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by Samuel Silungwe

A dissertation submitted in partial fulfilment of the requirements for the award of the degree of

Master of Social Science

in Church, Theology and Public Life

In the Department of Religious Studies
Faculty of Humanities
At the University of Cape Town

©April 2001
DECLARATION

I declare that this dissertation is my own work, unaided and has not been submitted in whole, or in part, for any degree. Each significant contribution and quotations in this dissertation from the works of other people have been cited and referenced.

Signature: ___________________________ Date: 9th April 2001
To my children, Alinani, Natasha and Musonda, and to the rest of Africa's children paying the price of starvation while their governments struggle to repay the massive debts with money that could be spent on education and health care without which they will be deprived of a future.
Abstract

ABSTRACT

'Absolute poverty,' wrote Robert McNamara, President of the World Bank, in 1978, is "a condition of life so limited by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality and low life expectancy as to be beneath an reasonable definition of human decency" (Cited in Kevin Watkins 1995:13). That remains a powerful description of the reality experienced by a large segment of the population in the Southern Africa Development Community (SADC). Although this study does not measure poverty directly, the various literature reviewed reveals the nature and extent to which poverty is prevalent in the SADC region. With an estimated population of 176 million, there is a recognition that at least 50 million Southern Africans live in abject poverty, as a result of direct reliance on insufficiently productive land for survival. Turning to South Africa and Zambia, which are used as case studies, various research findings show that poverty in both countries is widespread. According to their 1996 censuses, both countries indicate that more than half of their population lives below their official poverty lines.

One of the toughest problems facing SADC member states is how to include social groups relatively or absolutely left out by the national economy. This can be the product of long-term social structures, as is the case with the blacks in South Africa. Overall economic development can bring benefits to such groups, but it is generally not enough. The movement toward more open, market oriented economies in SADC and across the world is essentially about the eradication and alleviation of poverty. If we look back at development over the last twenty or so years, the unmistakable impression of the top-down approach is one of failure, particularly in Southern Africa and other developing regions. Economic development at national level is imperative if poverty is to be reduced, but the distribution of wealth is as important as its creation.

What will be required to significantly eradicate poverty in South Africa and Zambia in the future? The fundamental aspect of poverty eradication programmes, this study argues, is to ensure the full participation of the poor in planning, decision-making, programme implementation and review. Participation in the national economy demands that local communities have a say in shaping critical decisions affecting their lives, through open and accountable political structures from grassroots up to the national level. In a way this will fill the gap, or build bridges between government and the people at grassroots level. Moreover, participation of ordinary men, women and children both in urban and rural settings, has been recognised as critical for the long-term success of development projects. However, what is
vital for the health of the SADC region today is that governments and citizens set their faces towards regional poverty eradication. Inevitably, there are limits to what governments can do for people. But there is no limit to what people can do for themselves when they are given the opportunity to realise their potential. Providing that opportunity within the broad framework of human rights principles established by the African Charter for Human and Peoples' Rights should be a shared objective for governments, citizens' groups and individually in the region.

The Church has a central role to play in the fight against poverty and impoverishment. As part of civil society, it has the responsibility for ensuring that all citizens enjoy their full rights. Far from being powerless victims of poverty, the poor in both South Africa and Zambia have shown extraordinary resilience in challenging power structures. In both countries democracy, for instance, came about because of mass participation of the oppressed and marginalised people. Given a voice, the poor can campaign and assert their rights. However, the success of the poor to bring about positive change will depend on the creation of an enabling environment both at local and national level which, given its capacity, the church can provide. In this, the role of the church is critical.

The Church needs no justification for its involvement in economic matters. The church has always been concerned with questions of social organisation, including the political and economic norms and systems that make up the organisation of societies. The church is still meant to be concerned with such issues as production, distribution of income, and relation between the rich and the poor and so on. The Church has an obligation to monitor and oversee the non-performance of governments in protecting the social and economic rights of their citizens. This is not a departure from the gospel message. There is no doubt that with the changing order of our global economy, faith communities at all levels of our society have to examine their own institutional economic responsibilities. It is their responsibility to stand for equal rights and complete justice for all humanity in all situations of life. Moreover, the churches have a role in building public awareness, affecting public policy through advocacy or any means at their disposal. Traditionally the Christian Church has been at the forefront of historical movement on behalf of the rights and welfare of poor people within their own national borders. Today, too, they can play a significant role in marshalling the will and the resources to attack regional poverty. To this end, therefore, the church in South Africa and Zambia has distinctive contributions to make at the level of faith and spirituality. Though their contexts may differ, the social ideals for them are the same.
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ACRONYMS

AIDS  Acquired Immune Deficiency Syndrome
ANC  African National Congress
CCZ  Christian Council of Zambia
CPI  Consumer Price Index
CSO  Central Statistics Office
ECA  Economic Commission for Africa
EFF  Extended Finance Facility
EFZ  Evangelical Fellowship of Zambia
ERP  Economic Recovery Programme
GDP  Gross Domestic Product
GEAR  Growth, Employment and Redistribution
GNP  Gross National Product
HDI  Human Development Index
HIV  Human Immune-Deficiency Virus
HPI  Human Poverty Index
IFAD  International Fund for Agricultural Development
IMF  International Monetary Fund
I-PRSP  Interim Poverty Reduction Strategy Paper
LCMS  Living Conditions Monitoring Survey
MMD  Movement for Multiparty Democracy
NAACL  Network Against Child Labour
NEP  New Economic Programme
NERP  New Economic Recovery Plan
NGOs  Non Governmental Organisations
NP  National Party
NPRAP  National Poverty Reduction Action Plan
OECD  Organisation of Economic Co-operation and Development
PFP  Policy Framework Paper
PIR  Poverty and Inequality Report
PRS  Poverty Reduction Strategy Framework
PSLSD  Projects for Statistics on Living Standards and Development
RDP  Reconstruction and Development Programme
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<td>Southern Africa Catholic Bishop's Conference</td>
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<td>SACC</td>
<td>South African Council of Churches</td>
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<td>SADC</td>
<td>Southern Africa Development Community</td>
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<td>SALDRU</td>
<td>Southern Africa Labour and Development Research Unit</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SDR</td>
<td>Special Drawing Rights</td>
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<td>SRDC</td>
<td>Sub-regional Development Centre</td>
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<td>UN</td>
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<td>UNDP</td>
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<td>United National Independence Party</td>
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General Concepts and Definitions of Selected Terms

**Absolute Poverty** is defined as the minimum level below which the biological human needs for survival cannot be met.

**Balance of Payments:** For reasons of economic management, as well as for reasons of survival, it is important for a country to judge its trading position with the rest of the world. This is done by setting out a country's transactions with other countries in an account called **balance of payments**. Fourie and van den Bogaerde (1992:185) state that such an account consists of two parts. The first part is called the **current account** of the balance of payments, and it records current purchases and sales of goods and services to the rest of the world, whereas the second part is called the **capital account**, and it records financial or capital transactions, including the borrowing and lending of funds (Fourie and van den Bogaerde 1992:185).

**Debt Servicing** refers to government repayments of loans. Debt servicing includes interest payments.

**Economically active:** The **economically active** population includes all persons of either sex who furnish the supply of labour for the production of economic goods and services. The production of economic goods and services should include all production and processing of primary products whether for market, for barter or for own consumption, the production of all other goods for the market and, in the case of households which produce such goods and services for the market, the corresponding production for own consumption.

**Economic development:** Raising the **productive capacities of societies**, in terms of their technologies (more efficient tools and machines), technical cultures (knowledge of nature, research and capacity to develop improved technologies), and the physical, technical and organisational capacities and skills of those engaged in production. This can also be expressed in terms of raising the productivity of labour: using the labour available to society in more productive and efficient ways to produce a greater quantity and a more diverse range of goods and services.
Economic Growth: This is the increase in the GDP of a country. Economic growth is usually measured by the economic growth rate, which is the percentage by which the GDP increases in a year.

Employment: Either (1) paid employment for others, or (2) self-employment performing 'some work for profit or family gain'. There are three major attributes of employment (income, production, and recognition).

Empowerment: Having or being given power or control. It is generally used to describe the desirable state of affairs in which individuals have choice and control in everyday aspects of their lives: their labour, reproduction, access to resources, etc. However, there is an immediate contradiction within the idea of individual empowerment, since people tend to be restricted in their lives or to have power over others as a result of social relations and structures outside their own control. Paulo Freire, the Brazilian radical educator who promoted the term, argues that empowerment should be thought of in social class terms: The question of social class empowerment makes 'empowerment' much more than an individual or psychological event. It points to a political process by the dominated classes who seek their own freedom from domination, a long historical process.

Exchange Rate is the rate at which currencies are exchanged. For example, the exchange rate of the Rand (currency of South Africa) or the Kwacha (currency of Zambian) is the value the Rand or Kwacha has as compared to other e.g. how many Rands or Kwachas it takes to buy a US dollar or a British pound).

Fiscal Policy is any attempt on the part of government to influence the economy by means of changes in expenditure and/or taxes in such a way as to minimise unemployment or inflation and encourage economic growth.

Food-Basket Approach calculates the cost of acquiring basic food items sufficient to give 2200 calories for an individual on daily basis. To this is added a fraction for non-food basic needs (Central Statistics Office 1997:x).
**Gini Coefficient** measures the extent to which the distribution of income (or, in some cases, consumption expenditures) among individuals or households within an economy deviates from a perfectly equal distribution. Thus, a Gini index of zero represents perfect equality while an index of 1 implies perfect inequality.

