BEYOND AFRICAN HUMANISM: ECONOMIC REFORM IN POST-INDEPENDENT ZAMBIA

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ABSTRACT

This study examines distinctive economic reform measures pursued in post-independent Zambia and ethical problems which plagued the reform process. The study begins with a review of the philosophy of Zambian Humanism, the ideology which guided Zambia’s early reform initiatives. Specific reform measures pursued within the framework of humanism focused on: increased state control of the economy; indigenization of the public and private sectors, accelerated development of the rural sector, and use of a series of policy measures to curb domestic exploitation. Beginning in the mid-1980s, deepening economic crisis forced the government to retract most humanist-based reform measures in favor of World Bank and International Monetary Fund (IMF) induced reforms within the framework of structural adjustment and economic liberalization. Post-Humanism reform initiatives built on previous World Bank and IMF formulated framework, but stalled due in part to increase in ethical misbehavior in higher levels of government.
INTRODUCTION

Zambia faced many challenges after gaining independence from Britain in 1964. The economy was dominated by foreign interests and relied on a single commodity—copper for export earnings and foreign exchange. The rural sector, where the majority of the population resided lacked basic services such as schools, health facilities, good roads, agricultural facilities, and other basic amenities. Externally, Zambia was surrounded by hostile neighbors, notably South Africa, Southern Rhodesia (now Zambia), and the former Portuguese colonies of Angola and Mozambique. To deal with such problems the need for fundamental reforms became a priority for the first post-independent Zambian government. Under the leadership of Kenneth Kaunda, Zambia’s first president, the United National Independent Party (UNIP), the political movement which successfully fought for independence enacted fundamental reform measures based on the philosophy of African Humanism.\(^{(1)}\) Humanism was adopted as Zambia’s national philosophy and the basis for building a humanist society in Zambia in the late 1960s.

The current study addresses major reform measures undertaken during and after the humanist era in Zambia and related ethical problems. The shortfalls of the reforms constitute the core of the study.

BACKGROUND

The philosophy of African humanism dominated and shaped Zambian society during the reign of Kenneth Kaunda, Zambia’s founding father and first president (1964-1991). Humanism was the centerpiece of economic reform and development strategy during the first decade of Kaunda’s tenure in office. The current ruling party—the Movement for Multi-party Democracy (MMD) led by Frederick Chibula officially abandoned African Humanism after defeating
Kaunda’s government and the UNIP in Zambia’s first multi-party presidential and parliamentary elections in October, 1991.

The UNIP adopted and declared humanism as the country’s national philosophy on April 27, 1967. Under Kaunda’s direction, the UNIP government presented humanism as a “set of philosophical guidelines rooted in the Zambian cultural heritage, intended to unite the country in the common task of economic, social and political development.” The UNIP government proclaimed humanism as the official national philosophy of Zambia in place of capitalism and communism. Zambian humanists repudiated both Capitalist and Marxist ideologies as modes of social and economic development on grounds that the latter dehumanized man while the former is money-centered, not man-centered, and too individualistic. Zambian humanists viewed capitalism and communism as inappropriate ideologies for attaining moral and socio-economic development in post-colonial Zambia. In their view, the philosophy of African Humanism was the alternative ideology which would reconcile the “powerful forces from the West, which have been aggressively shattering in their individualistic approach and have had serious and grave consequences on the African society.” Moreover, as noted by Mwaipaya, Zambia’s UNIP government regarded the humanist ideology as an “effective means of eradicating previous evils of colonialism and capitalism.” Humanism was conceived as a means of reconstructing a new moral social order in Africa compatible with the African traditional way of life centered on communal and extended family system. In a nutshell, Zambian humanists sought to establish a “classless society conceived of as the natural state of Africa before the arrival of colonialism.” Thus, the UNIP’s adoption of humanism was a rejection of capitalists and communists ideologies in favor of Zambian ideology centered around the traits and customs of traditional African society.

