

POVERTY REDUCTION STRATEGY PAPER
FOR
ZAMBIA

A CIVIL SOCIETY PERSPECTIVE

**CIVIL SOCIETY FOR POVERTY REDUCTION
(CSPR)**

EXECUTIVE SUMMARY

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Background

This Executive Summary presents the papers that were prepared by Zambian civil society organisations, as input to the on-going national Poverty Reduction Strategy Paper (PRSP) preparation process. The objective of this undertaking – the Civil Society for Poverty Reduction (CSPR) - has been to ensure that the voices of the majority of Zambians are heard and taken into account during the PRSP process.

The CSPR has prepared the papers because of a firm belief that the wider consultation manifested by these papers would significantly enrich the understanding of poverty in Zambia, sharply highlight priority areas for response, and substantially improve the overall document. The CSPR is not to be viewed as a “parallel PRSP”, but rather as a direct contribution to a final document that wants to rightly claim *domestic ownership*.

There are 12 papers in all, which appear as chapters. The first 11 chapters cover the following areas:

- Overview of Zambia’s economic and poverty situation;
- Employment and sustainable livelihoods;
- Environmental issues;
- Gender;
- Agriculture and food security;
- The role of the mining sector in poverty reduction;
- Tourism;
- Health and HIV/AIDS;
- Education, child and youth;
- Governance issues and poverty reduction;
- Macroeconomic framework.

The twelfth chapter presents the proceedings and recommendations from provincial poverty reduction workshops, which were organized by CSPR, to widen participation in the PRSP process. The civil society provincial workshops were conducted to complement the government’s provincial workshops.

Overview of Zambia's economic and poverty situation

At independence in 1964, Zambia was one of the most prosperous nations in Africa; the country is today among the poorest nations in the world. The World Bank classifies Zambia as a Least Developed Country. The UNDP *Human Development Report 1999* ranks Zambia at 156 out of 174 countries, having fallen consistently over the past years, from 136 in 1996, to 142 in 1997, to 146 in 1998. Indeed, of 79 countries for which data is available between 1975 and 1997, Zambia is the only country where the value of the Human Development Index is lower than it was in 1975.

The social indicators reveal a declining trend over time, showing the worsening living conditions of most Zambians. Life expectancy is estimated at 37 years, compared to 42 years at the time of independence, and 54 years at the end of the 1980s. Mortality rates are among the highest in the world. The number of orphans has increased, while a significant proportion of school age (7-13 years) children are not in school. Central Statistical Office (CSO) estimates that 73% of the population have incomes below the minimum level determined by CSO. The percentage of people living in poverty increased from 70% of the population in 1991 to about 74% in 1993, decreased to 69% in 1996 and then rose again to 73% in 1998.

In the Zambian context, poverty can be defined as deprivation of a “long healthy life, educational opportunities, access to resources for a decent standard of living (e. g. income and consumption, housing, health, clean water and sanitation), and lack of freedom to exercise choice and participate in society”. Poverty should also be understood as being multi-dimensional. From this perspective, it should be noted that 35% of the rural population have access to safe water; hence, 65% of the rural population are water poor. 59% of the children are stunted: they are nutrition poor. 27% of the population have not had any schooling at all: they are knowledge poor.

Essentially, there are two causes of poverty: a) internal factors and b) external factors. Internal factors are amenable to control – with proper planning – and include cultural factors, the failure of structural adjustment programmes to generate the desired economic growth, high inequality, over-dependence of the economy on copper, and diseases like HIV/AIDS. External factors, over which the nation has little control, come as shocks, and include declining terms of trade and drought.

The policies of the first UNIP government were centred on empowering the people, but were over-dependent on the copper industry. The collapse of the copper industry automatically translated into lack of sustainability. The current government has focused on reviving the economy, with the sole goal of restoring macroeconomic stability and growth. Although a favourable economic environment has been created, no meaningful growth has been achieved, while income inequality still remains high. During both regimes poverty has remained high, especially in the last ten years.

Corruption in government and lack of proper measures to monitor public resources have been cited by civil society as other major causes of poverty. The huge external debt, which at December stood at US\$6.3 billion, has exacerbated poverty. Disease has further worsened the poverty situation in Zambia. Cholera, malaria, tuberculosis, and HIV/AIDS are some of the major prevalent diseases.

The biggest challenge by far, however, is the HIV/AIDS pandemic. Zambia ranks as one of the worst affected countries in sub-Saharan Africa. Over 20% of the population are believed to be infected and a good proportion of the population has been affected in one way or another. The dangers of HIV/AIDS are best summed up by Prof. M. J. Kelly as follows: "the HIV/AIDS pandemic is undercutting every development initiative in the country and reversing years of hard-won gains".

Other factors responsible for the declining living conditions for the majority of Zambians include the declining terms of trade and drought. These two factors are to a large extent externally determined, making it difficult to control.

Zambia is in a deep social crisis. The majority of the population who are poor need to be urgently lifted from that condition. It is not acceptable that a large proportion of the population is poor and destined to die even from preventable diseases, while the rich, especially those in government, are flown out for specialist treatment even when terminally sick. Zambia needs urgent practical steps to redress the poverty situation. The PRSP is, therefore, a welcome process that enhances dialogue between government, donors, and civil society to find lasting solutions to poverty.

To address poverty four things are critically necessary:

- Political will: from the very highest authority in government, the reduction of poverty must be declared as the top priority. All national policies, strategies, and programmes must be evaluated in terms of their impact on the problem of poverty.
- Integral framework: the multi-faceted dimensions of poverty must be adequately addressed. Policy interventions must not be centred only at the income dimension of poverty.
- Effective implementation, monitoring, and evaluation: PRSP should not end up as a good document on paper; it must be implemented effectively. Donors, government, and civil society must ensure commitment to PRSP not only during formulation but also during implementation.
- Pro-poor growth: for poverty reduction to be sustainable, the economy must grow in an equitable manner. The economy must be tailored to generate high, sustained economic growth that benefits the poor more than the rich.

Employment and sustainable livelihoods

There is no easy and automatic link between economic growth and employment opportunities. Examples can be given of countries that have experienced "jobless growth", "growthless jobs", "job-creating growth" or "growthlessness *and* joblessness". For some time now, Zambia has been facing a situation of contracting employment and economic decline.

Just as there is no automatic link between economic growth and employment opportunities, there is also no necessary link between employment growth and poverty reduction, unless the employment can ensure sustainable livelihoods to the

employees and their families. In Zambia, as per official statistics, employment increased between 1996 and 1998, but poverty too increased during the same period.

For jobs to become synonymous with “sustainable livelihood”, they must carry adequate financial compensations, be durable, and must not undermine ecological integrity. In Zambia, there has been a significant shrinkage in formal employment and growth in informal sector employment. Formal sector jobs, however, have acted not only as *substitute* for lost formal jobs but also as *supplement* to formal jobs to ensure sustainable livelihoods to the employees and their households. Employment in the traditional sense should, therefore, be regarded as a subset of “sustainable livelihoods” and not the other way round. The concept of “sustainable livelihoods” implies resiliency, efficiency, ecological integrity, social equity, and adaptive governance systems. It encompasses both *assets* (economic, social, natural, human, and physical) as well as *entitlements*.

Poverty reduction requires not just the promotion of employment but employment *and* sustainable livelihoods (ESL). Although Zambia has a vast array of resources for ESL promotion, their potential has not been realised to the full so far. There has been a significant wedge between the potential and the performance. The wedge has been the result of a number of constraining factors:

- lack of tools, equipment and other inputs;
- lack of infrastructure;
- outmoded/inappropriate technologies;
- wrong management and conservation practices.

In addition, there are other major cross-cutting issues such as:

- inappropriate institutional arrangements;
- lack of gender focus;
- HIV/AIDS;
- ineffectual macroeconomic policies.