**Globalisation:** The forging of a multiplicity of linkages and interconnections between the states and societies which make up the modern world system. The processes by which events, decisions, and activities in one part of the world can come to have significant consequences for individuals and communities in quite distant parts of the globe. Currently understood as an increasingly rapid and extensive planetary integration through the compression of time and space.

**Gross national product (GNP) and gross domestic product (GDP):** The World Bank defines GNP as the total domestic and foreign output claimed by residents of a country in one year. What they claim is also their income; thus GNP is a measure of national income and GNP per capita is a measure of the average income of each member of the population, including what they may earn or receive from abroad. GDP, on the other hand, is simply an output measure: the total final output of goods and services produced by an economy. Thus, GDP measures the size of the economy while GNP is the total income available for private and public spending. The two are of course closely related. The GNP of Zambia or South Africa, for example, is the output produced in Zambia or South Africa (its GDP), less whatever is claimed by foreigners (repatriated profits, migrant workers' earnings, etc.), plus what Zambians or South Africans earn outside the country (remittances from abroad, returns on investments abroad).

**Household** in this study is defined as a group of persons who normally eat and live together. These persons may or may not be related by blood, but make common provision for food or other essentials for living and they usually have one person whom they all regard as the head of the household. A household may comprise several members and in some cases may have only one member.

**Human Development Index (HDI):** The HDI attempts to measure poverty both qualitatively and quantitatively through such measures as life expectancy, literacy, safe water, food intake and access to health services.
**Human Poverty Index (HPI):** The HPI has been defined in an attempt to measure the deprivation in basic human development in a similar way as the HDI. The variables used in the HPI are: the percentage of people expected to die before reaching the age of 40; the percentage of adults who are illiterate; overall economic provision in terms of the percentage of people without access to health services and safe water and the percentage of underweight children under five. The human poverty index combines basic dimensions of poverty and reveals interesting contrasts with income poverty. This Report introduces a human poverty index (HPI). Rather than measure poverty by income, it uses indicators of the most basic dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources. Like all measures the HPI has weaknesses - in data and in concept. Like all measures it cannot capture the totality of human poverty. But by combining in a single poverty index the concerns that often get pushed aside when the focus is on income alone, the HPI makes a useful addition to the measures of poverty (HDR 1997).

**Imperialism:** Whereas colonialism means direct rule of a people by a foreign state, imperialism refers to a general system of domination by a state (or states) of other states, regions or the whole world. Thus political subjugation through colonialism is only one form this domination might take; imperialism also encompasses different kinds of direct control. Also, whereas colonialism may be used as a purely descriptive term, imperialism is usually used in an ideological way, usually as part of a particular theoretical view of the causes, nature and effects of such domination, such a Lenin’s view of imperialism as ‘the highest stage of capitalism’.

**Impoverishment:** In this study the term ‘impoverishment’ means a state of being poor, unable to be in a position to acquire basic things needed to lead a decent life. In other words, impoverishment means to experience poverty in many different ways and to suffer multiple disadvantages that reinforce each other.

**Industrialisation:** The process by which production in the industrial sector becomes increasingly important compared with agricultural production; more fundamentally, a general change towards the use of advanced technology and a complex division of labour in production with associated changes in social structure and organisation.
Inequality can be defined in terms of being the opposite of equality, a state of social organisation, which enables or gives equal access to resources and opportunities to all members.

Infant mortality rate: The number of deaths to infants under one year of age in a given year per 1000 live births in that year.

Inflation can be defined as the rate at which prices for goods and services increase. In other words, it is the in the amount of money needed to purchase the same basket of goods and services as time passes by. Inflation is usually measured by what is called the Consumer Price Index (CPI). The CPI is a representative of an average basket of consumer goods and services.

Informal sector: A common description, encompassing petty trading, self-employment, casual and irregular wage work, employment in personal services or in small-scale enterprises in manufacturing and services. Those unable to find (or retain) regular wage employment (the ‘marginals’) swell the ranks of the informal sector, characterised by its relative ease of entry with low capital investment requirements, and by being relatively labour intensive and unregulated. By contrast, work in the ‘formal’ or ‘modern’ sector refers to larger scale enterprises and employers with relatively stable employment, higher wages and more regulation of work conditions, and where workers can organise themselves more easily.

Infrastructure means facilities and services that make businesses, government and community run more smoothly. Examples of infrastructures are roads, bridges, telecommunications, and electricity.

Liberalisation refers to economic policies which reduce the role of government and government regulations.

Malnutrition: A worsening of health resulting from a relative or absolute shortage of one or more essential nutrients or calories.
Marginalisation has a twofold meaning. Firstly, it is understood as physical, spatial marginalisation, whereby people are driven away from central spaces. This happens when some people, for example, refuges are denied, at least partly, the right to the country, that is full citizenship in the country, or groups, who, because of age or illness (e.g. AIDS), are being spatially segregated in special institutions. Secondly, alongside physical marginalisation is social marginalisation, which means that people are denied full citizenship in social affairs. Marginalisation in this sense means that one is not recognised as a full and equal partner in social life. For instance, poor people are often marginalised, dominated by the economically powerful people. The poor are more or less deliberately excluded from social responsibilities and/or obligations.

Mortality rates and life expectancy: The infant mortality rate is the number of deaths in the first year of life per 1000 live births. The under-five mortality rate is the number of children who die before the age of five for every 1000 live births. Life expectancy is the average length of life or the expectation of life at birth. Infant and under-five mortality rates are strongly correlated with adult mortality. If infant or under-five mortality is high, adult mortality is likely to be high and life expectancy low. They can, therefore, be useful indicators of susceptibility to diseases. Also, health care policies in ‘Third World’ countries are often directed at children and changes in infant or under-five mortality rates are ways of assessing these policies.

Population growth rate: The rate at which a population is increasing (or decreasing) in a given year due to natural increase and net migration, expressed as a percentage of the base population.

Poverty Gap: A poverty depth is a gap or distance between income of each poor household and the poverty line. More specifically, the extent to which the income of the poor lie below the line. Woolard and Leibbrandt (1999:14) note that the poverty gap measures the average distance that a poor person is from the poverty. They further state that the poverty gap can be considered to reflect the depth of poverty amongst the poor.

Poverty Head Count/Head Count Ratio: Whiteford et al (1995:2) note that the poverty head count and head count ratio are the most simple and commonly used indicators of income poverty. The head count expresses the absolute number of poor
households (or individuals) in a category (e.g. a region or a race group), whereas the head count ratio is that number expressed as a percentage of all households (or individuals) in that category. Both the head-count and poverty gap are the most commonly quoted measures of poverty. Woolard and Leibbrandt (1999:14) note that the head-count is simply the proportion of the population that is poor. Although the head-count is one of the most commonly quoted measures of poverty, it has some flaws. Watts (1968:325) cited in Woolard and Leibbrandt (1999:14), for example, points out that "poverty should not be seen as a discrete condition. One does not immediately acquire or shed the affliction we associate with the notion of poverty by crossing any particular income."

**Poverty** in this study is defined as the inability to attain a minimal standard of living, measured in terms of basic consumption needs or the income required to satisfy them. It includes alienation from the community, food insecurity, crowded homes, usage of unsafe and ineffective forms of energy, lack of adequately paid jobs, and fragmentation of the family. Poverty is not a static condition: individuals, households, or communities may be vulnerable to falling into poverty as a result of shocks and crises (uncontrollable events which harm livelihoods and food security) and long-term trends (such as racial and gender discrimination, environmental degradation and macroeconomic trends).

**Poverty Line** is defined as the value of consumption of both food and other items per equivalent adult that is needed for a health living. If a household earns an income lower that the stipulated poverty line or poverty income, that household and its members are deemed to be living in poverty.

**Production:** A process in which human energy is expended to transform natural products into goods of consumption. It involves interaction between people and nature. The simplest production process has three elements: (1) the work done by people; (2) the subject of that work, the raw materials of nature and of previous production; and (3) the tools and skills used in the work. Thus, agriculture, or production on the land, requires (a) people to provide labour power; (b) at a minimum, adequately fertile land, rainfall and seeds of the crop to be grown; and (c) a hoe or a plough for tilling the soil and the skills and practices of agriculture.
Relative Poverty is defined in terms of inequality within the population. It can further be defined in terms of culturally determined standards necessary for a socially acceptable quality of life.

Structural Adjustment Programmes (SAPs) is the name given to a set of free market economic policies imposed on countries by the World Bank and the International Monetary Fund (IMF) as a condition for receiving money. The kind of SAPs referred to in this study are those which were designed in the 1970s to assist developing countries tide over temporary difficulties they faced in their balance of payments positions.

Stunting refers to slow growth also known as chronic malnutrition, resulting from frequent episodes of acute malnutrition or long-term food deficiency.

Subsidy: In the social sectors a subsidy is a government payment to a relevant department to provide a certain service to the public sector either for free or at a low price.

Subsistence: This term is often associated with Seebom Rowntree (1901). Poverty from a subsistence perspective is when an individual or family or household has no sufficient income in the short-term for health survival or decency.

Sustainable Human Development: The United Nation's Development Programme has defined human development as a process leading to the widening of possibilities offered to each and everyone. To live a long and healthy life, to be educated and to have access to the resources necessary for enjoying acceptable living conditions and the freedom to exercise choice and participate in society (UNDP 1990; 1992).