The central feature of Zambian Humanism called for government involvement in rapid development and provision of social services to
Zambians which in the view of the UNIP government were neglected by the former British colonial rulers. Citing a speech delivered by Kaunda at the ninth National Council meeting of the UNIP in 1976, Ihonvbere (7) provided a summary of the main objectives of Zambian Humanism. The objectives established that the UNIP government would:

1. Provide greater social security to Zambians;
2. Abolish exploitation and victimization of Zambians;
3. Establish fair principle of taxation and distribution of wealth;
4. Increase Zambian participation in the control of the economy;
5. Provide free education to every Zambian;
6. Provide free medical service to all Zambians;
7. Transform the armed forces “into an instrument for the service of their fellow men in accordance with Humanism;”
8. Expand infrastructure construction;
9. Increase agricultural production and rural development;
10. Stem out abuse of power, corruption, victimization and other forms of injustices;
11. Guarantee peaceful and just future for all Zambians under the leadership of the UNIP; and
12. Increase state control of the economy.

To pursue the objectives listed above and uphold the principles of humanism, Kaunda’s government abolished multi-party politics which had existed during the First Republic (1964-1972) and introduced ‘one-party participatory democracy’ where the UNIP became the only legal and dominant political entity in Zambia during the Second Republic (1972-1991). Tordoff (8) (1980: 25) described Zambian participatory democracy as a “state predicated on the reality of popular power” where theoretically, the people are involved in the day-to-day running of government and that tolerance and a free
discussion should be combined with responsible leadership.” Under the one-party system, the UNIP’s economic program called for a economic development policy under state control and direction with mixed cooperative, private, and public ownership.

Principles of Zambian Humanism

Underlying the objectives of Zambian Humanism were several principles of African Humanist thought and Christian beliefs. The principles provided the ideological plank for Kaunda and the UNIP to launch Zambian Humanism. As noted by Mwaipaya, Zambian Humanism relied heavily on the norms of social behavior of traditional African society and Kaunda’s religious conception of human nature for its foundation. By adhering to traditional African social values and adopting Christian values, humanists believed that human evil inclinations or desires would be eliminated and “replaced with genuine Christian love. ...the elimination of human evil inclinations would lead to the destruction of the animal in man, which is the source of all evil inclinations, greed, envy and similar self-centered tendencies.”

Moreover, the “Zambian humanist regarded his religious conception of human nature as a secure basis for the political organization of human relations, political activities, economic structure, agricultural activities, and national development in general.”

The major tenets of Zambian humanism embraced by the UNIP government included: egalitarianism; inclusiveness; acceptance; mutual aid; man-centeredness; respect for human dignity; hospitality or generosity; kindness; hard work and self-reliance; communalism; cooperativism; political leadership as trusteeship; and respect for age and authority. The most important of these principles are briefly examined in the following paragraphs.

Egalitarianism was an important tenet of Zambian humanism. According to this principle, the goal of humanism was to create equal
opportunity for self-development for all Zambians. Zambian humanists, regarded the egalitarian principle vital because it promoted equality in political, social, economic, and other relations. ‘Inclusiveness’ constituted another vital principle of Zambian Humanism. Consistent with the extended family system widely prevalent in traditional African society, the ‘inclusiveness’ principle characterized the importance of kinships in African society which employ a social security scheme to aid family members in need of assistance instead of relying on external institutional support. Closely related to the principle of inclusiveness were the tenets of ‘accepting’ and ‘mutual-aid’ in African society. Communities in traditional African society accepted and looked after the sick, the physically handicapped and the aged, and provided mutual-aid by encouraging community-mindedness and cooperation and discouraging individualism.\(^{(13)}\)

“Man-centeredness” constituted another fundamental tenet of Zambian Humanism. Kaunda proclaimed that African traditional society “has always been man-centered and that by emulating it Zambian society could not fail to actualize its ideals.”\(^{(14)}\) The central theme of ‘man-centeredness’ emphasized that man is in the center of all activities and that he is not defined according to his color, nation, religion, creed, political leanings or any trait that foster inequality. Zambian Humanism thus, abhorred all forms of exploitation of man by man and edified man to be considerate to their fellow men in all activities, that is, respect human dignity.