Before designing strategies for ESL promotion, one must be clear as to what activities promote ESL and what do not. In this regard, a useful distinction is as between *coping* strategies and *adjustment* strategies. Coping strategies are not sustainable, since they are liable to undermine society’s resource base and adversely impact on inter-generation equity. On the other hand, adjustment strategies seek to bring about a realignment of resources and a re-orientation in resource use by individuals in order to maintain livelihood levels. Policies are required to encourage adjustment strategies and not coping strategies. Preference should also be accorded to activities that are *strongly sustainable* (those that keep natural resources and man-made capital intact while enhancing others), as opposed to those that are only *weakly sustainable* (those

that involve substitution of one form of resources for another, while keeping overall resources intact), or that are unsustainable (which reduce society's overall resources).

Policies for promoting ESL include:

- high levels of economic growth;
- human capital formation;
- gender mainstreaming;
- enhancing community participation;
- infrastructure development;
- improved/appropriate technologies, tools and equipment;
- development of processing activities;
- improved resource management and conservation.

Environmental issues

Poverty can contribute to environmental degradation, and environmental degradation can perpetuate poverty. Poverty reduction should, therefore, be viewed as a strategy for promoting sustainable environmental management. The Zambian Government recognises five environmental problems:

- water pollution and inadequate sanitation;
- soil degradation;
- air pollution in the Copperbelt towns;
- depletion of wildlife;
- deforestation.

The overall objective of environmental programmes is to balance economic development with environmental concerns, in order to achieve sustainable development. The ultimate goal of sustainable development is to improve the quality of human life, while conserving the capacity of the environment to meet present and future human needs.

In rural Zambia, 96% of households, dominated by women, have a dual dependence on crop production based on low levels of inputs and exploitation of non-farm natural resources. In urban areas, about 85% of households depend on charcoal as a cooking energy source. In such a situation, deforestation and over-exploitation of natural

resources is inevitable, in spite of the recognition that sustainable exploitation and management of natural resources can contribute to poverty reduction. Inappropriate laws and institutional arrangements have contributed to the over-exploitation of natural resources.

Currently, revenue collection from commercial forest products is too low to significantly contribute to improved and appropriate forest management, and to equitably share the revenue with local communities where forest products are produced. Wildlife, including fish, plays a significant role in meeting human needs, but the country has witnessed a sharp decline in major wildlife species during the 1970s and 1980s due to excess hunting, inadequate capacity in the public sector, corruption, and lack of involvement of local communities and user groups in natural resources management.

Programmes that effectively involve the participation of local communities in wildlife management, such as the Administrative Management Design (ADMAD), have the potential to contribute to poverty reduction. For this to happen, however, it is necessary to:

- a) put in place enabling legislation that guarantees the rights of local people over the use and benefits of forest and wildlife products;
- b) carry out institutional reform that vests control and planning with local communities and user groups;
- c) promote markets in wild natural resources products that generate incomes for rural communities, especially women.

Inappropriate use of nitrogenous fertiliser in agro-ecological zone II reduces crop yields within a few years. This in the long-term can worsen the poverty situation of rural farmers and degrade the soil resource. Shifting cultivation is ecologically suitable, but population pressure can reduce fallow periods and impair woodland regeneration. Promotion of sustainable conservation farming will protect the environment, while contributing to poverty reduction by sustaining reasonable crop yields.

Municipal sewage treatment plants, that were designed for smaller populations than they are now serving, discharge wastewaters, that are often below acceptable environmental standards, into natural water bodies. On the Copperbelt, water pollution is associated with mining dumps and tailings dams. Valley tailings dams and some natural waterways have fish that is highly contaminated with heavy metals, and in many cases also have a high concentration of bilharzia snails that transmit bilharzia to humans. People, especially the urban poor, fish and eat fish from tailings dams, despite the high risk of long-term health problems that are associated with continuous consumption of fish that is contaminated by heavy metals.

The consequences of water pollution include eutrophication of water bodies and prolific growth of waterweeds, such as the Kafue weed, that threatens infrastructure and the livelihoods of hundreds of fisher people in the lower Kafue River. Unsafe garbage disposal and discharge into the natural environment of wastewaters that do

not meet environmental standards, only serve to promote the prevalence of preventable environmental diseases, such as dysentery, cholera, malaria, and bilharzia, that worsen the poverty situation, especially of women, children and the poor.

To improve natural resources management and effectively contribute to poverty reduction, it is necessary to:

- i) Review the protected area system in the country, determine sustainable levels of deforestation, improve revenue collection from commercial forest and wildlife products, and invest a significant proportion of the revenue in rural communities where these products are produced.
- ii) Reduce the dependence on charcoal as a cooking energy source by urban households, through low-cost electrification and affordable electric cook stoves, as well as promoting solar energy in rural areas.
- iii) Promote good land husbandry through sustainable conservation farming and environmental education.
- iv) Promote markets for primary and secondary wild products to generate incomes in both rural and urban areas.
- v) Reduce water pollution and unsafe garbage disposal through effective monitoring and enforcement of environmental standards and environmental education and awareness in both rural and urban areas.

Gender

Biological or sex differences between men and women do not change, but the social roles that they are required to play vary between different societies and cultures, and at different periods of history. “Gender” is the term used to describe this social differentiation. Both men and women play multiple roles in society (e. g. productive, reproductive, and community management). While men are able to focus on a single productive role, and play their roles sequentially, women must play these roles simultaneously.

Since men and women have different gender roles, they also have different needs. From both a policy and operational viewpoint, it is useful to distinguish between two types of gender needs. Practical gender needs are those needs of women and men connected with their existing roles in society; meeting these needs refers to actions to address inadequacies in the living conditions women and men experience. Strategic gender needs on the other hand, are about changing men’s and women’s roles in society.

Immediately following the Beijing Conference in 1995, the Gender in Development Division (GIDD) was created. GIDD is the administrative unit given the responsibility of formulating and implementing the National Gender Policy. Since its establishment, GIDD has facilitated the establishment of Gender Focal Points and the

appointment of Gender Focal Point Persons in line ministries and provincial administration headquarters. There are as yet, however, no Gender Focal Point Persons at district level.

Parliament has a Gender Matters Committee. The Committee is responsible for scrutinising government policies and activities for gender responsiveness. Women parliamentarians have also formed a caucus, whose objective is to sensitise the legislators on gender issues. Non-state organisations, too, are active in the women's movement, with many of them operating under the umbrella of the Non-governmental Organisation Co-ordinating Committee (NGOCC).

The major challenges in the area of gender in Zambia today can be summarised as follows:

- Imbalances in the rights and responsibilities of men and women.
- Insecurity of women, in contrast to men, related to the precariousness of women's socio-economic status.
- Immobility of women, in both its spatial and cultural/social dimensions.
- Inattention to the diversity of households in Zambia, and to critical issues of intra-household resource allocation and decision-making.
- Inequity resulting from the systematic bias against women in access to social services.
- Invisibility of women in economic analysis and policy-making.

Gender analysis must be an integral part of the design of policies, programmes, and the national budget, aimed at promoting economic growth and alleviating poverty. The need to collect and disseminate gender-disaggregated statistics is very important. CSO statistics should include intra-household aspects of access to resources. Sensitisation, awareness-building, skills development, and capacity building in addressing gender issues must be undertaken across the full range of institutions responsible for development. The time constraint that women face must be addressed through the introduction of labour saving technologies.

The main goal of the gender strategic objectives is to strengthen gender-based and women's organisations, for the purpose of mobilising women and strategic allies into a critical mass to contribute to the achievement of gender equality and equity in all areas of national development from the year 2002 and beyond. The thrust of the proposed gender strategic objectives is to tackle the real causes of gender inequalities (strategic gender needs) and not the symptoms (practical gender needs).

The proposed activities and goals encompass the following:

- Governance and capacity building: to transform and strengthen the gender-based and women's organisations and their initiatives.

- Decision-making and community participation: to promote women's participation in decision-making at various levels.
- Economic empowerment: to provide economic empowerment and investment opportunities as a means of alleviating abject poverty and promoting the socio-economic status of women and communities.
- Social development: to improve women's physical, functional, and financial access to social services.
- Research and advocacy: to undertake research and advocacy activities that will bring about an awareness of the gender issues and concerns.