Third World: This term first came into use in the 1960s is still in popular usage. Unlike faddish expressions destined to fade away after a brief passage of time, "Third World" has required instead layers of meanings which vary from purely geographical (the 'South') to the socio-economic ('poor', 'underdeveloped') to the political ('non-aligned') and the theological (from the 'underside of history'). Beyond these geographical, socio-economic, political and theological denotations, "Third World connotes a growing historical force
that is threatening the present international order (or disorder)” (Fabella and Tores 1994:xii).

**Underemployment**: Work that does not permit full use of someone's highest existing skills or capacities. This could mean, for example: working for shorter periods, less intensively than able or willing to work; working at a lower level of productivity than capable of doing; earning less than able or willing; or working in a production unit with abnormally low productivity.

**Under 5 Mortality Rate**: The probability of a newborn dying before reaching the age of 5, often expressed as a share of 1,000 births.

**Unemployment**: A concept generally restricted to the wage economy. It means being without work, i.e. not in paid employment, nor in self-employment (performing 'some work for profit or family gain') but currently available for employment and seeking it. This is the official meaning used in statistics.

**Wasting** also known as **acute malnutrition**, is defined as a rapid weight loss due to malnutrition.
INTRODUCTION

Poverty is not easily defined. It has many meanings, and many facets. It is composed of a variety of individual and collective experiences, changing in structural significance and features with time. It is for this reason that those who study poverty contend that there is no one correct, scientific, agreed definition because poverty is inevitably a political concept, and thus inherently a contested one. Although poverty is a contested phenomenon, it is generally agreed that it is a problem, and one thing that there is no disagreement over is that something must be done about it. Arguably it is the issue of definition that lies at the heart of the task of understanding poverty. But why is it that poverty research is characterised by a strong emphasis on facts and definition? Alcock (1997:67) argues that we must first know what poverty is before we can identify where and when it is occurring or attempt to measure it, and before we can begin to do anything to alleviate it. Wilson (in Øyen et al 1996:21) also claims that although it is tempting to dismiss too much fact finding as mere collection of information and lacking in analytical rigour, it is important to recognise that the basic process of mapping the terrain of poverty and of attempting to measure the changes over time is fundamental to any analysis of causes and to any systematic attempt to reduce or eliminate the problem.

Notwithstanding the importance of doing something about poverty, the advances made in various parts of the world since the 1960s, particularly in refining the definitions and measuring the extent of poverty are extremely important. These have shaken the dominant mainstream concepts (the Western concepts in particular) about poverty, rectifying the situation, and bringing in conceptual thinking of poverty that is representative of local context. It is not within the scope of this study to discuss all dominant Western concepts, although it must be acknowledged that most debates about the conceptual problems of poverty and its measurement have relied heavily on Western theoretical and conceptual perspectives. The implicit intention of this study is to assert that poverty is a problem. A lot is known about the effects of poverty, how it squanders human resources, and how it undermines the developing potential of countries. For instance, in most developing countries, there is correlation between insufficient basic health services and poverty, school enrolment and poverty, between gender discrimination and poverty, and between lack of access to credit opportunities and poverty. Therefore, however poverty is defined and measured, hunger, poor shelter and inadequate clothing, frequently accompanied by ill health and illiteracy, are features that would assist us make judgements about what the real problem is. In trying to answer the
question, "is poverty a problem?" Alcock (1997:3) cites Oppenheim and Harker (1996:4-5) who argue that:

Poverty means going short materially, socially and emotionally. It means spending less on food, on heating, and on clothing than someone on an average income.... Above all, poverty takes away the tools to build the blocks for the future—your 'life chances'. It steals away the opportunity to have a life unmarked by sickness, a decent education, a secure home and a long retirement.

In an attempt to give a global perspective on poverty, the World Summit for Social Development held in 1995 in Copenhagen, Denmark, defined poverty as follows:

Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited to lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environment; and social discrimination and exclusion. It is also characterised by lack of participation in decision-making and in civil, social and cultural life...(see Heintz and Jardine 1998:5)

Part of the definition above equates poverty with a certain level of material deprivation, below which an individual suffers physically, emotionally and socially. Some studies or research on poverty often narrowly define and measure poverty in terms of a broad threshold of income and resources which separates the poor from the non-poor. As it shall be discussed in Chapter 2, there are two ways of seeing this threshold—as a fixed point of reference, or as measured against the ability of others to command resources in the economy. The first approach is called an absolute definition of poverty and the second approach is called a relative definition to poverty.1 The absolute definition of poverty attempts to define poverty in subsistence terms. If individuals, families or groups fail to maintain, through lack of adequate income or resources, a socially minimal or acceptable level of living, then these persons would be considered poor in absolute terms. Defined in relative terms, poverty has generally come to mean a sense of social inequality. In other words, it takes on board issues of social cleavages and economic distinctions between different groups. The crucial point, however, as this study argues is that the problem of poverty requires an analysis that goes beyond the issues of income, wealth, and productivity. Syed Abdus Samad (in Øyen et al 1996: 34) notes that:

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1 As noted, a detailed discussion on the conceptions of poverty is covered in Chapter 2.
Poverty, it is now perceived, is neither an economic nor a purely social problem, but is multi-faced, with economic, social, political, cultural, and demographic dimensions. It is a condition as well as a process, a cause and an effect. It should be viewed as an involuntary rather than a voluntary affliction. Its macro, rather than micro, analysis requires to be focussed.

Usually the determinants of poverty are often seen as related only to income, but people with insufficient income normally develop strategies to cope with the problem. These coping strategies and people’s ability to implement them are also important determinants of the poverty they experience. "Income is not the only measure of poverty or its obverse, well-being" (Budlender 1999:201). Understanding different patterns of poverty thus adds to our understanding of why income, though certainly among important measures of poverty, is not the only determinant of poverty. In fact, in any economy, the population has to meet certain minimum basic needs in order to survive.

Poverty is widely acknowledged as a serious problem facing the Southern African Development Community (SADC). Out of an estimated population of 176 million people, at least 50 million live in abject poverty (Moyo 1998:20). This number of people living in abject poverty in the region can be properly perceived only when manifestations of poverty such as the pervasive hunger, inadequate levels of access to health care and education, high mortality rates, and high incidence of social and economic marginalisation and exclusion are adequately taken into account. Similarly, over the years economic and social development in the SADC region has been adversely affected by a variety of factors such as the international business cycle, a heavy foreign debt burden, lack of physical infrastructures, political and civil strife and natural disasters (droughts and floods). Despite these factors, a number of countries in the region have made substantial progress in recent years in addressing the structural bottlenecks and financial imbalances that constrained their growth, while others are confronted by serious and difficult economic, financial, and in some cases, political problems.

According to the United Nations Economic Commission for Africa's (UNECA) Development Bulletin of July 1997, the incidence of poverty in Southern Africa ranges from

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2 SADC is a grouping of fourteen Southern African countries, namely, Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The terms SADC and Southern Africa will be used interchangeably.

3 At the East and Southern Africa Follow-up Conference to the World Social Summit held in Nairobi, Kenya, in March 1999, it was noted that during the last five years, Southern African countries enjoyed a relatively good economic growth. For instance, in 1995, the region’s average gross domestic product (GDP) per capita of US$934 at 1987 constant prices, was relatively high compared to the rest of sub-Saharan Africa (US$867). In spite of this economic growth, it appears that the majority of the countries in the region still experience high incidences of poverty.
12.5 per cent to 50 per cent (See Table 24, Appendix II). The fact that most of the SADC countries are extremely poor is also reflected in their relatively low scores on human development dimension. Using the HDI criteria, only Mauritius falls in the high human development category, whilst South Africa, Botswana, Swaziland and Zimbabwe are in the medium human development category and the rest of the SADC countries are in the low human development category (see Moyo 1998:16).

It is worth mentioning that there are major variations among SADC countries in as far as poverty levels are concerned. For example, Moyo notes that Zimbabwe reports poverty levels of 60 per cent, while Botswana reports poverty levels of 25 per cent. He goes on to state that the Human Poverty Index (HPI), which entails access to water, health and children under weight etc, places Mozambique as worst off with a 50 per cent score, even though it fares much better on certain variables: for example, 37 per cent of its people do not have access to safe water compared to 73 per cent in Zambia, 62 per cent in Tanzania and 58 per cent in the Democratic Republic of the Congo, inspite of the fact that these countries have a lower human poverty index.

Statistics such as those given above say little about the actual experience of poverty in SADC countries. In fact, studies on poverty conducted in most SADC countries provide evidence that the vast majority of the people in these countries are affected with an “ill-problem”. In other words, the majority of population in this region is either ill-fed, ill-housed, ill-educated or illiterate and so on. Similarly, the general picture that emerges from various studies conducted both in South Africa and Zambia is of continuous ill-health, arduous and often hazardous work for virtually no income, no power to influence change, and high levels of anxiety and stress. To be precise, the majority of the population in these two countries is being deprived of the necessities of life. In fact, this is a common trend in the whole of Africa, and in other Third World countries.

The number of the people experiencing poverty in SADC countries poses a profound challenge for governments and civil society in the region. Why should goods and services be scarce when there are enough material and natural resources in the region? Why should people continue to be born into poverty if there are enough resources in the region? Does it

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4 Values on South Africa are not included in this table, however, to compare South Africa HDI ranking with the rest of the SADC countries see Appendix II Table 25.
5 The human development index (HDI) indicates the relative position of a country (or region or group) on an HDI scale 0 and 1. Countries with an HDI below 0.5 are considered to have a low level of human development, those with an HDI between 0.5 and 0.8 a medium level, and those of 0.8 and above a high level of human development (cf. definition of HDI p. xiv).
6 Ibid.
mean that the region has insufficient knowledge, management skills and human resources, to bring about a poverty free Southern African in less than two decades? Notwithstanding the problem of the scarcity of resources, it has been observed that much of poverty in Southern Africa is structural in nature. As many mainstream approaches to economics would vehemently argue, clearly the problem of scarcity of resources is not the primary issue, but rather a socially constructed scarcity due to a skewed distribution of material and natural resources is at the heart of the poverty problem in Southern Africa. Some of factors causing poverty in the sub-region are gender disparities, political power struggles, bad governance, poor economic policies, lack of opportunities for equal economic participation. It is now generally agreed that in the absence of economic, political and social empowerment, it becomes impossible for governments to respond effectively to the needs of the poor and improve their conditions.