Communalism and cooperation made up other principles of Zambian Humanism. Unlike capitalism which is characterized by private ownership of the means of production (land, labor, and capital), African traditional society discouraged materialism and selfishness and encouraged communal use of factors of production. In reference to the communal use of land, the most important factor of production in traditional African society, Myaipaya\(^{(15)}\) noted that: “A man owned a piece of land only for as long as he tilled it or use it in some other way. As soon as the land was abandoned, he lost claim
to it and it reverted to the common pool." In regard to national development, the official UNIP policy affirmed that the national productivity drive must involve communal approach to all development programs.

The principles of hard work and self-reliance were considered instrumental in the promotion of an egalitarian society where the traits of generosity and hospitality prevailed. Zambian humanists argued that the willingness of individuals to work hard was of prime importance otherwise nothing could be accomplished in society. Self-reliance in humanist thought differed from individualism and selfishness which characterize capitalism. Other principles pertinent in traditional African society and embraced by Zambian humanist included respect for age, where older people were respected by younger ones, respect for authority or leadership, where political leaders were respected by the public and leaders likewise reciprocated respect of the people.

**EARLY ECONOMIC REFORMS (1964-1975)**

The government formally announced its first post-independence economic reform initiatives during the landmark meeting of the National Council of the UNIP at Mulungushi in April 1968. Additional economic reforms were announced at Matero in August 1969. Both the Mulungushi and the Matero economic reform programs were aimed at the "removal of foreign domination of Zambian economic life through the acquisition of most of the major means of production and services."(16) The primary objective of the early reforms was to shift control of the Zambian economy from foreign interests into government and private Zambian hands within the framework of the philosophy of Zambian Humanism. The major elements of the reforms included: (1) State control and participation in the economy, (2) indigenization of the public and private sectors, (3) rapid development of the rural sector, and (4) curbing domestic exploitation through a series of policy measures.(17) The government's development strategy
during the early reform phase thus, emphasized increased government ownership combined with a framework of administrative controls, and various other policy measures.

State Control of the Economy

To ensure that the principles of traditional man-centered society were reinstated and preserved, the UNIP’s early reforms focused on boosting the state’s control and ownership of key sectors of the economy. To justify the state’s action, Kaunda argued that only economic independence can bring about social, cultural, and scientific progress of man and without it, political independence would be meaningless. Mark Chona, a prominent humanist observed that “Zambians alone without government intervention could not acquire adequate economic instruments. They lacked the material means and organization to bring under control vital areas of their economy; they cannot be effective participants and beneficiaries unless Government, as the custodian of their interests, steps in and paves the way for them.”(18) Further justification for state control and participation in management and ownership of businesses rested on the government’s charge that foreign companies which controlled the entire economy not only failed to contribute to national development, but wanted to impoverish Zambia by siphoning profits and capital to their countries of origin.(19)

State control and participation in the economy was attained through wide scale nationalization and acquisition of foreign businesses. Between April 1968 and November 1970 the government acquired majority shares in strategic companies in the mining, agricultural, retail and manufacturing sectors. In addition, the government acquired full or partial control of major companies in the areas of banking and financial institutions, wholesaling, building and materials, and transportation. Moreover, major parastatals were created to facilitate implementation of the reform efforts. The
parastatals created included the: (1) Mining Development Corporation (Mindeco), to oversee the mining industry; (2) Industrial Development Corporation (Indeco), to administer nationalized enterprises in the industrial and commercial sectors; (3) Financial Development Corporation (Findeco), to oversee financial institutions including banks and insurance companies; and (4) National Transport Corporation (NTC), to oversee various subsidiaries in the transportation sector. In later reorganization efforts, the government merged Mindeco and Indeco to become subsidiaries of Zambian Industrial and Mining Corporation (ZIMCO). ZIMCO became Zambia’s largest company in the parastatal sector and the biggest employer in the mining, commercial, and manufacturing sectors ... an important arm of the UNIP.\(^{(20)}\) According to Ihonvbere,\(^{(21)}\) the government consolidated the mining, commercial and manufacturing sectors to strengthen its control of the politics of the working class, especially the powerful labor unions federated under the Zambia Congress of Trade Unions (ZCTU) as well as to make all workers “subscribe to and accept the philosophy of Humanism and to be subservient to the policies of the UNIP.” By 1975, the government controlled about 80 percent of the economy which made Zambia’s economy one of the most state-controlled economies in Africa.