Agriculture and food security

Since the 1970s, Zambia has been experiencing economic and social problems, resulting in deteriorating living standards and conditions for most of the people. As incomes continue to decline, human survival in Zambia has become increasingly difficult. Most people have been adversely affected in the areas of food security, health, sanitation, education, and employment.

Agriculture is the lifeline of Zambia's poor who live in rural areas, including farmers, workers and the unemployed. About 60% of Zambia's employment is in agriculture; hence, creating jobs and increasing income in that sector is vitally important and, if achieved, will have an important direct effect on poverty. Furthermore, agricultural growth can catalyse growth in other sectors through the multiplier effect. Restoring high and sustainable agricultural growth is, therefore, critical for alleviating poverty.

Even though Zambia has a great endowment of natural resources, agricultural growth has been well below potential in recent years, due to a number of constraints. This is partly due to an accumulation of poor past policies. The following are some of the main weaknesses and constraints:

- 1) non-availability of quality seeds and inappropriate production technologies, especially for small holder farming;
- 2) lack of access to credit, by the majority of small holder farmers, particularly women;
- 3) high cost of farm inputs;
- 4) poor and inadequate rural infrastructure, especially feeder roads, power supply, and market facilities;
- 5) inconsistencies in policy/poor institutional and legal framework;
- 6) inadequate research, inefficient extension delivery systems, as well as inadequate extension services and support;

- 7) poor sequencing of the liberalisation process;
- 8) lack of effective co-ordination of investment activities among the key stakeholders in agriculture;
- 9) unfavourable weather conditions and high dependence on rain-fed production;
- 10) population pressure on the natural resource base.

In order to reduce the levels of poverty in most rural and urban communities in Zambia, and subsequently improve the quality of life on a sustainable basis, the agricultural sector needs to grow at about 4-6% per annum, if it is to contribute to national growth and increase rural wealth. For this to happen in a way that effectively supports poverty reduction over most of the sector, a number of important strategies and actions need to be undertaken. These include:

- a) building an effective and efficient participatory extension and technology generation service, and promoting dissemination of agricultural information;
- b) undertaking affirmative action in agriculture by facilitating the participation of women;
- c) establishing efficient and sustainable rural finance and credit supply systems for small-scale farmers and rural primary agro-processors;
- d) ensuring policies, and institutional and legal frameworks are investor-friendly;
- e) implementing sound land use, water, and environmental policies;
- f) facilitating long-term investments in farm improvement;
- g) protecting land and other resources, like water catchment areas, by developing forest plantations, and other conservation practices;
- h) improving the governance of the co-operative sector by empowering farmers, in order for them to address specific problems such as marketing, or to undertake investments in small-scale irrigation projects in poverty-stricken areas.

In the medium term, government needs to focus on a few strategic interventions that are most likely to have the greatest catalytic effect on poverty reduction. These include:

- i) promotion of food security - thus the government will promote food security through consumption smoothing and social protection intervention, supported by maintenance of a national food reserve of maize and other cereals, and a drought contingency fund;
- ii) promotion of agricultural diversification and post-harvest technologies;

- iii) ensuring that an early warning system is functional in all drought prone districts, and continuing to have famine relief distribution and monitoring carried out by NGOs and communities;
- iv) inspection and quality control of farm inputs and commodities, through improved legislation and empowerment of farmers' associations;
- v) control of crop and livestock pests and diseases;
- vi) improving the technology development and transfer system through participatory group extension, private sector participation, and farmer training with increasing focus on mainstreaming gender concerns, environmental issues, and reduction of post-harvest losses;
- vii) developing specific interventions to monitor and combat the impact of HIV/AIDS on family food security, using village level approaches and extension service personnel;
- viii) promotion of income and employment generation, through increased production of crops and other agricultural products. The government will facilitate higher production of crops, livestock and fisheries through:
 - investments in constructing rural infrastructure, like feeder roads and rural electrification;
 - promoting of research and extension, particularly for food crops and livestock, which are very important for the rural poor;
 - strengthening legislation to provide for sustainable exploitation of the natural fisheries resources, and promoting fish farming by providing research and extension services;
 - involving producers, particularly small-scale farmers, in seed multiplication and distribution;
 - promoting production of high value crops/livestock, and establishing out-grower schemes and other agribusiness enterprises;
 - facilitating marketing and agro-processing, including developing the modalities for further involvement of the private sector;
 - providing a framework for the development of working partnerships with NGOs, the private sector, and other stakeholders;
 - enforcing anti-dumping measures with respect to some imported agricultural products.

The role of the mining sector in poverty reduction

In the area of mining, typically two generic forms of mining emerge: large-scale and small-scale (including artisanal) mining. Generally, for every one person employed in large-scale mining, there are five persons engaged in small-scale and artisanal mining. There is a larger proportion of women and children engaged in artisanal activities than there are in other forms, as artisanal mining is a poverty-driven activity. The illegal quarrying of limestone in some parts of Lusaka is an example of artisanal mining, and in this case taking place on sites that had been previously worked by licensed companies but abandoned for various reasons.

The Zambian Government must carefully weigh the impacts of revenues from mining and its associated public costs, to yield the net impact and that should serve as a guide to the progress of the sector. The management of mineral rights is as important as the revenues a mining project can yield. Private access to mineral rights, especially at community level, should be promoted to enhance the empowerment of poor rural communities where mining projects are based. While it is ideal to have flexible legislation to attract mining investment into a country, care must be taken to ensure that the rights of the directly affected communities are protected, and that their continued participation in consultations over the life of a mining project is assured.

The government should, as a matter of urgency, encourage the speedy establishment of Community Development Units and Local Business Development Funds by the new investors in the mining sector. For the foregoing to succeed, social assessments within the scope of Social Management Plans need to be undertaken, as Konkola Copper Mines has demonstrated.

Three elements of the mining cycle, namely exploration and mine development, operation, and finally mine closure, all interact to impact on the environment. Detailed assessments of land and water use, pollution, and waste management as well as human health, need to be undertaken during the mining cycle. The review and updating of the existing mine closure plans will require the participation of civil society to ensure that vulnerable groups are fully catered for. Equitable distribution of revenues from mining as well as linking mine development to regional and local development planning needs are essential actions.

While corporations that hold legal title to sub-surface resources may make significant contributions to national governments in royalties and taxes, if little or none of the benefits accrue directly to the affected communities, that can result in real disaffection. In order to enhance the contribution of the mining sector to poverty reduction, the following are recommended:

- a) There should be immediate licensing of artisanal mining activities country-wide, and this should include groups of people who illegally quarry limestone in the Lusaka area. Decentralisation of the granting of licences will also greatly lessen the burden of red tape for small-scale miners.
- b) Small-scale and artisanal miners must be supported in the event of the need to transfer or mortgage mineral rights to other parties that possess the resources to manage mining.

- c) The right to mine for those people living in mineral rich areas should be recognised in the same way land is recognised as an asset.
- d) The creation of model mines, where there is mineral potential, is cardinal as these would act as points of technology and skills transfer to rural mining communities.
- e) Free and transparent local markets should be established for the purpose of selling precious minerals that are currently earning less than a tenth of their true market value due to illegal trading.
- f) A major portion of revenues from mining projects that accrues to the government should be directed towards the development needs of the communities in which mining occurs, by way of royalty sharing.
- g) There should be increased funding to critical departments of the Ministry of Mines and Minerals Development for mineral exploration and compliance monitoring of mining activities.
- h) The current mining legislation should be accompanied by updated mining regulations that incorporate the needs of small-scale and artisanal miners.
- i) Socio-economic impact assessments should be accorded the same importance as environmental impact assessments.
- j) There should be full development of mineral resources in all sectors to improve the revenue base of the government.
- k) Development Agreements entered into with new investors should be revisited in terms of tax regimes and environmental requirements.
- l) Government must encourage mining operators to establish business development units to assist local communities. This concept is accepted internationally under the Partnership Forum initiative.
- m) Government must protect mining companies from unfair competition by enacting favourable statutes, while at the same time compelling mine operators to invest their profits locally.
- n) Unplanned settlements in mining licence areas should be re-located and be accorded top priority in land allocation.
- o) Opportunities for persons engaged in non-mining activities to acquire rock-blasting licences should be expanded, especially for applications in water well construction.