This study is motivated by the realisation that a substantial number of years have passed since some SADC countries attained their independence, and it seems most of them have failed to achieve, even in relative terms, one of the main aspirations of the struggle for independence: raising the living standards of their people. The question of raising the standard of the people in my view constitutes the fundamental challenge for South Africa and Zambia, which are subjects of this study. In South Africa, indications in 1996 were that 53 per cent of the population is poor. Given the political and socio-economic history of South Africa, poverty in this country is closely related to race. Sixty one percent of Africans, 38 per cent of Coloureds are classified as poor, compared with only 5 per cent of Indians and 1 per cent of Whites. These high levels of poverty and inequality affect living standards, economic growth and the levels of crime and social stability. Similarly, in Zambia, indications in 1996 were that 70 per cent of the population, out of an estimated population of 9.5 million people live below the poverty line. In Zambia, all the major indicators of human development including food, water, health, education, and shelter are largely negative.

This study further seeks to understand the extent and nature of poverty in Southern Africa, particularly in South Africa and Zambia. The broad premise of this study is that the problem of poverty is evident in both South Africa and Zambia. In both countries, the dimensions of poverty include the problem of unemployment, poor quality of education, inadequate health care services, substandard housing, lack of transportation services, and inadequate water treatment and sewerage system. Other significant issues common to both South Africa and Zambia include material resources, alcoholism, drug abuse, crime, violence,
and HIV and AIDS. Empirical research suggests that HIV/AIDS in developing countries is putting massive pressure on government resources.

In Zambia alone, more than 770,000 adults and children are living with AIDS, and there been more than 250,000 deaths, and around 500,000 children have been orphaned by AIDS. Since the outbreak of the AIDS pandemic in the 1980s, over 19 per cent of Zambians have been infected with the HIV virus (see The Post Newspapers, No. 1456, April 5, 2000). HIV/AIDS is claiming many lives in Zambia because of poor diet among the majority of Zambians. In South Africa, it is estimated that 20 per cent of population is infected with HIV. According to national studies on AIDS, at least 1, 500 people in South Africa get infected everyday, and it is estimated that by the year 2001, more than 4 million South Africans will be infected with the HIV virus (see Challenge 59, May/June 2000:2). If the current trend continue, the AIDS epidemic is likely to cause a population decline in both South Africa and Zambia and will reduce the economic growth rate in these countries.

There is a strong correlation between the incidence of poverty and HIV/AIDS. Recent studies in developed countries have that shown AIDS incidence to be highest among the very poor. At the moment, there are no data to assess the precise proportions of poor and non-poor people who are infected in developing countries, but if trends for developed countries are replicated worldwide, the poor will be more likely to become infected than the non-poor. AIDS deepens and spreads poverty. Poor households are more adversely affected by an AIDS death of a prime-age adult than other households because they have fewer assets to draw on to cope with medical expenses and the loss of income and services that a prime-age adult typically provides. AIDS is also likely to increase poverty through the rise in the number of children who lose one or both parents. Evidence shows that orphans have significantly lower enrollment rates and are more likely to be malnourished than non-orphans. Lack of schooling and inadequate nutrition will make it more difficult for orphans to escape poverty. The AIDS pandemic in Southern Africa is not just a medical dilemma, but also a political and social crisis. In other words, on top of the massive political and socioeconomic problems countries in the sub-region are having to deal with, HIV/AIDS has proven to be particularly difficult to contain.

In the study proposed here, I will explore through documentary study the problem of poverty and impoverishment in Southern Africa with particular reference to South Africa and Zambia as case studies. To some extent, the purpose of this study is to give some comparative perspectives on how the Church in these two countries is generally responding to the problem

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6 For further details see http://www.jubilee2000.uk.org/news/zambia2010.html
of poverty. As it has been observed, the problem of poverty is not only a political one but implicit in the ongoing debate about poverty is a moral question that falls within the social and spiritual responsibility of the Church. In fact, Scripture provides the Church with a number of resources for dealing with issues of justice, especially its biblical emphasis on social ethics. Since we are living in a world of rising international inequality and deep, persistent poverty, it is imperative that the Church should fight against poverty, and seek to remove it from the scene. The question this study attempts to answer is are churches in Southern Africa sufficiently responding to the problem of poverty. What have they done? What are they doing? Or what should they be doing? The current ecumenical spirit in South Africa, as well as in Zambia, to mobilize churches to act meaningfully and decisively in the struggle against poverty informs the major research question. The plight of the poor and their struggle to survive in the global economic order does not only challenge the Church and other non-governmental organizations (NGOs) to find ways to help blunt the negative effects of poverty, but also to influence governments and corporate policies, programmes and services so as to alleviate and, hopefully, lead to the elimination of poverty.\(^9\)

Having outlined the scope of the study this chapter goes on to present the statement of the research problem, objectives of the research project and the significance of the study.

**Statement of the Research Problem**

Available research findings touching on poverty in Southern Africa indicate that poverty is a serious problem. Although evidence also indicates that during the last five years, the sub-region has enjoyed relatively good economic growth, it appears that its benefits have not trickled down to the people at the grassroots level. The poverty and inequality levels in the sub-region continue to be very high with the majority of the population living below the poverty line. It is clear that the high incidence of poverty in Southern Africa is a result of a combination of various factors such as: high unemployment levels; limited access to productive resources such as land and capital; urban biased development policies, causing rural-urban migration; the negative impact of structural adjustment programmes that some countries in the region have implemented; the high rate of population growth; the inability of government and other development agencies to effectively channel resources to poverty

\(^9\) Southern Africa has had some follow-up forums to the World Development Summit Conference as a response to implement the various resolutions recommended by the Summit.
eradication programmes; political instabilities causing internal displacements; external factors such as unfavourable terms of trade; the debt servicing obligation; and persistent droughts.

Poverty in South Africa and Zambia raises important issues of access and equity. Empirical evidence on access to basic services shows that poor households in both countries often face substantial constraints in obtaining education, health care, safe water and sanitation. This makes it more likely that poverty will be perpetuated from one poor, disadvantage generation to the next. Unless economic growth includes the poor, both by creating employment opportunities and by enabling them to improve their health and education, the poor will not benefit. The main aim of the study is to identify the challenges and some church responses to the blight of poverty that continues to confront the sub-region.

**Objectives of the Research Project**

The general objective of the study was to determine how some churches in Southern Africa, in South Africa and Zambia in particular, have responded to the problem of poverty. This study confines itself to the responses from national church bodies namely, the South African Council of Churches, the Southern African Catholic Bishops Conference, the Christian Council of Zambia, the Evangelical Fellowship of Zambia and the Zambia Episcopal Conference.

Specific objectives are as follows:

(a) To survey the extent and nature of poverty and impoverishment in Southern Africa, South Africa and Zambia in particular.
(b) To analyse attitudes and perceptions of poverty and inequality in South Africa and Zambia.
(c) To ascertain the gap between theory and practice, that is, in terms of anti-poverty strategies that the governments of South Africa and Zambia have developed.
(d) To disseminate knowledge about poverty and impoverishment in the Southern African Development Community.
(e) To challenge both government and churches that fighting poverty and impoverishment needs concerted effort.
(f) To assess how some selected churches in South Africa and Zambia are responding to the problem of poverty and impoverishment.

(g) To examine the difficulties and problems faced by churches in their role to eradicate poverty.

(h) To provide information to governments, church groups, non-governmental organisations and others working to improve the status of the poor.

(i) To make recommendations to churches that will increase their effective participation in the eradication of poverty and inequality.

Significance of the Study

Anyone who tackles seriously any of the main questions facing the people of Southern Africa today, whether that of injustice, poverty, political oppression, or environmental destruction, immediately comes up against the economic problem. But not all churches in Southern Africa have yet addressed themselves, let alone responded sufficiently to this problem. Indeed, there is a curious lopsidedness in the way churches in the sub-region view this problem. On the one hand, churches in the sub-region (e.g. in South Africa) have tried to deal with the economic problem in their theology of liberation. Churches in Southern Africa have felt the impact of the present global economic system too closely and too severely not to address themselves to this problem. Their church members and the people they live among are growing daily poorer. The question why this should be so (i.e. the economic question) can no longer be relegated to the margin of specialised ethical studies but has to be brought within the all-embracing horizon of biblical and theological reflection. On the other hand, there are churches both in South Africa and Zambia which identify with the middle and upper classes. Such churches are wrapped in a belief that the church has nothing to do politics, or else see the 'the market economy' as part of the Christian credo to be defended at all costs.