**Indigenization Policy**

Transformation of Zambia’s administrative cadre from “colonially oriented to nationally oriented” constituted another early reform measure undertaken by the government.\(^{(22)}\) Under the indigenization program, the government tried to replace foreign personnel in the civil service and the parastatal sector by Zambians. Implementation of the policy however, proved quite difficult than anticipated due to acute shortage of skilled and experienced Zambians with adequate technical, managerial and administrative capacity. Consequently, most professional, technical, and managerial positions remained either predominantly in the hands of foreigners or vacant. The deficiencies
in technical and management skills in the indigenous population led to hiring of Zambians with little formal education or insufficient training and experience. Moreover, the few qualified Zambians with adequate skills were thinly dispersed in various ministries and some cases deployed in jobs they had no formal training.\(^{(23)}\)

As a result of the indigenization program, the number of parastatals increased from 14 to 147 in the 1970s. By the early 1980s, the parastatal sector became a dominant force in the economy, accounting for 60 percent of investments, 37 percent of formal public sector employment, and 30 percent of gross domestic product (GDP).\(^{(24)}\) The dominance of the parastatal sector however, produced unintended negative results. Instead of enhancing national development goals and UNIP’s principles of humanism, the parastatal sector contributed heavily to public debts, wasted investments, corruption, low levels of economic performance and efficiency, poor products and services, and heavy dependence on subsidies.

**Rural Development**

In rhetoric, the UNIP government strongly favored rural development. To established an egalitarian society, Kaunda argued that the development of the productive capacities of the rural population and improvement of their living standards must ranked high among the government’s development priorities. Despite such pledges, little improvement occurred in Zambia’s rural sector during the humanist era. The agricultural sector, the mainstay of the rural population received only a small fraction of total government investment even though Zambia’s post-independence national development plans stressed correction of economic imbalances between the urban and the rural sectors.\(^{(25)}\) Rather, the UNIP government favored urban over rural population in handout of public resources. Urban wage earners had access to privileges and subsidies unavailable to the rural population such as loan allowances and
advances for special purchases, housing, transportation, and access to clinics, canteens and recreational facilities.\(^{(26)}\) Thus, the agriculture’s share of the public budget “declined from 7 percent in 1966-70 to 3 percent in 1975-80 and between 1965 and 1980 the terms of trade for rural dwellers deteriorated more than 5 percent per year.”\(^{(27)}\) Shifts in rural development policy undermined the provision of firm guidelines for action.

**Curbing Domestic Exploitation**

Curbing domestic exploitation through series of policy measures constituted a key element in the government’s early reform program. In broad terms, the government wanted to curb exploitation of Zambians by Zambians. Specific measures introduced included abolition of fees in schools and hospitals as of January 19971; the abolition of free land tenure and nationalization of private nursing homes in 1975; and price controls, introduction of a new income tax system, code of conduct for UNIP leaders, senior civil servants, parastatal sector employees, and army and police officers.\(^{(28)}\)

**STUCTURAL ADJUSTMENT REFORMS (1975-1990)**

The next phase of reform marked the beginning of the UNIP’s departure from its commitment to pursued and preservation of a humanist society. The Zambian economy experienced a steady growth rate of 4 percent per year during the first decade after independence. The economy started a protracted period of decline when production and prices of copper, Zambia’s major export commodity slumped in the world market in 1975. In addition, general deterioration in Zambia’s terms of trade, the government’s failure to developed a dynamic and diversified economy, and the oil shock of 1973 caused drastic economic decline. Relative to 1974, Zambia’s terms of trade
fell to 54 percent in 1975 and real capita income plummeted to by about 67 percent of the 1974 level in 1984.\(^{(29)}\)

Moreover, the collapse of copper prices exposed serious weakness in the structure of the economy. Attempts by the government to develop the agricultural sector which had lagged behind the rest of the economy so as to offset the decline in copper revenues gained limited success. Critics cited the UNIP’s welfarist philosophy of Humanism which stressed state ownership and administrative control coupled with mismanagement as major causes of Zambia’s economic decline.\(^{(30)}\) By the early 1980s, the economic problems assumed the proportion of a crisis and the Humanist experiment reached a dead-end. Consequently, the UNIP government started to lose credibility with the Zambian people and international creditors.