Tourism

The Zambia National Tourist Board (ZNTB) Traveller's Map of Zambia reveals that the country is exceptionally well endowed with tourist attractions, ranging from National Parks to the Victoria Falls and Lake Kariba. The natural endowments that have been bestowed upon Zambia are significantly more than those available in Namibia, Botswana, Kenya, or Zimbabwe, yet Southern African Development Community (SADC) statistics indicate that three times as many tourists visit Namibia, Botswana and Zimbabwe.

The relative weakness of Zambia's tourism sector is not related to the absence of attractive places to visit; it is a management crisis that can be corrected to unlock the value of tourism and contribute significantly towards poverty reduction and wealth creation. In defining mechanisms to stimulate the sector, one must be cognisant of the fact that some of the most severe pockets of poverty are in areas surrounding popular tourist destinations in the country, and it is, therefore, imperative that a poverty reduction strategy emphasises the assimilation of the surrounding community into the wealth creation and wealth distribution matrix.

Zambia needs to improve basic infrastructure to facilitate easy access to tourist areas, and to ensure that the services and facilities are at a stage where they can handle additional demands that would emanate from an upsurge in tourist arrivals. The government need not take the leading role in marketing the country, this can be best handled by linking the ZNTB with travel agencies and tour operators world-wide (mainly via the Internet), to put Zambia on the destinations of choice to be recommended by those on the front-line of tourist advisory services.

Domestically, government could consider providing incentives to encourage local tourism - possibly a concession on taxes/duties paid by local tourists to bring internal tourism in line with the levels prevailing in neighbouring countries. As a matter of urgency, the government should clear its arrears with domestic hospitality service providers to improve liquidity in the sector, and enable reinvestment and employment creation in an industry under stress.

The dual objectives of poverty reduction and economic development encourage a multi-faceted approach to problem solving in the tourism sector, to unlock the value that can be realised from careful marketing of Zambia's natural endowments. As part of a strategic recovery strategy, the following are recommended:

1. Targets

- 1.1 Increase the number of tourists visiting Zambia annually to 750,000.
- 1.2 Increase internal tourism by 40%.
- 1.3 Increase the value of expenditure per tourist from US\$212 to US\$500 within five years.
- 1.4 Increase bed occupancy by dramatically increasing off peak internal tourism; formulate incentives and packages for internal tourists; cut rates during low

season; step up domestic marketing of facilities; encourage educational tours; sensitise local travel agents to promote internal holidays.

- 1.5 Focus on high value tourists interested in two-week photographic or hunting safaris, tour packages that take them to five sites in Zambia (National Park, Victoria Falls, Lake Kariba, Open Pit Mine, Lusaka City or tiger fishing in Senanga).
- 1.6 Integrate tour packages with merchandising initiatives. Tourists visiting Zambia expect to see exotic, and precious and semi-precious gemstone, preferably cut and polished. They also expect to find stone sculptures, high quality wood carvings, and woven baskets. It is the responsibility of the private sector, with possible tax incentive support from government, to encourage development of cottage industries, which could include model hut/rural dwelling visits.

2. Priorities

- 2.1 Develop a tourism web site with a detailed map of Zambia's attractions.
- 2.2 Formulate a specific plan to bring decision-makers from the top 25 tour agencies in the world to visit Zambia on a conducted tour.

3. Immediate (within 12 months)

- 3.1 Upgrade the tourism map of Zambia and establish an interactive web site.
- 3.2 Arrange for a package tour of Zambia for 25 tour agency decision-makers.
- 3.3 Clear government arrears to hotels, lodges, travel agents, car hire companies, and other tourism service providers currently encountering financial constraints as a result of non-payment by government and statutory institutions.
- 3.4 Compel all invoicing on hunting, and photographic and walking safaris to be locally recorded and payments channelled through a Zambian bank account.
- 3.5 Complete the recruitment of the management of the Zambia Wildlife Authority.
- 3.6 Ratify the SADC Tourism Protocol (so far only Botswana, Namibia and Mauritius have done so).
- 3.7 Subscribe urgently to the Regional Tourism Organisation of Southern Africa (RETOSA), and become an active participant in RETOSA initiatives.

4. Medium-term (12 months to 5 years)

- 4.1 Grade all roads leading to (and within) national parks, game management areas, lodges, camp sites, and natural wonders.
- 4.2 Facilitate the establishment of a national airline
- 4.3 Establish Zambia as a destination on the SADC tour circuit.
- 4.4 Expand the ADMADE model to other game management areas, as well as to areas surrounding tourist sites like Lake Kariba, Victoria Falls, Sioma Falls, and tiger fishing sites along the Zambezi River.
- 4.5 License a further 6 private game farms.
- 4.6 Introduce tax incentives to hotels/lodges that offer special rates to local tourists in off-peak periods.
- 4.7 Offer generous capital allowances on aircraft, vehicles for hire, and equipment used in the tourism trade.
- 4.8 Develop linkages between tourist lodges and the surrounding community - offering vocational training, first options on procurement of foodstuffs and services.
- 4.9 Facilitate support - financial and training - for the production of handicrafts and semi-manufactures for sale to the tourism industry.
- 4.10 Offer duty exemptions on solar power generating equipment in areas not served by the Zambia Electricity Supply Corporation (ZESCO).
- 4.11 Undertake a hospitality sector training needs assessment and formulate a programme to provide formal and informal training to draw more people into the tour services net.
- 4.12 Harmonise standards in the regional tourism industry.

5. Long-term (5 to 20 years)

- 5.1 Increase the number of high quality hotels and lodges to expand four and five star bed capacity by 300%.
- 5.2 Upgrade medical facilities to ensure that there is a well-equipped medical/emergency centre within 30 kilometres of a resort.
- 5.3 Erect communication beacons to allow for efficient radio or wireless loop communications country-wide, particularly for emergency communications or procurement.

Health and HIV/AIDS

The Zambian health system is currently grappling with one of the highest HIV prevalence rates in the world, rising malaria incidence and mortality, as well as worsening maternal and child health figures. These are compounded by the current economic malaise the country is facing. The current adult HIV prevalence stands at almost 20%, affecting the economically viable age group. There are more females infected than males, with the peak infection age for females being below 30 years. This has effects in all sectors of development as it is decimating the workforce. The health system does not have the capacity - financial and skills - to deal with this crisis. To compound the situation, there are 30,000 children born infected with HIV annually.

Because of HIV, the life expectancy of the average Zambian at birth has dropped from 54 to 37 years. Another direct result is the upsurge in tuberculosis (TB) cases. This health situation is especially worse for the rural poor who have to travel great distances to get to a health facility, where they will be faced with critical shortages of even the basic drugs. To address these issues, in the early 1990s the government embarked on a well thought out reform process that faced implementation problems and eventually failed. One of the main reasons advanced for the failure of the health reforms is that there have been too many policy and political shifts.

A major gap identified in the health sector is inaccessibility to the health system for most of the rural and urban poor, due to limited numbers of health centres, especially in rural areas. Most centres are functionally inaccessible even when they are physically accessible, due to lack of supplies and logistics. The introduction of user fees may have further introduced financial inaccessibility, though most of the research shows that it is the actual cost of getting to the centre that is prohibitive. There are serious drug shortages especially for TB, anti-fungals, and other opportunistic infections. Anti-viral drugs are available only to the rich.

The nation needs to address the appropriateness of HIV education for our “window of hope” – there is need to balance morals, appropriate character formation, and condom use where necessary. The burden of care for HIV patients is directly borne by the poor communities in the current home-based care scenario where they have no support from the health system. There is over-reliance on external budgetary support such that when external donors withdraw their support, important health interventions are derailed. In addition, there do not seem to be adequate staff retention policies such that a large proportion of the people trained by the Ministry of Health at public expense leave the public sector for “greener pastures”. To make matters worse, the health sector depends significantly on foreign financing to support service delivery, most of which goes to the urban areas. When this support is withdrawn, services suffer.

