needs Identification and Prioritisation

Christian Alliance for Children in Zambia organised three workshops in three of the poor compounds in Lusaka. Basically the purpose of these workshops was to make the church

leadership aware of the magnitude of the problems of Orphans and Vulnerable Children (OVC). The workshops sought to sensitise and mobilise the church about the importance of bearing the burden of Orphans and Vulnerable Children (OVC) as the government and other NGOs alone cannot cope with the situation on their own without the involvement of the church. At the end of each workshop, needs were identified and prioritised.

The first workshop was held in **Garden Compound** on August 26th, 2000. There were 45 representatives from 5 churches. These were: Anglican Church; Reformed Church in Zambia; African Methodist Episcopal Church; Presbyterian Church; and Church of God. The priority needs which were identified were; education, and provision of medical care since this compound does not have a government medical facility.

The second workshop was held in **Mtendere Compound** on September 6th, 2000. There were 36 representatives from 9 local congregations. These are: Jesus Army Churches and Ministries; Blessed Christ Ministries; Anglican Church; Pentecostal Holiness Church, Presbyterian Church; Crossed Field Ministries; Hope Ministries; and United Apostolic Faith Church. The priority needs which were identified were education, food, clothing, and sanitation.

The third and last workshop was held in **Kanyama Compound** on September 13th, 2000. There were 61 representatives from 14 local congregations. These are: Free Baptist Church; Voice of Miracles; Tree of Life; Reformed Church in Zambia; True Word of God; True Gospel Church; Fire of Righteousness; Apostolic Faith Mission; Church of God; Salvation Army; Redemption Church Centre; Divine Life Pentecostal; Kanyama Central Baptist; and Christian Missions in Many Lands (CMML). The priority needs which were identified were education, and gardening project for household consumption and livelihood.

During the workshops community based volunteer committees were established with the following goals:

- (i) To monitor the progress of the local community programme;
- (ii) To implement decisions of the local churches/congregations within the available

means of resources;

(iii) To report to Christian Alliance for Children in Zambia on the progress and make recommendations on the challenges of the programme through the community coordinator.

The three compounds or communities (Garden, Mtendere and Kanyama) adopted a similar plan for the implementation of education programmes for the orphans and vulnerable children. In their community mobilization activities with regard to the establishment of community schools, the churches agreed to use the church buildings as classrooms; they designated a specific grade level to each church making the enrolment as large as possible; they committed themselves to recruiting volunteer teachers from within the local congregations and the community; and they accepted to give one another moral, material, spiritual and other necessary support from each participating local congregation.

(e) Implementation and Impact

The following statistics were obtained after the implementation of the identified needs. In **Garden Compound**, education covered - Nursery School to Grade 5. There were 4 participating churches, 14 teachers, and a total number of 633 students out of which 273 were boys and 360 were girls. Due to non-availability of government medical facility as stated above, it was agreed during the workshop that a Mobile Clinic would be of much assistance to the children attending these schools as they would receive medical treatment organized by CACZ. Towards the end of the first school term, a general screening of all children was conducted and among the conditions discovered were: skin conditions; worms; bilharzia; and dental problems. In **Kanyama Compound**, education covered - Nursery Schools to Grade 4. There were 5 participating churches, 15 teachers, and a total number of 812 students out of which 361 were boys and 451 girls. The second priority in this community was gardening but was not implemented due to lack of reasonable piece of land for the project. In **Mtendere Compound**, education covered - Grades 1 to 7. There were 6 participating churches, 19 teachers, and a total number of 499 students out of which 241 were boys and 258 were girls.

Through this programme 1,994 orphans and vulnerable children regardless of their religion within the 3 communities are receiving some formal education, principally in the area of primary education and also medical services in Garden Compound. A total of 15 local churches are using their buildings as classrooms and 16 other churches that have no building facilities are contributing in various ways. Using this approach, different local churches from different denominations have been brought together by the plight of the children in their own communities, have put their strengths and resources together, developing a sense of a larger church family in these communities. The Churches and Community Committees in the three compounds have been empowered in the running of these schools. Participation is much higher because ownership of the schools is in the hands of these churches. However, the major constraints the schools are facing are the teaching and learning materials. Almost all the teachers are untrained and have no knowledge about class management, child or education psychology which is important as they are handling very sensitive children most whom have not experienced parental love and care, and have never been in a classroom situation before. Although the teachers started as volunteers, they have also began to ask for incentives. The encouraging part of this programme is that teachers have already received training in three areas, namely, classroom management, examination preparation, and the qualities of a teacher. This programme has a great potential to expand if given enough attention and funding. This is one of the challenges that the Zambian church is facing as far as getting involved in community development is concerned.