### Policy Reform Inconsistencies

Faced with the threat of political unrest, due to deterioration in the economy, Kaunda’s government yielded to pressure from the International Monetary Fund (IMF) and the World Bank for structural reform and liberalization of the economy. Between 1973 and 1981 the government negotiated three standby agreements with the IMF and took program loans from the World Bank in 1973 and 1976.\(^{(31)}\) These agreements however, failed to resuscitate the economy even though both institutions attached stringent conditions to the loans which included devaluation of the currency (the kwacha); increases in agricultural producer prices, especially for maize; wage freezes in the public sector, including mining; and elimination of some subsidies for consumer goods.”\(^{(32)}\) According to Ihonvbere,\(^{(33)}\) the agreements addressed the “symptoms rather than the structural and political causes of the Zambian predicament: the character of power, politics, production and exchange relations as well as the role of foreign capital in the underdeveloped and dependent economy of Zambia.”
The pressure to implement additional reforms increased significantly as the country’s external debt problems worsened and its bargaining power with international creditors weakened. In 1985, with IMF and World Bank support, Zambia adopted a comprehensive market-based structural reform program. The thrust of this reform measure was intended to loosen tight administrative controls on the economy and transform it to one regulated by free market forces. This ambitious reform initiative included the introduction of an auction system for foreign exchange, removal of subsidies on staple food, removal of interest rates controls, removal of import licensing restrictions, and reduction of public expenditures.\(^{34}\) Massive riots in the capital, Lusaka in 1986 against the removal of maize subsidies forced the government to restore the original subsidies and prices for maize. Moreover, the government abandoned many previous policy reforms and instead reintroduced administrative controls for foreign exchange and imports, price controls, and payment of external debt service among others. Consequently, donors withheld further financial support to the government. Overall, as noted by Seshamani,\(^{35}\) “the economic liberalization program yielded few benefits. Economic growth was very limited. Industrial utilization capacity rates remained low. ... Export diversification was unsatisfactory, and the share of copper in total exports remained high. ... Formal sector employment dropped. Inflation accelerated. Current balance-of-payment accounts deficits were high, and the debt burden was increasing rapidly.”

In early 1987 government suspended dialogue with the IMF and the World Bank and abandoned its commitment to the process of structural reform. In response the international donor community terminated financial support. Kaunda blamed the conditionalities imposed by the IMF and the World Bank for the deterioration in the economy which by 1987 had reached crisis proportions. In May 1987, the government launched its own indigenous reform program called the New Economic Recovery Program (NERP) based on the slogan “Growth From our Own Resources.”\(^{36}\) The government instituted the NERP as means to establish self-reliance and break away from
conditionalities imposed by external creditors. The major objectives of the NERP included: reintroduction of price controls on basic consumer goods; increase the use of domestic resources or products by curtailing dependence on imports; increase the use of local materials; bring inflation under control; target subsidies only to the needy; limit debt payments to 10 percent of net export earnings; impose limits on expatriate employment and protect Zambian professionals; and reintroduce fixed exchange rate for the kwacha. An Interim National Development Plan (INDP) to implement NERP was drawn for the period July 1987 to December 1899.

The NERP was a reversal of the IMF and World Bank stabilization program and a regression to the old policy of state control and management of the economy. Initially, the NERP was politically popular and partially successful in accomplishing its objectives--aided largely by sudden surge in copper revenues and improvements in agricultural output due to good weather conditions. By 1988, however, the program caused new distortions in the economy including illegal hoarding of essential goods by wholesalers, evasion of price controls by retailers, and increased economic hardships among employees ineligible for maize subsidies. Such distortions signaled the failure of Kaunda’s last gamble to salvage Zambia’s economy without the help of external creditors. Consequently, the government’s legitimacy and credibility started a rapid decline among most Zambians and demands by opposition groups for a return to multiparty democracy gained momentum.