The preventive aspects, especially in malaria and diarrhoeal disease prevention, have crumbled as the statutory health functions of local authorities have been largely ignored. Attempts to address the HIV/AIDS scourge so far have not targeted men, despite their being the main sexual decision-makers. Moreover, the system does not have incentives that promote the need for individuals to know their HIV status. This is aggravated by inadequate Voluntary Counselling and Testing (VCT) services generally, with an almost total lack in the rural areas.

The country continues to have exceptionally high infant mortality rates, mostly from preventable diseases of childhood. The maternal mortality rates are also very high and are due to easily preventable causes.

In the context outlined above, the following are recommended:

- The government should take greater responsibility for the health of the populace and re-evaluate its spending priorities in light of the current health realities.
- Political leadership of the fight against HIV is lacking, and the President needs to take personal charge.
- Clear-cut policies on HIV education to the youth should be formulated as a matter of urgency.
- Resources freed from debt forgiveness should be committed to the social sectors including health, especially in the rural areas. Some of these resources may be used to source anti-retroviral drugs.
- Men need to be identified as a programming unit in HIV work, as they make most of the sexual decisions, and there is need to have specific programmes targeting them.
- The traditional establishment (rulers, healers, and other players) should be involved in finding effective mechanisms of modifying certain cultural practices that contribute to the spread of HIV/AIDS.
- The Zambian media need to be in the forefront of the fight against AIDS by carrying educational HIV news, other than that of a sensational nature.
- There should be encouragement of the formation of community-based support groups that will promote and re-enforce positive family values, encourage VCT, and provide emotional support. This will provide incentives for testing and behaviour change.
- Nutritional support is critical; therefore, food supplements should be treated as drugs and prescribed accordingly to malnourished children and persons living with HIV/AIDS who may not afford food.
- The current funding of the health sector should be revisited with emphasis on a tax base and health insurance schemes.
- In rural areas, where user-fees may pose financial barriers greater than the cost of getting to the health facility, the policy should be reviewed with possible discontinuation.
- Budgetary reallocation of resources in favour of the services easily accessed by the poor is strongly recommended, so that 60% of the total health budget should

go to the health centres, 25% to the hospitals, and the remaining 15% to the Central Board of Health/Ministry of Health (CBoH/MoH).

- Equity of access to specialised services needs to be addressed, as there are very few poor people who benefit from the South African clinics where the well connected go. This money should be used to improve local services.
- Issues of management and transparency need to be addressed especially at district level, where the health boards should be elected and not appointed.
- MoH and CBoH should quickly implement Integrated Management of Children's Diseases (IMCI) throughout the country, to counter the effects of the high childhood mortality rates.
- Staff retention policies should be reviewed and meaningful incentives given to those who choose to work in the rural areas.
- The introduction of health posts in rural areas that would feed into the health centres, as part of a district health system, is necessary to address issues of accessibility.
- Increasing the number of VCT sites in rural areas should be a government priority, while the private sector should be encouraged with incentives (e. g. tax) to set up workplace VCT sites, which may also cater for the urban unemployed.
- Setting up semi-autonomous ambulance systems, initially in rural areas to address the issues of access and referral is another area of critical concern, especially with the high maternal mortality rates. This should be enhanced by the integration of IMCI and Reproductive Health services in all District Health Systems.
- Concerning the prevention of communicable diseases, CBoH/District Health Management Teams should perform their legal functions of ensuring that local authorities carry out their statutory requirements as regards sanitation and other public health requirements, according to the laws of the country.

Education, child and youth

It has been shown that there is a positive correlation between the level of education and the incidence of poverty among people. Evidence from Sub-Saharan Africa and South Asia shows that completion of primary school increases farmers' output by about 8 per cent. Those that have attained some education tend to be generally better off than those with lower education or no education at all. Education is vital for the social and economic prosperity of any nation. Formal education has become a major tool for developing human capabilities, transmitting knowledge and cultural heritage, and improving the quality of life. Adult education, supplementary education, and training are particularly important elements for the vulnerable groups.

Children are the future leaders who have a fundamental right to good childhood care and education. For children denied childhood care and education, the consequences include poor health and lives of poverty. Children also have human rights and need to be free from neglect or abuse. The youth are a vital resource for their families and communities, and as caregivers, they often play key roles in fulfilling the rights of younger children. The youth have a right to accurate information, life skills, education, health services, safe and supportive environments, and opportunities to participate in community life. They have a right to employment, good working conditions, and education. If the full potential of the youth were properly harnessed, communities would greatly benefit.

For a long time in Zambia, the church, NGOs, and the private sector have been providing childcare, formal and non-formal education, and skills training to a number of children and youth in Zambia. These civil society organisations are running orphanages, street children drop-in-centres, pre-schools, homes for the disabled children, primary and secondary schools, community schools, interactive radio broadcasting centres, skills training centres, and other programmes serving young people.

In the context of education, child, and youth initiatives, the following strategies for poverty reduction have been proposed by civil society in Zambia:

Education, child, youth, and TEVET policies

- To fully implement the Universal Primary Education of the Basic Education Sub-sector Investment Programme by 2005, so that resources can be freed in time for the development of the higher levels of education.
- To update the Youth Policy and to transform the Plan of Action for Youth into a final and user-friendly form.
- To finalise the restructuring of the National Youth Development Council without any further delays.
- To update the Plan of Action for the Child in order to move targets beyond the year 2000.

- To provide adequate funding for the implementation of the Technical Education, Vocational and Entrepreneurship Training Development Plan.

Child development

- To re-activate work in the area of reviewing Zambia's legislation in the protection of all rights of children and women. The rights and well being of children should be made a priority.
- To generate and allocate the resources that are necessary to adequately fund early childhood care as the first essential step in ensuring the rights of the child.
- To expand Early Childhood Care, Education and Development (ECCED) activities for the under-five age group, with special attention to the 0-3 year-olds, and with emphasis on community-based interventions.
- To ensure safe motherhood and to reduce maternal mortality.
- To reduce severe and moderate malnutrition in children under-five and improve the health and nutritional status of childbearing females, and to reduce infant mortality to 50 per 1,000 live births by the year 2015.
- To encourage and support non-governmental efforts aimed at improving the welfare of women and children.

Pre-school education

- To have a government pre-school teacher's training college in each province within the next fifteen years by building, on average, one college every two years.
- To directly support pre-school education, especially in the rural areas, and to intervene where proprietors of pre-schools charge exorbitant fees.
- To encourage local councils to play a more active role in running pre-schools and in training and employing pre-school teachers.

Vulnerable children

- To ensure that curriculum improvements meet the special needs of disadvantaged groups, and that children with disabilities are provided with special facilities in addition to the normal school facilities.
- To waive school fees for needy vulnerable children.
- To beef up the different bursary schemes, and to make them more user-friendly, and to target the bursaries at the intended beneficiaries.

- To reduce the cost of education for parents by instructing Education Boards to accept payment in kind, and to avoid requirement of full payments at the beginning of the school year, and to encourage them to establish a bursary scheme for needy pupils, especially girls.
- To develop a national policy on orphans and other vulnerable children.
- To exploit the potential of community schools, such as in community-driven curriculum development and own certification for their four-year programme.
- To upgrade community schools but leave them independent.
- To support the training of community school teachers and payment of salaries for these teachers, both trained and untrained.
- To mount civic education on children's and women's rights to education.

Provision of Basic Education for All

- To aim at achieving the 2005 target for Universal Primary Education, and the Universal Basic Education target of 2015.
- To achieve an annual increase of at least 96,000 in primary school enrolment up to 2005.
- To build more public schools and to give more support to community schools, aiming at creating 275,000 additional basic school places by 2002.
- To provide access to basic education within a radius of 5 km, and to abolish school uniforms for rural schools.
- To make primary education free, especially for girls, in order to improve enrolment rates and to pass legislation to compel parents and guardians to send children of school-going age to school.