Villa-Vicencio (1992:30) argues that "the church is obliged by the demands of biblical tradition but also by the exigencies of political reality, consciously to live at the nexus of powerlessness and power. Even when located 'on the side' of rulers and in ministering to a government that seeks to promote social justice, is to do in solidarity with those who suffer most in society." How can the Church help and point a direction? The question of the church's involvement in economic matters is not new. For example, during the Middle Ages the churches were deeply involved in social and economic matters, not only at a theological
level but also practically through monasteries and the creation of orphanages and hospices. The churches of the Reformation persisted in this line and the concept of vocation as God's call to be faithful in each place and in all places implied that through economic activity human beings could glorify God. Although the role of churches as organisations in Southern Africa, as well as the rest Africa, seemed to be ambiguous, however, from the very beginning of the Christian missions, churches were agents of social change. Their social services extended into fields such as education, health and agriculture.¹⁰

This study attempts to inform churches about the economic realities of the majority of the population in Southern Africa, as well as enrich them with information that will enable them to speak out for a fair distribution of economic wealth, and also enable them to advocate for anti-poverty strategies. Further this study provides lessons for churches as institutions that emphasise the centrality of the poor, and whose theologies constantly remind us to pay attention to those made poor and oppressed by the economic and social structures of our world. The failure to extricate humanity from poverty and its pathological state at present is not primarily that of economists, for poverty is not basically an economic problem. Rather, it is a particular state of social, political, psychological and existential being that defines the human condition at a given point in history. The obligation of the Church to concern itself with matters of poverty, inequality and economic justice stems of course from the Bible, where the example of prophets and the Jesus' teaching about love indicates clearly the need for involvement.

Methodology

Introduction

This section describes the methodology and the research technique used in data collection and analysis. The usefulness and/or limitation of the method adopted are discussed. As the first step, I should like to make a statement concerning bias, in form of a brief history of the development of my interests and values as they are related to the subject of this research. My mind is not indeed a blank slate on the questions that this study attempts to examine. In fact, my interests, values, and close acquaintance with the problem are the source

¹⁰ The ambiguity being referred to is the co-operation of the early missionaries with the colonial governments, the tacit of acceptance of colonialism by the church leaders, and their silence in the face of oppression, all these were viewed by the people they were serving as an alliance with the ruling powers and the dominating classes.
of my motivation of this study. I therefore undertake this study, then, with recognition of a vested interest in its outcome.

The data analyzed for this study are drawn from three main sources. First, there is the published statistical and descriptive information from government reports, and data published in books, journals and newspapers. The second major source of information came from church statements and records on poverty and economic justice collected from the South African Council of Churches, the Southern African Catholic Bishop's Conference, the Christian Council of Zambia, the Evangelical Fellowship of Zambia and the Zambia Episcopal Conference. When it came to analyze data from churches, I was compelled to talk to some church officials in order to verify the data published by their organization. This mostly happened when I had to confirm whether there were outcomes to some resolutions adopted by some previous church forum(s). I should state that no method of systemically interviewing a cross-section of church officials was employed. I should also state here that the lack of relevant data (documents) from my intended sources has limited my discussion on how churches in South Africa and Zambia are responding to challenges of poverty and impoverishment in their respective countries. The third source flowed from the Internet.

The approach adopted in this study is initially largely descriptive where I attempt to build an overall picture of poverty in South Africa and Zambia. I discuss the problem of poverty in these two countries in terms of some well known poverty definitions and measurements: the absolute poverty line which measures the resources deemed necessary and sufficient for survival in a given society and the relative poverty line which measures the average resources available in that society. I have also used other measures of poverty such as income poverty and the human development index (HDI). The most simple and commonly used indicators of income poverty are head count and head count ratio, which measure the spread of poverty in a category (e.g. a region or a race group). The human development index measures poverty in terms of life expectancy, access to education, health services and safe water. To generate comparable results, which enabled me to build the overall picture of poverty in these two Southern African countries, I followed the United Nations (UN) concept of human development. According to the Zambia Human Development Report (1998:1), the UN defines human development as a process of expansion of people's choices, of enhancing the economic and social empowerment of all human beings.

The selection of the UN's concept of human development as tool for analysis was based on an assumption that despite their differences in economic ranking, South Africa as a middle-income country and Zambia as a low-income country, both countries present two
Introduction

striking illustrations of the adverse impact of inequitable access to resources on human development. The level of human poverty in Zambia is very high. The Zambia Human Development Report (1998:3) states that over 69 percent of the population fall below a money-metric based poverty line. The Zambian government is unable to provide adequate, equitable and quality basic social services which are of paramount importance in any programme for the alleviation, reduction and eradication of poverty. In South Africa too inequality with respect to income and standard of living between races is prominent. Although South Africa is considered to have a medium human development profile, similar to that of Paraguay and Botswana, there are great disparities in the level of human development in different parts of the country.

Since the researcher is not a disinterested observer, but has his own position in favour of the poor, the marginalised and oppressed people in obtaining their socio-economic rights, the researcher is interested in challenging churches to understand that economics is neither an end in itself, nor does it represent an autonomous realm with intrinsic laws of its own. Any economic institution has to be judged on the grounds or the extent to which it provides for all people in any society, particularly for the poor, the marginalised and the oppressed. I hold that churches do not only seek to be in solidarity with the poor but also to grasp in theory and promote in practice a just, participatory and sustainable society. This study therefore, concludes with recommendations that churches by virtue of their calling must guide and work together with government and the rest of civil society in creating an economic vision whose priorities is people development. A people-centred economy is one which seeks to meet the basic needs of people, combat hunger and poverty, ignorance and disease, and enhance human dignity and integrity.

Method used to Collect Data

Documentary Study

Most social science researchers put their emphasis on fieldwork, survey research, or a combination of the two. Documentary research, which is a systematic use of printed or written material for investigation, is often regarded as a secondary or supplementary method in research approaches that employ a multi-method study. Yet as Giddens (1989:675) observes, there are very few parts of fieldwork or surveys which do not involve some scrutiny
of documentary material. In fact in one guise or another, documentary research is probably one of the most widely used of all methods of gathering social science data. To this effect therefore, documentary sources may also be utilised in their own right as reliable methods of data collection and analysis. Moreover, these sources can tell us a great deal about the way in which events were constructed at the time, the reasons employed, as well as providing materials upon which to base further investigations (May 1993:133).

Some of the documents often consulted in documentary research could either be public or private records. Documents themselves cover a very wide range, including for example, newspapers and magazine articles, minutes of meetings, diaries, speeches, letters, government documents and church records. Other documents used in this kind of method virtually always include information and findings produced previously by writers in the field in question. One advantage of documentary research is that as a researcher, one is concerned with collecting together and analysing materials from the work of others rather than generating wholly new data (Giddens 1989:676). Obviously in some respects documented materials will be very different from one another; however, by drawing on a diversity of sources the researcher is able to develop a rich and detailed description of the phenomenon being studied.

Although the researcher was interested in identifying the challenges and some church responses to the problem of poverty and impoverishment in Southern Africa, particularly in South Africa and Zambia, however, a wide range of literature on the concepts of poverty, macroeconomics policies and socioeconomic development was reviewed. A thorough analysis of the South African and Zambian governments, non-governmental organisations and church documents was undertaken. This involved examining selected documentary sources on economic, political and social policies, relevant to the issue of poverty. Poverty in both countries is a known phenomenon, and has been well documented. By using a documentary method, the researcher was able to reanalyse recorded research findings generated by other investigators/researchers. For instance, governments and other organisations regularly publish 'official statistics' on a multitude of social phenomena such as crime, infant mortality rates, life expectancy at birth, population growth, rates of unemployment and so on. In social sciences these can be used as a basis for research. Researchers can utilise or reanalyse data from such statistics, applying material helping to resolve a given research problem (Giddens 1989:676).
Limitations of the Study

This study set out to explore through documentary sources how the national church councils in South Africa and Zambia have responded to the challenges of poverty and inequality in their respective countries. The study revisits many programmes and policies analyzed in these documents, and analyze their impact from the perspective of those experiencing poverty and social alienation in these countries. Using documentary data has its limitations. First, there are always questions regarding the authenticity, credibility, representativeness and meaning of the data. A second criticism about a documentary method is that people decide what to record, to leave in or to take out, which is informed by decisions which relate to economic, political and social environment of which it is part. It is argued that such decisions might manipulate the aspects of inequality and poverty as people experience them day by day. I am in total agreement with these criticisms, and I do not presume that this study captures what it really means to be poor. The aim was simply to give an overview of the extent of poverty/impoverishment and inequality in South Africa and Zambia, and suggest what role churches can play in the fight against the problem of poverty. Unfortunately, the available data are able to provide the barest sketch of how the church in these two countries is responding to the challenges of poverty.

This study is confined within narrow limits. Firstly, it focuses on some church responses to the problem of poverty in South Africa and Zambia. Secondly, it is restricted to responses by national councils or conferences as representative bodies of significant churches, partly in order to narrow down the subject matter to suit the modest limits of a Master's dissertation, and partly because in South Africa, most of the more systematic programmes of church response to political, social and economic marginalisation have been through the South Africa Council of Churches and the Southern Africa Catholic Bishops Conference. Similarly, in Zambia, the Christian Council of Zambia, the Evangelical Fellowship of Zambia and the Zambia Episcopal Conference have jointly responded to the country's justice and developmental issues. However, this restriction does not imply that various local denominations are not involved in projects aimed at alleviating the problem of poverty in their communities.

It is worthwhile to acknowledge that data produced by government and some non-governmental organisations is extremely extensive. The sheer volume of material collected by these agencies does tempt the researcher to use such data without due consideration to their weaknesses, as well as strengths. For example, official statistics, in some instances, employ
unexamined assumptions about social life which, if the researcher is not cautious can be inherited and reproduced in his or her study. This brings us back to the question of how a researcher should approach a document as raised in the preceding paragraph, especially on the question of the criteria for assessing the quality of the evidence available from documentary sources. There are cases, for example, when newspapers and magazines are sometimes casual in their accuracy. The question then is, how authentic or technically genuine is the document? Of course, officially published statistics are more likely to be reliable than, for instance, newspaper reports, however, as noted above, the researcher has to be aware of the many limitations they can have. The documentary method was used with the assumption that it will enable the researcher to develop a rich and explicit account of life in poverty.