Because the NERP marked abandonment of “economic liberalization,” external creditors again froze further financial assistance to Zambia. Continued economic difficulties caused by chronically depressed production and prices, mounting external debt, and high inflation left the UNIP government with no other choices, but to resume negotiations with the IMF and the World Bank for financial relief. In August 1989, a Policy Framework Paper drawn by the government, the IMF and the World Bank was released which
established a comprehensive program of reforms based on market-oriented principles. The new stabilization package called for further devaluation of the kwacha and removal of subsidies, price controls, and reduction of the work force in the public service and parastatal sector. These measures effectively ended the INDP program and signaled that Kaunda’s government had failed to put the country on the right track to recovery.

As the economic crisis deepened, Kaunda’s grip on power weakened. By 1990, mounting opposition against the UNIP’s monopoly on power led to the formation of the Movement for Multiparty Democracy (MMD), an alliance of groups opposed to the government’s policies. As a result of an abortive coup attempt and riots in Lusaka in 1990, Kaunda conceded to the opposition’s demands for legalization of multiparty elections. In December 1990, he signed a constitutional amendment which ended his government’s twenty seven years of monopolistic one-party rule. On October 30, 1991, Zambia held its first multiparty presidential and parliamentary elections. The MMD won a landslide victories in both the presidential and parliamentary elections garnering 125 of the 150 parliamentary seats.

Critique of Humanist Reforms and Ethical Misbehavior

Despite the rhetoric and advocacy by Kaunda to return Zambia to values of traditional African society, his party’s reform program fell short of attaining preselected objectives. In other words, the country failed to prosper economically, socially and morally during the humanist era. Rather, the legacy of Kaunda’s 27-years rule is now associated with economic stagnation, increased poverty, mismanagement and waste, corruption, human rights violations, and other forms of ethical misbehavior such as excessive use of clientelism. As Ihonvbere\(^{39}\) observed, humanism failed to “halt the slide into economic crisis, redress gross inequalities, or prevent the
abuse of power, corruption and human rights abuses.” Moreover, Zambian Humanism failed to provide an ideological basis for action and direction for Zambia’s development.

Critics attributed the failure of the humanist experiment to inconsistency, incoherence, ambiguity, contradictions, and shifts in policies by the UNIP government. According to Gertzel, (40) Zambian Humanism lacked “clear definition of objectives of economic development and conviction as a guide for development ... its prescriptions could be used to justify conflicting actions and to legitimize conflicting positions on both economic and social policy... and it failed to constraint internal disagreements within the UNIP.” Other critics charged that Kaunda like other third world leaders, employed the philosophy of humanism along with other strategies as means to establish sufficient political support from the polity so as to retain power as long as possible. The government instituted a patronage system which required UNIP membership for all civil service and parastatal jobs as part of the scheme to retained and monopolized power. By the end of the Kaunda era, the UNIP with a “membership of 10 percent of the population, controlled 80 percent of Zambia’s economic resources.” (41) Kaunda’s excessive use of clientelism “weakened both institutional and political accountability, by undermining the neutrality and autonomy of public institutions, encouraging political leaders to override official rules and citizens’ rights, and generally inhibiting criticism and the questioning of actions” and ultimately contributed significantly to weakening the UNIP’s reform agenda. (42) Clientelism compromised the government’s ability to foster accountability to the extent that “whenever conflict arose between clientelism and accountability, the central executive sacrificed the latter.” (43)

The absence of stronger laws defining what is ethical and what is unethical behavior was at the heart of the excessive use of clientelism, decreased accountability in the public service and increased level of corruption. Typical incidences of ethical misbehavior included involvement of public servants in bribery, thefts of public funds, abuse
of public property, violation of wildlife laws, and unlawful approval of loans and issuance of licenses.\(^{(44)}\)