Equity, including gender equity in the provision of education

- To adopt and implement deliberate and express policies at national, provincial, district, and school levels to support the education of girls.
- To re-style the culture of the school to make it more girl-friendly, involving gender sensitisation of teachers.
- To adopt a deliberate policy to identify and promote suitable female teachers, and in deserving cases give accelerated promotion.
- To make the physical environment friendlier to girls by ensuring adequate sanitation and water facilities - and these must be in working order.

- To mount an intensive sensitisation campaign that will reach into rural communities to make them aware of the value of educating girls, targeting in particular the most senior members: chiefs, headmen, influential older women, and other traditional leaders.

Provision of quality and relevant education

- To provide good school buildings, desks and teachers' furniture, clean water and sanitation, and better nutrition.
- To achieve a pupil-textbook ratio of 2:1 by 2002.
- To achieve pupil to teacher ratio of 25:1.
- To encourage the teaching of life-skills as a prominent feature in the curriculum.
- To incorporate human rights, especially children's and women's rights and HIV/AIDS issues, as an obligatory part of the school curriculum right from the lower primary level.
- To ensure that curriculum improvements meet the special needs of disadvantaged groups.
- To increase the duration of compulsory education in Grades 1-4 to at least five hours per day, achieve double sessions for Grades 1-4, and achieve single session for Grades 5-7.
- To encourage preventive action beginning with children in Grade 1, especially by using the Breakthrough to Literacy programme throughout the country, as a means of improving learning achievement.
- To increase the effectiveness of school inspectorates.

Cost sharing

- To introduce a government policy that encourages school children and children with disabilities to pay only a fraction of the normal bus fares for public transport, especially in urban areas.
- To provide free education to children from poor families, especially those in rural areas.
- To encourage families to work hard to achieve self-reliance, striving to send children to school.
- To encourage families to reduce the number of children through family planning.

- To monitor public resource utilisation and to stop corruption.
- To encourage donors to make conditions that have a human face with consideration to the country's economic situation, to fund institutions directly, provide monitoring facilities, and make poverty reduction programmes rural-friendly.
- To ensure that the financial obligations of the government towards education are implemented, and in a timely manner.

Youth employment and skills training

- To support efforts to place a special focus of youth problems on young women, while encouraging the youth in general to adapt to rural and non-formal employment settings.
- To concentrate on the informal sector as the prime potential area for employment creation.
- To support the improvement of the performance of development agencies, such as those dealing in micro-credit and agricultural marketing.
- To control rural to urban migration, emphasising settlement programmes and the promotion of rural development.
- To support informal sector and small-scale enterprise development.
- To encourage home improvement schemes that are labour intensive and can provide employment and skills training for the youth, and can provide affordable accommodation for them.
- To tap the potential for youth employment in mining, industry, agriculture, wildlife, tourism, construction, cultural activities, sport, and the fine arts.

Teachers' performance and welfare

- To remunerate teachers adequately for them to be motivated and to perform to their full potential.
- To provide teachers with a living wage to enable them meet their basic needs.
- To provide an allowance to rural teachers, in addition to their salaries.
- To ensure improved staff conditions, provision of accommodation, housing allowance, and housing loans.

- To support, encourage, and give supplies and motivation, and other incentives to enhance teachers' morale.
- To supply teachers with the necessary textbooks and teaching resources.
- To provide pre-service and in-service training, striving to reach an output of 4,400 trained teachers per annum.
- To attract young school leavers to become teachers.

Adult education and functional literacy provision

- To mobilise illiterate adult members of rural communities to take action aimed at reducing the high levels of female illiteracy in their midst.
- To reduce adult illiteracy to 12 per cent, especially female illiteracy.
- To make resources available to NGOs and local communities to provide non-formal education to adults as well as out-of-school children who are within the school going age.

Financing education, youth and child

- To raise the social sector budgetary allocation to 40 per cent. Resources that would come from the 0.7 per cent of developed countries' overseas development assistance, the Highly Indebted Poor Country (HIPC) initiative, debt cancellation, and the 20/20 initiative should be channelled into education and other areas of the social sector. These funds should be closely monitored by a group of NGOs/civil society.
- To provide education subsidies so that even the poorest of the poor can afford education.
- To provide skills and entrepreneurship training to the youth, accompanied or supplemented by capital, land, and machinery etc., for them to put the training into practice.
- To ensure timely and adequate funding of youth skills training centres.

Mitigating the impact of HIV/AIDS

- To support studies of the impact of HIV/AIDS on education, child and youth, and encourage HIV awareness campaign and prevention activities.
- To support campaign efforts to educate the youth, especially on a peer basis.

- To give assistance to youth organisations involved in such work.
- To integrate HIV/AIDS/life skills and sex education into the school curriculum and into management plans.

Strengthening management, planning, monitoring and evaluation

- To strengthen planning, management information systems, networking, and co-ordination in institutions working in the areas of education, child and youth through training.
- To ensure adequate staffing and funding.
- To strive for proper planning based on priorities, monitoring, and evaluation of activities in schools and youth skills training centres.
- To strengthen the school inspectorates.

Governance issues and poverty reduction

In 1991, the Zambian people decided to change the way they were governed as well as the economic system. Through civil society organisations, they championed the cause of liberal-democracy and espoused the principles of transparency, accountability, good governance, and the rule of law. They wanted to see a prosperous Zambia in which all the people would live freely and without the shackles of poverty. The Movement for Multi-party Democracy was their chosen party to lead them into the new age.

More than two decades after, with the new dispensation in place, the majority of the people still live in poverty, and democracy and good governance have still not been consolidated. The country, therefore, faces the challenges of fighting poverty and consolidating democracy and good governance. The proposals below are aimed at political reform to strengthen democracy and good governance, and politically empower the people. The proposals also address governance issues related to poverty reduction strategies. The proposals rest on the assumption that without politically empowering the people, apart from economic empowerment, and strengthening watchdog institutions for good governance, the struggle against poverty is not likely to succeed. Furthermore, the proposals advocate the elimination of fiscal indiscipline and the tightening of public budget controls to eliminate waste and free resources for poverty reduction programmes.

Political governance

Central government

- Reduce the President's powers of appointment.

- Reports of commissions of inquiries should be made public within a month of their completion, and government should be obliged to implement the recommendations of commissions.
- New constitutions should be adopted by a broadly representative constituent assembly before being passed by Parliament.
- Representation in Parliament should be widened.
- MPs' offices should be established in constituencies to facilitate continuous contact with constituents.
- Reports of parliamentary committees should be published before they are tabled in Parliament.
- Non-members of Parliament should be included on parliamentary committees.

Local government

- Local government should be revitalised.

The Judiciary

- The Chief Justice, the Deputy Chief Justice, and the Supreme and High Court Judges should be appointed by the Judicial Service Commission, subject to ratification by the National Assembly.
- Magistrates should be appointed by the Judicial Service Commission, without being subject to ratification by the National Assembly.
- Adequate funding should be provided to the Department of Legal Aid for assisting the poor, and grants should be made to legal aid NGOs assisting the poor.

Director of Public Prosecutions

- The Director of Public Prosecutions (DPP) should be appointed by the Judicial Service Commission, subject to ratification by the National Assembly.
- An autonomous Directorate of Public Prosecutions should be established, independent of the Police Service.
- The DPP's power to discontinue cases in court should be subject to application to the courts.
- The DPP's power to give consent to prosecute should be subject to petition by interested parties.

Human Rights

- The scope of the Bill of Rights should be widened.
- The *Convention on the Reduction of Statelessness* should be ratified.
- The Human Rights Commission should be granted the powers to prosecute offenders and to award compensation to aggrieved parties, and be provided with adequate funding.
- The President's power to detain people without trial during states of emergency should be withdrawn.
- The Public Order Act should be amended to require holders of meetings/processions only to give an unconditional 24 hours notice to the police.