Despite these necessary cautions, I take the documentary sources to be relatively reliable — for the present situation of poverty in Southern Africa after all is well known and documented. They form the theoretical basis of the research in poverty, and to some extent clarify some process and mechanisms which may account for poverty and impoverishment in South Africa and Zambia. Poverty is going to be with us for a long time to come. Although the South African and Zambian governments in collaboration with non-governmental organisations have devised a wide range of anti-poverty programmes, poverty casts long shadows over our countries. On a more positive note, however, not all research has been in vain. With sound data and theoretical understanding, poverty research can have a vital role in the debate on the issues of equity, economic justice, and overall human welfare.

Doing comparative studies in social sciences involves a whole set of methodological and theoretical problems of their own, which run as an undercurrent in all comparisons, irrespective of the field of research (Øyen 1990 in Øyen et al 1996:5). Doing comparative studies on poverty adds extra problems. Therefore, the national reviews in this study are not meant to represent any rigorous attempt at comparison, but by linking the studies together a new instrument is created that will foster thinking in comparative terms. Clearly, when one considers the socioeconomic developments of the two countries selected, they illuminate the nature of poverty and the twin processes of accumulation and impoverishment in what is simultaneously one of the richest countries and one of the poorest countries in the Southern African Development Community (SADC). On the one hand, it is important to cover these two countries given their economic histories. The selection of South Africa and Zambia as case studies was governed by the following factors. Firstly, I am a Zambian studying in South Africa and have researched in the field of poverty in South Africa for the Research Institute
Introduction

on Christianity in South Africa (RICSA\textsuperscript{11}). Secondly, as a Zambian I am interested in Zambia's economic performance and the place of the poor within that performance, particularly that in 1991 the Zambian government strictly and vigorously implemented the structural adjustment programme (SAP) with the intention of creating macroeconomic stability in the economy.\textsuperscript{12}

Chapter 1 of this study covers the general overviews of South Africa and Zambia. It is essentially a discussion on the land, demography, politics and economy of these two countries. The second chapter is a general review of the concepts of poverty. It seeks to understand the different and varying definitions and measurements used by researchers on poverty. There are several concepts that have been used to define and measure poverty. In this study, we have confined ourselves to the definition and measurement of poverty in absolute and relative terms. Also an attempt has been made to explain poverty and inequality. Chapter 3 examines the nature and extent of poverty in South Africa and Zambia. In both countries, poverty has been acknowledged as a serious problem. In terms of poverty and human development, both countries show strong correlation between the level of education and standard of living, poverty and ill health and poverty and unemployment. The fourth chapter analyses some churches' responses to the challenges of poverty in South Africa and Zambia basing on the issues raised in the Introduction, Chapters 1, 2 and 3. In the conclusion, an attempt has been made to create a framework for thinking about the problems of poverty and a set of recommendations has been put forward for consideration by churches and all those concerned about the future of Southern Africa, South Africa and Zambia in particular.

\textsuperscript{11} RICSA is located in the Department of Religious Studies at the University of Cape Town.

\textsuperscript{12} In 1998, I had a privilege to do fieldwork in Zambia, during which I researched on the Church and the Structural Adjustment Programme in Zambia 1992-1997.
CHAPTER ONE

SETTING THE SCENE

A Brief History of South Africa

Land, Demography, Economy and Politics

South Africa occupies the southern extremity of the African continent. The country covers a total area of 1,219,080 square meters (470,689 square miles) between 22° and 35° south (a north-south distance of 1,800 km) and 16° and 33° east (a west-east distance of over 1,500 km). It stretches from the shores of the Limpopo River in the north to Cape Agulhas in the south and shares common borders with Namibia on the north-west, Botswana on the north, and Zimbabwe, Mozambique, and Swaziland on the north-east. Lesotho is entirely surrounded by South Africa, lying within the eastern part of the country. South Africa is Africa's tenth largest country by land area and is more than five times the size of the United Kingdom and twice the size of France.

As most African countries, South Africa is faced with high population growth, which seriously undermines efforts to improve the average standard of living and puts enormous pressure on public finance. Presently, the population is still growing at about 2.5 per cent per annum. Basing on the March 1991 census, which was estimated at 37.6 million, it was projected that the South African population could increase to 50.1 million in 2006. However, according to the preliminary results of the October 1996 census, which were released in July 1997, South Africa's population was estimated at 37.9 million (Africa South of the Sahara 1999:173). Going with the October 1996 census, South Africa was the fifth most populous African country — after Nigeria (118.4 million), Egypt (64.5 million), Ethiopia (60.1 million) and the Democratic Republic of Congo (48.0 million). The growth rate is, however, expected to decline from 2.3 per cent in 1991 to 1.78 per cent per annum in 2006. Besides this, the country faces the onslaught of AIDS.13

13 Cf. Introduction, p. 6. It is expected that within ten years some 2.5 million people will have died of AIDS in South Africa alone, while some 750,000 could be affected by the deadly disease. Like many other developing countries, South Africa will soon be faced with a problem of taking care of the surviving orphans, which will eventually place enormous pressure on State resources.
Economically South Africa occupies a dominant position within Africa (see Dagut 1991:29), which far exceeds its position in terms of both physical and population size. Lester et al (2000:15) note that South Africa's Gross National Product (GNP) in 1997 was US$130.2 billion, almost twice the size of the African country with the next largest GNP, Egypt (US$71.2 billion), and more than four times larger than Nigeria (US$30.7 billion), which has the largest population. They further note that in terms of Gross National Product per capita, South Africa again had the highest in the continent (US$3,400), and was ranked 45th out of 133 countries by the World Bank in 1997, not far short of Venezuela (US$3,500) ranked 44, and Poland (US$3,590) ranked 43 (see Lester et al 2000:15-16). In regional economic terms, South Africa dominates Southern Africa and has played a leading, if not dominant, role in the Southern African Development Community (SADC) since it was incorporated in August 1994. For example, the statistics presented in Table 25 indicate the overwhelmingly dominant position which South Africa occupied among the 12 SADC countries in 1997 (see Appendix II).

The colonial economic systems in Africa advocated the isolation of the indigenous people in large areas in which they were administered under the systems of 'indirect rule' and were supposed to be left to work out their own destiny. Mamdani (1996) distinguishes the two forms of rule (i.e. direct and indirect). In his view, direct rule was the form of urban civil power. He contends that direct rule was about the exclusion of natives from civil freedom guaranteed to citizens in civil society (Mamdani 1996: 18). In contrast, indirect rule signified a rural authority. He argues that it was about incorporating natives into a state-enforced customary order (Mamdani 1996:18). In Mamdani's reformulation, "direct and indirect rule are better understood as variants of despotism: the former centralised, the latter decentralised" (Mamdani 196:18). The two forms of rule were used as alternative modes of controlling natives in the early colonial period. Moreover, with the passing of time, both direct and indirect rule evolved into complementary ways of native control. In Southern Africa, this policy started at the turn of the twentieth century, which saw the creation of Botswana, Lesotho and Swaziland as separate states.

Even though the term 'apartheid' was new in 1948, when the National Party triumphed in the parliamentary elections, racial discrimination and far reaching government intervention in the economy were not (Lundahl in Petersson 1998:22). It is generally noted that the unequal treatment of Africans and Whites dates back to 1652, and viewed in this light, the legal codification that took place after 1948 constituted the end of the process rather than the beginning of one. The National Party government built apartheid
(separateness) into a monstrously labyrinthine system which dominated every facet of life in South Africa. The decade from 1949 to 1959 saw the introduction of a number of measures designed to separate South Africa's racial groups and legally to entrench the position of Whites in the heartland of the modern economy (Nattrass 1981:192).

The National Party government steadily consolidated its hold on the state, with greater degree of ideological fervour than any previous government; for instance, long-standing state controls over the African labour market were restructured and greatly intensified. For example, a national system of labour bureaux introduced in the 1950s to monitor and control Africans employment, placed increasingly severe constraints on Africans' freedom of movement and occupational choice.