**POST-HUMANISM REFORMS**

The results of the 1991 elections gave the MMD government a strong mandate to end Kaunda’s humanist agenda and to effect radical reforms to reinvigorate the stagnant economy. In 1992, the new government initiated an economic reform program designed to put Zambia on the path towards economic prosperity. Major elements of the MMD’s reform agenda included plans to resuscitate the economy through reduction of government control of the economy; privatization of state owned enterprises; rehabilitation of strategic infrastructure; diversification of the economy; reduction of government expenditure, reduction of debt, balance the budget, and reduction of the size of the public sector. In addition, the MMD pledged to promote greater accountability and transparency in government.

To implement the proposed free market-based reforms, Chibula’s government accepted previously reneged IMF and World Bank conditionalities by his predecessor prior to the 1991 elections. The reforms centered on liberalization of the economy and implementation of a structural adjustment program. Key elements of the program included trade policy reforms, deregulation, exchange rate adjustment, and balance of payments and price stabilization. Recent assessment of the MMD’s reform program indicate that the area where progress has been made include elimination of maize and fertilizer subsides, liberalization of investment laws, reduction of budget deficits, and decontrol of interest rates, prices and exchange rate.\(^{(45)}\) Privatization and commercialization of state parastatals, the most important area of the MMD’s reform program is on course and scheduled for completion by the end of 1998.
Privatization

Privatization of state enterprises remains an integral part of Zambia’s reform program and high on the agenda of the MMD government. Substantial portions of the largest state controlled system of companies, the largest parastatal--Zambia Industrial and Mining Corporation (ZIMCO) remains under state ownership and management. The ZIMCO group comprised more than 100 companies and accounts for over 50 percent of total GDP and 30 percent of national employment. Included in the ZIMCO group of companies are Zambia Consolidated Copper Mines (ZCCM), the most important in the group, major hotels, wholesale and retail distributors, breweries, automobile assembly plants, commercial banks, energy industries, transportation industry, a fertilizer plant, and other smaller industries. Privatization for ZCCM which accounts for about 80 percent of Zambia’s exports is expected to be completed by the end of 1998.

In addition to improving the efficiency of asset utilization, a recent report (1997) issued by Pangaea Partners, Limited, identified the other underlying objectives behind Zambia’s privatization program, which are intended to: (466)

- reduce the drain on government’s fiscal resources;
- optimize the use of government’s management resources;
- secure enhanced access to foreign market technologies and capital;
- widen the base of ownership of privatized companies to Zambian citizens;
- increase long-term job creation;
- relocate assets tight up in parastatal enterprises to higher priority government expenditures as social service, and investment in human capital and national infrastructure;
- increase the role of the private sector in the ownership and management of national economic resources; and
- stimulate capital market development.
The Zambia Privatization Agency (ZPA), the government agency responsible for the privatization program of all 275 state-owned enterprises within five years, has privatized nearly 65 percent of them by June 1997. The majority of the privatized companies are relatively small and medium in size. Large and politically sensitive companies including those in the mining, telecommunication, utilities, and finance sectors remain unsold or partially privatized. Although the implementation of the liberalization program remains on course, it has negatively impacted the local production sector. Several recently privatized companies have closed down due to competition from imports from neighboring states which remain heavily subsidized. To halt further closings and layoff of more workers, the government has proposed to raise tariffs by 50 percent on imported products.

The areas of reform that have stalled included restoration of transparency and accountability in government. Recent studies indicate that the MMD government has proved anything but transparent and accountable. Economic reform and development continue to be constrain by considerable mismanagement, corruption and financial abuse, and drug trafficking at the higher echelons of government. For Zambia to return to the path of long-term sustained economic growth, its leaders must institute and commit themselves to genuine reforms brought through consistent action and steady policies.