Electoral process

- Electoral participation should be increased.
- The Electoral Commission should be restructured so as to have a presence in all the districts to be able to manage the electoral process effectively.
- Election tribunals should be established to deal with petitions before and after elections.
- A mechanism to enforce electoral conduct regulations should be introduced.
- Specialised committees of the electoral commission, with members from civil society, should be established.

Economic governance: fiscal management, transparency, and accountability

- The constitution should be amended, to withdraw the President's authority to authorise supplementary expenditure without the prior approval of the National Assembly.
- The presidential discretionary fund should be abolished.
- The constituency development fund should be abolished.
- Officers involved in financial irregularities should be punished.
- Accounting units should be adequately funded and equipped, and the personnel adequately motivated.
- The Auditor-General's Office should be decentralised to establish a presence

throughout the country.

- The Auditor-General should be empowered to prosecute erring officers revealed by audits.
- The Auditor-General's Report should be published within six months after each financial year.
- The composition of the National Tender Board should be changed to include a cross-section of people from society; the Board should also be provided with adequate funding to enhance its capacity.
- The Anti-Corruption Commission should be strengthened by adequate funding and decentralisation to establish a presence throughout the country.
- There should be a ceiling established for external debt accumulation.
- A Poverty Eradication Fund should be established for anti-poverty programmes to be implemented by government and non-governmental organisations.
 - A Zambia Poverty Reduction Council should be established, composed of civil society and government representatives, with a Secretariat and an accounting unit.
- Donors should continue demanding good governance as a condition for aid, but should de-link structural adjustment programmes from the HIPC Initiative.
- Government and NGOs should continue to lobby donors to cancel debt.

Macroeconomic framework

Macroeconomic stabilisation has been an objective of structural adjustment since the programme's inception in the final quarter of 1991. Due to a variety of factors, ranging from economic mismanagement to exogenous shocks, stabilisation remains an objective rather than a reality. Conventional wisdom confirms that wealth is eroded by inflation, thus the triple and double-digit inflation that has afflicted the Zambian economy over the past decade has contributed immensely to the decline in real per capita incomes and the encroachment of poverty. To arrest the debilitating tax on incomes that is manifested in inflation, it is imperative that any Poverty Reduction Strategy endeavours to attain macroeconomic stabilisation by correctly managing the framework to achieve the desired results.

The results should encompass:

- Real per capita GDP growth in excess of 4.5% per annum for at least 10 years.
- Reduced income and wealth inequalities (Gini Coefficient should fall from 0.6 to 0.3 within 10 years).

- Achievement of single digit inflation rates within 3 years.
- Improved quality of, and access to, education and health services for all Zambians. This can be measured by a series of indicators, such as distance to a health centre or educational establishment not being more than 5 kilometres by the year 2015.
- Exchange Rate and Interest Rate Stability (the currency should not depreciate by more than the differential in inflation rates between Zambia and the United States).
- The creation of additional employment and business opportunities (through the internalisation of the “Buy Zambian” mantra and the deliberate effort to provide opportunities to Zambians to participate in the mainstream of economic activity).
- Improved political and economic governance (with a view to improving transparency and accountability, battling corruption and ensuring vigorous correction of abuses).

The above results can only occur if there is:

- Political will and commitment to good governance.
- Government fiscal discipline.
- The engendering of an enabling environment, conducive to the growth and development of a vibrant private sector.
- Collaborative interaction between government, the private sector, and civil society.
- Improved resource mobilisation (domestic and foreign), coupled with efficient allocation of capital.
- Appropriate, progressive debt management.

Zambia has experimented extensively with its policy framework, attempting to stimulate growth by divesting of state enterprises and relying on the private sector to foster growth. The programmes adopted by the government have addressed all aspects of the macroeconomic framework, encompassing:

- Growth stimulation: fostering conditions that would enhance savings and attract foreign direct investment, as well as stimulating domestic investment led by emerging entrepreneurs discovering new opportunities as a result of privatisation, an enabling Investment Act, the creation of a sophisticated capital market, and the withdrawal of government as a leading economic actor.
- Monetary policy: the liberalisation of interest rates and expansion of the role of the Bank of Zambia in market-driven open market operations, contributed

both to an increase in the cost of credit and a significant re-allocation of resources to reflect relative benefits of fund placements. The monetary policy interventions encompassed occasional adjustment of Statutory Reserves and Liquidity Ratios to control money supply, defuse inflation and sustain the exchange rate. The active participation of the Central Bank in the financial market, largely by providing a high yielding, alternative investment instrument (the government security), contributed to mopping up liquidity, crowding out the private sector, and increasing the cost of domestic capital.

- Fiscal policy: government introduced the Cash Budget system to compress expenditure rapidly and stifle inflationary pressures, which are attendant to budgetary deficits. The government attempted to implement the Public Sector Reform Programme (PSRP) with a view to rationalising the Public Service, and improving the conditions of service for retained staff. This programme has been neither a success nor a complete failure, but it is incomplete and has not met its expected targets. Simultaneous with the programme of expenditure compression, with substantial aid support the government created the Zambia Revenue Authority (ZRA) to improve tax collection and administration. The ZRA is one of the success stories of the past decade. The improvement in tax collection coincided with the introduction of Value Added Tax (at 17.5%), which significantly broadened the tax base and contributed, alongside improved trade duty collections, to high government revenues.
- Debt management: since 1991, the government has consistently met its external debt service obligations, thanks in part to the direct support of multilateral and bilateral co-operating partners. This has led to Zambia progressively qualifying to the Enhanced Structural Adjustment Facility and, eventually, the HIPC Decision Point. Substantial debt forgiveness beckons on the horizon should Zambia satisfy the set conditionalities. It is disappointing that the record for debt servicing on local obligations (with the exception of amortisation of Government Securities) has been poor and worsening. This has had severe adverse implications on domestic liquidity, the financial condition of suppliers of goods and services to government.
- Trade/external policy: the theory governing international trade policy suggests that internal efficiencies are improved by the onset of foreign competition, and as such, it is beneficial to expose domestic companies to foreign competition. Accordingly, Zambia reduced tariffs by 60% early in the reform programme, simplified the tariff regime, eliminated non-tariff barriers, and attempted to stimulate the increase in non-traditional exports. The accession, in October 2000, to the Common Market for Eastern and Central Africa (COMESA) Free Trade Area Treaty and the ratification of the SADC Trade Protocol confirm Zambia's role at the front end of trade liberalisation at a time when domestic producers have been pointing out their lack of capacity to handle direct competition. Simultaneously, government has pursued an ultra-liberal exchange rate policy, suspending the Exchange Control Act and allowing free movement of currency. Due to occasional abuse of the system, and in an attempt to bring accountability to the exercise, government has introduced guidelines on the disposal and purchase of foreign exchange. The

Bank of Zambia has reiterated the commitment of the government to maintaining a market-determined, unified exchange rate.

- The legal and institutional framework: several pieces of legislation were drafted to create or upgrade enabling institutions that would play a vital role in economic development under market-led growth. A legislative framework was provided to allow for economic actors to interact under guidelines that protected participants, and set out detailed rules of engagement.

Though government has adhered religiously to the liberalisation prescription, the outcomes of these policies have been unsatisfactory. Per capita incomes have contracted to less than 50% of their value in 1975, rates of infant and maternal mortality have escalated, while life expectancy has fallen by 20 years in the past quarter century. Employment has stagnated, and persistently high inflation has eroded the savings of the people, in an era when economic growth has not materialised.

The challenge of the 21st Century is not to reverse liberalisation but to address the weaknesses of the programme, and to formulate strategic interventions that will ensure that economic recovery is inclusive, and not purely dependent on the allocative efficiency (or inefficiency) of market forces. It is imperative that government contributes to macroeconomic stabilisation by avoiding fiscal deficits, maintaining policy consistency, and playing a stabilising role in mitigating against exogenous or endogenous shocks, without overplaying its hand by intervening in ways that hinder free market development. Government's role, however, extends to correcting rigidities that hamper the "trickle down" of benefits to the poor and disadvantaged. Government should play the role of "equaliser", by ensuring that tax revenues are utilised in a manner that ensures that the most needy have the greatest allocation of resources generated by the prosperous. The balance is delicate and must be structured in a manner that does not discourage wealth creators, but should be progressive enough to ensure that the upliftment of Zambian society is an inclusive process.