Conclusion

As it can be observed from the statistics in three poor compounds in Lusaka, the poor communities experience a low level of human development manifested by poverty and hopelessness. This inhuman situation calls for urgent action and concerted efforts especially by the church as one of the primary groups to stamp out the causes of current conditions (poverty in particular). The dynamics of the present socio-economic state of affairs are the determinants in the introduction of alternatives for human development.

Development has meant different things to different people in different contexts with relatively different collective mindsets or consciousness. Development arising from the modern thought has failed to recognize the complexity of human needs of which the material merely constitutes one dimension. As social beings, human beings need social networks (association), participation in public life (affairs), protection, security, self-esteem, self-actualisation, and love. Writing from a liberation perspective, Bonino (1975:35) defines development as a form of “liberation from all that limits or keeps man from self-fulfilment, liberation from all impediments to the exercise of his freedom”. Hence, measuring development strictly in quantifiable returns undermines the complexity of needs. Human development will be achievable if its focus is the improvement of human life through participation in planning and decision-making, and systematic changes that multiply the scope of people’s choices and capacities while decreasing their susceptibilities. The church is one of the agents of change that is scattered throughout the fabric of society and would contribute much in achieving holistic development by being partners with the communities, and other stakeholders such as the government, and Non-Governmental Organizations (NGOs).

Chapter 6

6.0 Summary and Conclusions

This thesis has sought to discuss the challenge that high levels of poverty brings to the church in Zambia. It has examined the contributing factors to the high levels of poverty from socio-economic and political perspectives having drawn its findings from the effects of the Structural Adjustment Programmes (SAP) on the quality of life on the Zambian population.

The paper has examined Zambia's political systems and economic policies of the post-independence Zambia that attempted to economically empower the Zambian people but have in the end only contributed to an increase in poverty levels and poor quality services. Further the paper has discussed the effects of the Structural Adjustment Programmes (SAP) on poverty and availability of social services. It has also dealt in depth with the theological perspective on poverty and wealth from the biblical point of view in both the Old and New Testaments. A Christian evaluation of global capitalism, work, labour and wealth in the Zambian context has been discussed as well as the challenge of poverty to the church in Zambia. The concept of development is defined with two development perspectives proposed. These are: (i) life-sustaining development and (ii) life-in-community development. A discussion of two strategies; the prophetic and diaconal ministries is made which the church can use to reach the ruling elite and decision-makers on one hand, and sensitise the people with a view of empowering them for self-sustainable development on the other.

In conclusion, the research has shown that the Zambian Government has had, since independence (1964), no ability and capacity to salvage the economy from the crisis it has gone through from the mid-1970s. The reason has been because of various factors upon which the government has had no control such as Zambia's geopolitical position and ambitious internal economic policies.

The implementation of the Structural Adjustment Programmes after the 1991 Presidential and

Parliamentary Elections worsened the socio-economic situation, accelerating the rate of poverty that is now at 80 per cent of the Zambian population.

The church in Zambia has recognised the need for the SAP, but feels that the government and the donor community lack a compassionate face to the suffering majority in the implementation of the reforms. The church is concerned about the reported corruption, the lack of good governance and lack of transparency and accountability in the sale of parastatal companies. It is also concerned about maintaining a healthy and peaceful Zambian society, where everyone would be equal before the law and be given an opportunity in the economic sphere. The unequal distribution of wealth within the country has created an imbalance of food security. The church would like to see the government decisively deal with the 80 percent of the majority Zambian population living in abject poverty. As the prophets in the Old Testament and Jesus in the New Testament are concerned with wealth and poverty, and since God's redemptive acts in the history of humanity seek to free everyone from sin, unscrupulous exploitation, oppression and injustice, the church wants its voice to be heard by the ruling elite through the prophetic ministry. Deprivation and dehumanising humanity by taking away freedom and means that make life significant, and also the destruction of nature are issues of great importance that the church in its holistic ministry wants the government of the day to address.