Ethical Misconduct

According to critics, corruption is at the heart of the ethical problems which plague the effectiveness of MMD government and its reform agenda.\(^{47}\) Although the leadership of the MMD won the 1991 elections with a pledged to fight corruption and promote accountability and transparency in government, its record at the onset proved to be anything but transparent and accountable. Corruption and financial abuse remains endemic at the higher echelons of power, especially among cabinet ministers and other senior public officials.
Between 1992 and 1995, seven cabinet ministers were charged with mismanagement and corruption and seven others dismissed on similar charges, and several others implicated in drug trafficking.\(^{(48)}\) Such problems indicate the absence of the sense of moral duty, obligation and respect for the rule of law among senior government officials. According to Ihonvbere, the persistence of corruption and lack of honesty, mutual trust and responsibility in the MMD government is exacerbated by the presence of individuals who were dismissed or demoted for mismanagement, corruption and irregularities by the MMD's predecessor, .... “many have joined the MMD only because avenues for accumulation through corruption in UNIP had been closed and they could not bear the idea of living without looting.”\(^{(49)}\)

Lack of commitment and political will by the MMD government to eradicate or reduce corruption and improve the overall level of ethical behavior in the public sector have affected the pace of reform and economic development. The government’s appointed Anti-Corruption Commission (ACC) remains ineffective in combating corruption because of political interferences by senior public officials in its work and its overall lack of operational independence.

**CONCLUSION**

The philosophy of African Humanism shaped Zambia’s early economic reform policy. Zambian Humanism was inspired by Kaunda’s views of the worth of the individual in society and his religious conception of man and state. According to Kaunda, “society must ultimately serve men and their well-being, men do not exist for the state.”\(^{(50)}\) However, reform measures intended to turn Zambia into a humanist society failed to materialized. Deepening economic crisis caused by heavy indebtedness, high inflation rates, flight of capital, cuts in foreign aid, sharp decline in copper prices in the world market, deterioration of general terms of trade, decline in donor assistance and foreign investments, and increased corruption and misconduct in the public service all combined to undermine the humanist-based
egalitarian reform measures and ultimately the legitimacy of the UNIP government. New reform efforts based on World Bank and IMF prescriptions intended to put the economy on the path of sustained growth and development produced limited success.

The UNIP’s conflicting reform agenda contributed to the country’s economic decline. On one hand the UNIP government pursued humanist objectives, i.e. promoted cooperation among individuals and denounced exploitation of one man by another and on the other hand it pursued market-based IMF and World Bank structural adjustment and economic liberalization prescriptions. The UNIP failed reform agenda led to its defeat by the MMD during the 1991 multi-party elections. Thus, after more than a decade of experimentation with humanist reforms, the economy remained undiversified, the standard of living of virtually all Zambians had fallen, and the country accumulated unsustainable levels of foreign debts. By 1991 pressure by opposition groups for change in the economic and political orientation of the country yielded results. Political reform led to adoption of a new Constitution in 1991 and restoration of multi-party democratic system which was shunned by the leadership of the UNIP in the late 1960s. The Movement for Multi-party Democracy (MMD) led government, the successor of the UNIP initiated an economic reform program based World Bank and IMF conditionalities. The program combines privatization and commercialization of state parastatals, deregulation, debt reduction, exchange rate adjustment, and trade policy reforms.

Reforms instituted by the MMD government remain on track in the area of privatization and commercialization of state parastatals. However, efforts to promote transparency and accountability in government have stalled. Corruption, mismanagement, drug tracking, and other irregularities also remain major impediments to realization of the government’s reform and economic development efforts. International support in the areas of debt relief, fair terms of trade and technical assistance is critical if Zambia is to turn the tide in favor of
a sensible development path. The MMD government has failed to stem the corruption accompanying the privatization and liberalization program and the deregulation of the economy and a few well-connected individuals enrich themselves in the process. Such failure has the potential to derail the entire reform program. To curb corruption and improve ethical conduct, the government must develop the political will to establish and implement effective anti-corruption laws and codes of conduct, promote integrity in the public service, broaden awareness of the damage caused by misconduct, and severely punish violators.

REFERENCES

1. The phrase “African Humanism” and “Zambian Humanism” are used interchangeably in this study.


5. Ibid.


35. Seshamani, *op. cit.*, p. 120.


47. Ihonbvere, *op. cit.*, p. 185.