The discovery of diamonds and gold (in the 1800s and 1860s respectively) transformed South Africa economically, both in its links with the world economy and in the shift of the internal economic centre of gravity from coastal cities to the highveld (Bundy in Schrire 1992:28). Predominantly the agrarian societies began to urbanise and to industrialise. Most significantly the development of the capitalist mining industry and a sequence of imperialist interventions by Britain brought about the formation of a new state of South Africa in 1910 (see the following section). The growth of mines and cities created a qualitatively different scale of demand for labour in South Africa. Consequently, the smaller rural producers were subjected to enormous economic and political pressures, which detached them from competing with their white counterparts. Arguably, the developments in the political arena after the Union of 1910 did not pave the way for economic changes that would benefit the entire population of South Africa. Take, for example, the Land Act of

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14 Segregationalist strategies were not a new phenomenon. Prior to 1948, a number of laws were passed such as land ownership and the freedom of population movements. For instance, the policy of racially segregating ownership rights to land was institutionally formalised in South Africa with respect to Africans and Whites by the Union Government in 1913 when it passed the Natives Land Act. This Act, together with the 1936 Native Trust and Land Act, limited Africans rights of access to land to certain geographical areas. By so doing, these Acts together effectively confined African land ownership (both tribal and private), to less than 14 per cent of South Africa's total land areas, and by no means to the best soils. When the National Party came to power, more prohibitions were imposed on Africans such as the Mixed Marriage Act of 1949, the Population Registration Act of 1950, the Group Areas Act of 1953, Bantu Education Act of 1953, Reservation of Separate Amenities Act and other many others all laid the groundwork for a more rigid and thoroughgoing system of racial discrimination than had existed before. In 1959, the Bantu Self-Government Act ushered in Black Homelands. In sum, the exclusion of the majority of the population from political participation before and after the formation of the 1910 Union meant that inequality in South Africa was structured increasingly on racial lines. Thus, the practice and ideology of segregation shaped 'the essential institutions of twentieth South Africa—reserves, migrant labour, compounds, segregated urban space, a workforce deeply divided on axes of skill, pay and race. (See Colin Bundy. Development and inequality in historical perspective. In Robert Schrire (ed., op. cit.). In subsequent years the apartheid system increased the degree of distortions in the labour market. For example, Porter in Lundahl (1998) notes that "wage rates differed between racial groups performing the same tasks, non-whites were crowded out of skilled and semi-skilled occupations and the homelands system made it impossible for the market for unskilled labour to clear."
1913. As Bundy (1979:241) rightly observes, "this Act sought not only to suppress the successful squatter peasants and to shield white agriculture from competition by black farmers, but also to freeze relationships in Reserve areas."

The Land Act clearly defined communal reserves within which Africans, defined as the subjects of chiefs, could occupy and farm their own land (Lester et al 2000:143). This point is also noted by Bundy (in van Donk 1994:6) who argues that the 1913 land law provided the statutory basis for segregation, by dividing South Africa into areas where Africans could own their own land (the reserves) and the rest, where Africans were prohibited from "purchase, hire or other acquisition of land or any right thereto". The Land Act was part of a much longer and broader process, whereby small-scale farmers were not only dispossessed of their land, but also deprived of the ability to provide for themselves.

More problematic was that poorer African peasants were being converted more effectively into migrants, supplying the essential workforce for the industrialising economy. The long-term significance of the Land Act was enormous. According to Worden (1994:49), the Act removed the means by which many Africans producers had resisted both incorporation into migrant labour system of the mines and wage labour on the farms. Many historians remark that the Land Act imposed a policy of territorial segregation with a heavy hand and defined the boundaries of the Native Reserves. In 1913 the reserves initially covered 7 per cent of the land area of the Union, with the provision to increase their area to 14 per cent in 1936 (see footnote 14); these areas became the basis of the 'homelands' of the apartheid era.

The exclusion of the majority of the population from economic and political participation before and after the formation of the new state in 1910 shows that inequality was structured increasingly on racial lines. As most studies show, in the early years of South Africa's industrialisation, politically powerful employers (especially mine-owners and farmers) were able to secure legislation in their interests. As Bundy (in Schrire 1992:30) rightly puts it, the practice and ideology of segregation shaped the essential institutions of twentieth-century South Africa, reserves, migrant labour, compounds, segregated urban space, and a workforce deeply divided on axes of skill, pay and race. The following section is therefore devoted to a brief account of the South African economic history.

\[\text{15 In this study, the term "African" (particularly in our discussion on South African colonial history) is used to denote those persons commonly referred to in South Africa as 'black'. This is chiefly to avoid misunderstanding as the Land Acts referred specifically to Africans, and not to 'Coloureds' and Indians.}\]
South Africa's Economic History

This development can be conveniently divided into three phases.

1. The period under occupation of the Dutch East India Company (1652-1800);
2. The period under British rule in the Cape, the growth of Natal, Orange Free State and the Transvaal up to the Anglo-Boer War (1800-1910); and
3. The twentieth century period of responsible Government, the Great War, up to the present time.

It is beyond the scope of this study to discuss phases 1 and 2. However, it has to be acknowledged that these two phases were also important periods in the industrial foundations of South Africa. Since this study is not extensive no full historical description of the industrial development will be given, nor a detailed analysis of the individual industries and the various problems related thereto. It should also be mentioned that it is not the aim of this study to criticise or to establish what approaches have been employed in the writing of South Africa's economic history. What we propose to do is to try as briefly as possible to discuss South Africa's economic history from 1910 to the present time. In other words, given the nature of this study, this section will attempt to discuss some aspects of the economic development of South Africa, with special reference to the country's economic evolution and the practice of racial segregation since 1910. The narrower concern here is to establish how South Africa's uneven industrialisation and racial capitalism intensified and redefined social and economic inequalities.

It is worthwhile to begin by pointing out that at the time of the Anglo-Boer War there were four separate governments in South Africa, two of which were British possessions, the Cape Colony and Natal, and two independent Republics, the Transvaal and the Orange Free State. The effects of the political disunion were witnessed in every aspect of South Africa's economic life. In other words, there was no economic co-operation amongst the four colonies. Subsequent to the 1899-1901 South African (Anglo-Boer) War, negotiations were urged upon the four colonies to unite, which they did in 1910, to form the Union of South Africa (Dagut 1991:20).

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16 The responsible government was given to the Cape colony in 1871, to Natal in 1892, and to Orange Free State and the Transvaal in 1906.
Prior to the discovery of diamonds and gold, the South African economy was predominantly agricultural in nature and its rate of economic development was very low and even non-existent in some areas. However, the discovery of diamonds and gold served to quicken the pace of various South African economies. As the industry expanded there was a rapid increase in demand for labour force. Webb (in Coleman 1983:175) notes that the labour needs of the early gold mines were met by a partial diversion of the flow of migrant African workers destined for the Kimberley diamond-mines. He further points out that one of the most unique features in the gold-mining industry was that from the outset it was capital intensive, labour intensive, and export intensive (in Coleman 1983:179). Jones and Müller (1992:51) note that almost all the skilled and professional needs of the gold mines were initially obtained from abroad. It was only in 1907, when 'poor white' Afrikaners were employed during the miners' strike that the mines begun to use significant numbers of locally-born White workers (see Jones and Müller 1992:51). The high wages which had to be offered to induce skilled miners and artisans to emigrate to South Africa, provide part of the explanations for the wide differential which existed between the wage levels of skilled and unskilled workers (Jones and Müller 1992:51).

Similarly, Bundy (in Schrire 1992:30) notes that because of their skills, scarcity, and political power, white immigrant miners were able to win relatively high wages, while African migrants were unskilled and low-paid, earning about one-ninth of their white counterparts. He goes on to state that the gold-mining industry rapidly established a pattern of labour recruitment, remuneration, and accommodation that stamped itself indelibly upon social and economic relations in twentieth-century South Africa (Bundy in Schrire 1992:30). This racial division along race and skill lines was cemented into law by the Mines and Works Act passed by the Union government in 1911. In terms of this law, the Governor General was empowered to make regulations requiring certificates of competency for the performance of different types of work (Wilson 1972a:8; Randall 1972:52).17 As Rafel (in Moss and Obery 1987:267) observes, the Act itself did not contain a colour bar, but its regulations did (cf. Wilson 1972a:12). These regulations specifically reserved or restricted skilled and supervisory jobs in the mines for white workers (see footnote 17).

According to Rafel (in Moss and Obery 1987:265), job reservation was enforced on the mines through the discriminatory definition of 'scheduled person' in the Mines and Works Act. In the Transvaal and Orange Free State, such certificates were granted only to

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17 The certificates issued by the government mining engineer covered jobs such as rock blasting, mine manger, mechanical and electrical engineers, winding engine drivers, locomotive engine drivers, and boiler attendants.
whites, and by 1920 more than 7,000 white men were protected by these regulations and another 4,000 were protected by the force of custom backed up by trade-union action (Wilson 1972a:8; Randall 1972:52; Wilson and Ramphele 1989:195). There is no doubt that in essence the Act implied that unskilled work was to be performed by Africans. Most significantly the Act disqualified Africans to obtain skill necessary to perform key mining jobs. Thus, viewed in this light it becomes obvious that the direct contribution made by mining industry towards the empowerment and improvements in the standard of living of Africans has been very small. For example, Nattrass (1981:160) notes that for almost the whole period up to 1973 less than 6 per cent of the value added by the gold mining industry found its way directly into the hands of black South Africans.

The third phase of South Africa's economic history can be divided into four stages. The first stage is the period between 1924-1933, which laid the foundations of South Africa's 'modern economy'. This was a period of consolidation and restructuring which started when the Pact Government (a coalition between the White Labour Party and the Afrikaner National Party) came to power in 1924. This alliance attempted to stimulate agriculture, address the poor white problem, and reduce dependence on mining, which was seen as a wasting resource. Van der Berg (in Nomvete 1993:10) notes that one of the policy initiatives passed by the coalition government was the 'civilised labour policy' which excluded blacks from many employment opportunities and from trade union rights, effectively reducing their ability to compete with whites in the market place.