Several recommendations have been proffered by civil society; these should be integrated into the PRSP. As alluded to above, the basis of the recommendations incorporates the following:

- Enhanced investment will not, singularly, reduce poverty and inequality. There is need to implement a cocktail of measures to ensure that not only is growth engendered, but that a rational redistribution of wealth accompanies wealth creation.
- With regard to the macroeconomic framework, government should radically reduce consumptive expenditure and downsize its establishment, while improving planning and co-ordination between its various operational wings. Should government reduce its expenditure and sustain revenue levels at their current scale, it will directly affect money supply growth and persistent inflation. Improved fiscal discipline also involves clearing domestic debt arrears to improve liquidity and restore the credibility of government as a debtor.

- Reliance on interest rate manipulation and the imposition of high statutory reserve ratios has a detrimental impact on economic growth, stifling investment and credit creation, while fostering the transfer of resources from productive sectors to the financial services sector.
- Potentially empowering institutions such as the Zambia National Tender Board (ZNTB) should play a more active role in positive discrimination by stipulating that Zambian business and consulting organisations must be involved, as primary or sub-contractors, in all government or donor-funded projects handled by the ZNTB. In the interests of transparency, it should be mandatory that the ZNTB publishes the results of its tenders and provides reasons for its award decisions. The extent to which employment creation, income retention, and the improvement of domestic liquidity could occur as a result of a pro-active “Buy Zambian” procurement approach by government and donors cannot be underestimated.

CSPR has submitted over 70 proposals that relate to macroeconomic policy, improvement of governance (economic, social, and political), stimulation of investment, directing of resources (such as those held by Banks and Statutory Savings Institutions) towards venture capital and SME credit provision, the identification and enhancement of growth drivers in various economic sectors, and the deliberate allocation of meaningful resources towards health, education, and infrastructure development.

The nation is neither poor nor helpless, and the capacity to reverse the economic and social decline is within our reach. With the implementation of appropriate wealth creation and poverty reduction programmes, the Zambian economy can be resuscitated within a single generation.

Poverty reduction – provincial perspectives

To ensure that the views of the grass roots are incorporated in the PRSP, through CSPR civil society organised itself to reach out to a number of provinces of the nation in line with the PRSP principle of wide consultations. This was done through a series of poverty reduction workshops in the provinces. The civil society provincial workshops were conducted to complement the government’s provincial workshops.

The objectives of the provincial workshops were to:

- ensure that input from the poor (“grass roots”) in the various provinces was taken on in the PRSP process;
- complement the government provincial consultations, to ensure that wide consultations were carried out in the provinces.

The expected outcomes were that after completion of the provincial workshops, participants would have better understood the PRSP process and its intended outcomes, the role of civil society and the various stakeholders in the process, and that vital information would have been gathered from the poor themselves on concrete

ways of reducing poverty. CSPR targeted the four poorest provinces of Zambia (Eastern, Luapula, Northwestern, and Western Provinces), and the respective districts.

Findings from the provinces

The findings from the provinces were identified on the basis of:

- manifestations of poverty;
- the causes of poverty and the reasons for its increase;
- obstacles to poverty reduction;
- required achievements, guidelines, and safeguards to achieve meaningful poverty reduction;
- the roles that various institutions and organisations can play in poverty reduction.

Perspectives on poverty reduction

It was indicated that leaders should not be selfish and self-centred by undermining the people that put them in power; instead, leaders should consult the people. Corruption and nepotism should be fought at all costs if good governance and effective management of national resources were to prevail. This was the only way to restore donor confidence in the government of the day. It was stressed that national work plans and budgets must be drawn up in consultation with the people. There was an outcry for the appointment of appropriately qualified professionals to high office, in order to instil a sense of objectivity.

In each of the following areas, activities were highlighted, which were considered to have particular potential to impact significantly on poverty reduction:

- Agriculture
- Education
- Governance
- Health
- Industry
- Tourism
- Mining
- Infrastructure, communication

- Environment
- Donor aid
- Poverty reduction
- Individual contributions towards poverty reduction.

The following recommendations for the government emerged from the provincial workshops.

General recommendations for the government

1. Civil society input should be taken seriously and incorporated into the PRSP.
2. The government should consult local people on development issues.
3. The government should cancel all poor people's loans.
4. A mechanism should be created that will facilitate the direct benefit of poor people from Zambia's debt cancellation.
5. The government should respect the development priorities set by the citizens.
6. The government should show genuine and serious commitment in dealing with poverty issues.
7. The presidential discretionary fund should be abolished.
8. The holding of by-elections just before the general elections should be discontinued.
9. The conditions attached to donor assistance should be re-visited.
10. Children coming from poor families should be considered for bursary awards, unconditionally.
11. The system for the award of bursaries should be decentralised.
12. Loans should be provided to youths after skills training.
13. Government should not be biased in favour of particular provinces in the construction of infrastructure.
14. The government needs to improve tertiary education in the provinces.
15. Community Development Departments in the provinces need to be restructured and given more funding.

16. Growing of local crops for export should be encouraged (e. g. sorghum, cassava, pineapples, sweet potatoes, etc.).
17. There is need to control the refugee situation in the affected provinces as this is creating pressure on the limited resources.
18. Pensioners/retrenchees should be given their benefits on time. It should be mandatory that a person retires at 45 years and then enters into a contract with the government if they wish to continue working.
19. Government should involve the community before undertaking any major project. There should be wider consultations with the people on the ground before implementing any programmes.
20. Government should set out priorities on developmental issues.
21. There should be no political interference in major programmes.
22. The Development Fund should not be accessed only by people belonging to the political party in power.
23. The Government should give people alternatives to their occupations before they are retrenched.
24. There is need for capacity building of would-be retrenchees in order to equip them, so that they are able to venture into other businesses.
25. With regard to the annual fish ban, the government should introduce fish farming since many people depend on fishing as their major occupation. Rather than imposing a total fish ban, the government should instead focus on the size of the fishing nets and provide inspectors to ensure that the law is observed.
26. Government should construct more schools and clinics and provide personnel for the existing ones.
27. Government should improve infrastructure in the provinces for easy marketing of products.
28. Government should provide cheap inputs and better storage facilities for agriculture.

Recommendations for the government on PRSP

- a) As the lead in the PRSP, the government should ensure that there is wide participation to allow as many people as possible have input to the process. This should also include deliberate efforts to have gender-balanced participation. There is a high risk of only civil servants and government

officials being the major contributors to the government organised provincial hearings.

- b) It is important for the government to mount effective publicity and sensitisation of the public on the PRSP. Very few ordinary citizens were well informed about the provincial sittings. This is vital, if the PRSP is to be owned by the Zambian people.
- c) The process should not be conducted as a programme of the ruling political party, as this would create problems when there is change of government.
- d) The government should seriously take into consideration the input given by the citizens in the process so far.
- e) The process has shown that the CSPR is important to the process and government should seriously consider this organ as a partner in development and take its recommendations seriously.
- f) Government should strictly follow the implementation guidelines of the PRSP to avoid derailment and to make sure that results are achieved.

The following were the recommendations for civil society. Civil society should:

- i) not wait until the government goes wrong to voice out on the process. However, civil society should act as an early warning system to prevent the derailment of this important process;
- ii) take ownership of the process and not just take their role as a “contributory role”;
- iii) continue lobbying for good governance;
- iv) lobby for sound policies in all the thematic areas;
- v) fully participate in all developmental programmes and projects;
- vi) monitor the progress of the programmes, in addition to participation;
- vii) involve itself in education (community schools), health, nutrition, and capacity building;
- viii) form Civil Society Organisation Committees at district and provincial level in order to effectively communicate and co-ordinate activities among themselves so that they can speak with one voice.