The church believes that global capitalism through the IMF and World Bank has brought death rather than life. "If one affirms life and life-bringing economic systems, then one must reject economic systems and structures which bring about death" (Duchrow 1995:230). The church in Zambia stands ready to support economic systems that sustain the life of the people. The church supports the changes in the country's economic system and democratic processes that are necessary for the survival of the population. The church, therefore, calls for economic and development alternatives that can humanise the majority Zambian poor people through a new vision which is life-sustaining and fulfils life-in-community through hard work. The church argues that there should be no rigid approach to the implementation of the SAP. It should be implemented in a way that is more sensitive to Zambia's social circumstances.

Since a number of SAP measures have had adverse effects on the people, the church organisations have experienced higher demands for charity and assistance from parishioners. The contribution of the church to national development has not just been the proclamation of the Gospel of Jesus Christ, but also the social welfare, education and health sectors. Community schools in the three poor compounds in Lusaka as discussed above in the case study, is an example of the church's contribution to development through a church related non-governmental organisation. The impact of these community schools in the lives of 1,994 orphans and vulnerable children, especially in the area of primary education although in a small way cannot be underestimated. With commitment and determination the church has the ability to contribute significantly to the life of the vulnerable majority in the country.

Therefore if the Church and the Government were to pool resources and work together, the social calamities that Zambia faces today could be addressed more effectively.

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Appendix 1. Zambia: Chronology of Selected Reform Policy of the 1980s

| Year | Event |
|---------|---|
| 1981-85 | Attempted stabilization and limited liberalization, initially under an IMF Extended Fund Facility, and then under a stand-by agreement. |
| 1985-86 | An intensive reform effort during which the foreign-exchange auction operated and the abolition of food subsidies was attempted, and resulted in food riot and loss of life in December 1986. |
| 1986-87 | A period of disintegration of the IMF and World Bank programme, culminating in the formal break in May 1987. |
| 1987-89 | An attempt to go it alone by the government under the Interim National Development Plan (INDP) from May 1987 to June 1989. |
| 1989-91 | Rapprochement with the Breton Woods institutions, a phase beginning formally in June 1989 and lasting up to September 1991 when the programme broke down as food subsidies were increased following drought and the collapse of the marketing system in the run-up to multi-party elections |

Source: Jones, Stephen (1994), in van der Geest, W. *pp.27-28*.

Appendix 2: Chronology of Main Policy Agreements from 1983.

| Year | Month | Event | |
|-------------|--------------|---|--|
| 1981 | May | Macro policy agreement with IMF; implementation was incomplete. | |
| 1983 | April | IMF stand-by agreement (12 months) | |
| | May | Paris Club agreement on debt rescheduling | |
| 1984 | March | World Bank export rehabilitation (copper) and diversification loan. | |
| | May | Consultative Group of Aid Donors agreement on external aid. | |
| | July | IMF stand-by agreement on debt rescheduling. | |
| | July | Paris Club agreement on debt rescheduling | |
| | December | London Club commercial bank debt restructuring. | |
| 1985 | January | IDA/World Bank agricultural rehabilitation project. | |
| | June | Consultative Group of Aid Donors agreement on external aid. | |
| | October | - | Government announcement of foreign-exchange auction and import liberalization. |
| | | - | IDA industrial reorientation credit. |
| | December | Consultative Group of Aid Donors agreement on external aid. | |
| 1986 | February | IMF stand-by agreement (24 months). | |
| | March | Paris Club agreement on debt rescheduling. | |
| | June | IDA recovery credit. | |
| | Dec. | Consultative Group of Aid Donors agreement on external aid. | |
| 1987 | May | Abandonment of foreign-exchange auction New Economic Recovery Programme (NERP) introduced. | |
| 1989 | January | Five-year plan for 1989-93 released. | |
| | August | Policy Framework paper 1989-93. | |
| 1991 | February | Anticipated date for formal agreement programme with IMF and World Bank. | |

Sources: Adapted from Gulhati (1990) & Jones (1994).