According to van der Berg, it was during the period 1924-1933 that a foundation was laid for interventionist economic policies that were combined with economic discrimination. By this time the black South African peasantry, a strong economic force, had been severely undermined. The forty years that followed the 1913 Land Act, the Africans in the reserves encountered a wide range of social and economic ills. For example, Macmillan (cited in Bundy 1979:222), writing on the state of the reverses, summarised his findings as follows: "Africans there were 'immeasurably poorer' than they had been; they lived in 'poverty congestion and chaos', blighted by 'ill-health, and starvation, endemic typhus, and almost chronic scurvy'; they suffered 'an often appalling mortality rate among infants' they lived in 'heavily over-populated' and 'grossly neglected' areas where they were 'utterly dependent on wage-earning outside' to relieve 'a dead level of poverty' inside." As shown in this section, the white power structure can be seen as those institutions and structures created by white enterprise and management, white labour and white government which function so as to exclude blacks from exercising their effective power.
Second is the period between 1933-1974, which is referred to as the 'open economy'. Nomvete (1993:10) notes that it was a period of diversifying industrialisation marked by spurts in export demand. The high economic growth rates experienced during the period contributed to the institution and structural change in the economy of South Africa and also provided scope for improved living standards. Growth also led to an inflow of some factors of production, capital, foreign entrepreneurs and enterprises, skilled workers and technology. The third one is the period between 1974-1992, in which South Africa's 'modern economy' took shape. The fourth stage is the period from 1992 through to the present time during which the South African government had to transform its economic policy in order to enhance the country's international competitiveness.

A number of studies show that the South African colonial institutions were characterised by racially segregated economic development. For example, the South African agricultural development had been characterised by its separation into a progressive, white-controlled sector and a stagnant and largely subsistence black agriculture (Kantor 1982:15). According to Kantor (1982:15), this difference is explained by the different property rights that encouraged progress in white farms and severely discouraged investment and initiative on tribal land. Another feature of the institutional arrangements had been the prohibition of blacks owing land and the direct and indirect subsidies for white farmers (Kantor 1982:15).

In some cases, the question of land went beyond political rights. African peasant farmers in some parts of the country had succeeded in competing against white farmers. Moreover, ownership or occupation of land allowed Africans to make a living independently of wage labour. While this situation pertained, there was a relative scarcity of African labour for the white farmers, as well as for the diamond and gold mines. What the 1913 Land Act attempted was to legislate out of existence the more independent forms of tenure and to perpetuate instead the most dependent. In the Orange Free State, for example, its intention was to forbid all sharecroppers agreements.18 The Act was intended to reduce cash tenants and sharecroppers to the status of labour tenants or wage labourers.19

Although the pressure for the legislation came primarily from the farmers its effects were to prove even more beneficial to the mining industry which drew so large a proportion of its black labour force from the overcrowded 'reserves' created by the 1913 Land Act. Wilson (1972a:3) argues that although previous Acts (e.g. the Glen Grey Act of 1894) contained important provisions restricting land ownership, it was the Land Act of 1913 that

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18 Sharecropping is the form of farming in which a white proprietor usually provided the seed and the land. African peasants farmed grain and the returns were shared.

19 For further details on this statement the reader is referred to Bundy (1979), pp. 230-246.
was decisive. In the years that followed, the mines developed migratory labour policies (later widely adopted) that barred the advancement of the black labour force such as the Mines and Works Amendment Act of 1926.

According to Randall (1972:53), this Act confirmed the essentials in the 1911 Act and established the principal of race discrimination in certain jobs relating to the mining industry. The Pact government had a mandate to improve employment opportunities for white workers by means of a 'civilised labour' policy as indicated above. Worden (1994:74) notes that "the 'civilised labour policy' established racial differences in wage rates between 'persons whose standard of living conforms to the standard of living generally recognised as tolerable from the usual European standpoint' and others 'whose aim is restricted to the barer requirements of the necessities of life as understood among barbarous and under-developed peoples'."

Besides the Mines and Works Amendment Act, one of the most effective barriers to wealth for blacks was the legislation embodied in the Apprenticeship Act of 1922 (see above), which established eight years of schooling as a minimum educational qualification for entry into apprenticeship. Since this qualification was not available to blacks and most black schools did not go beyond that level, it meant that black youths were barred from obtaining skilled trades, and that only white youths were to be trained (Randall 1972:23; Wilson 1997a:12). Another law which indirectly barred the advance of blacks was the Wage Act of 1925. According to Jones and Müller (1992:58), the Act provided for the creation of a Wage Board whose function it was to determine appropriate minimum wages and working conditions for workers in unorganised industry, that is, those not covered by the Industrial Conciliation Act of 1924. Jones and Müller go on to argue that "in theory the Act was colour-blind... In practice the results were different..." Similarly, Wilson (1972a:12) notes that although the Wage Act was set up to improve the conditions in industries employing unorganised, unskilled labour, during the 1930s the Act was not used primarily to help black workers but rather to protect and improve the position of whites.

The *sui generis* development of capitalism in South Africa, the skewing of its costs and benefits, had a number of features which directly increased poverty and inequality. For instance, for the first seven decades of the twentieth-century, the real wages of African workers in South Africa's major employment sectors (i.e. mining and agriculture) did not increase. For example, Bundy (in Schrire 1992:31) notes that between 1910 and 1942, real earnings for African miners actually fell, while during the same period, the real wages for Whites miners approximately doubled. The other feature of development of capitalism
which affected an even larger proportion of the African population was the Land Act, as discussed above, which subsequently produced a sector of the population that today represents the lowest levels of education, resources, income expectation, or power.

Similarly, the Group Areas Act, the Amendments to the Urban Areas Act that took place in 1952, 1957, 1964 and 1971, together with various other Acts designed to alter the labour market relationships, served to strengthen the economic position of the Whites (Nattrass 1981:192). Stripped of their land, pushed into reserves, dependent of wage-labour, denied mobility, yoked to their employers, exposed to myriad of punitive sanctions, and padlocked to poverty, such situations exemplify the kind of economic pressures Africans endured. Simultaneously the African 'reserves' were reduced from relatively prosperous peasant areas to remote and overpopulated labour reservoirs. Research has shown that historically the migrant labour system was at the centre of South Africa's political economy and provided the basis for a system of exploitation in which the wealth of whites, particularly in urban areas, grew at the expense of the mass of Africans located in rural areas in the Bantustans (see Hindson and Parekh 1993:8).

Under apartheid inequality was rooted in the labour markets structured by a battery of repressive and discriminatory measures. As mentioned above, the economic position of Whites was strengthened by introduction of legal measures, such as those relating to the reservation of particular jobs for Whites, the restriction of African trade union rights and the controls that were imposed on Africans to operate businesses. These influences accentuated the racial character of the spatial inequalities, and this was reinforced by the process of capital accumulation, in both physical and human terms (Nattrass 1981:29). Consequently, wealth has been concentrated in the hands of the whites, who also enjoy higher average levels of education, better health services and social security. As it shall be shown in Chapter 3, apartheid had distributive effects as well.

The 1960s then saw the launch of an ambitious and ruthless programme of social engineering, which stripped the majority of Africans of their South African citizenship, and forcibly removed over three and half million from allegedly 'white' areas of the country to putative ethnic 'homelands' (Lundahl in Petersson 1998:23). These mass forced removals, which started in the 1950s, and intensified in 1960s through to the 1970s, were driven by a ruthless bureaucratic machinery used to fight the human flow and force it, against the laws of social gravity, back into the 'reserves'. These were also years in which the implementation of the Group Areas Act transformed South Africa's urban geography, and in which 'black spot'

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20 Social engineering might be defined as social and economic restructuring according to politically defined objectives.
clearance cancelled title and wiped out islands of peasant tenacity (Lundahl in Petersson 1998:34). There was a large dose of segregationist tradition, by now, as has been demonstrated, very well established in law. Selfe (in van Donk 1994:56) notes that this tradition, hitherto mainly applied to Africans, was now extended to other races and into urban areas with the passage of the Group Areas Act of 1950. The Group Areas Act empowered government to proclaim residential and business areas for Coloureds and Indians. Africans were barely affected by this Act, for they were already controlled under the Urban Areas Act of 1923. Worden (1994:43) notes that the Urban Areas Act empowered the municipalities throughout the country to enforce residential segregation, and it also forbade the further granting of freehold property rights to Africans on grounds that they were not permanent urban residents.

The early 1960s also saw a more determined application of African urban influx control. The theory of influx control originally attempted to regulate the flow of labour from the African 'reverses' or 'homelands' to the urban areas. It also attempted to deny permanent urbanisation to a large section of the African workforce in the cities. Furthermore, it ensured that the majority of African workers remained temporary migrants. In addition to this restriction, Africans had long been subject to a variety of pass laws, requiring them to obtain official documents in order to move freely between town and countryside. The tightening of the influx control and attempts to revoke Section 10 rights were part of a broader plan of political and social engineering which was implemented by the National Party government.

Under Section 10 of the 1952 (Urban Areas) Amendment Act, rights of Africans to live in a town were confined to those who had been born there or had worked there for fifteen years or ten years with a single employer (Wilson 1972b:161). All others needed a permit to stay for longer than three days. Worden (1994:110) concludes, "this was 'separate development', a policy by which the 'reserves' served a political rather than a purely economic purpose, as Bantustans to which African political rights were confined." Jones and Müller (1992:183) argue that the way in which the influx and pass laws were enforced did tremendous damage to human relations in South Africa. They further claim that this system had various harmful economic effects, particularly in respect of the optimal utilisation of labour, to the extent that it encouraged the perpetuation of the system of migrant labour, it caused a wasteful use of trained labour, retarded the acquisition of skills and postponed the integration of people into a modern economy.

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21 Further discussion on 'separate development' is reserved for Chapter 3.
22 Migrant labour is defined as a system whereby men oscillate between their home in rural areas and their place of work.
There is a great deal of detail that would have to be said about the several laws which either directly or indirectly limited the socio-economic progress of black South Africans before the decline of apartheid. A detailed study of the various laws enacted before post-apartheid South Africa lies beyond the scope of this study. However, what we have attempted to do in this section is to analyse some of the laws, in particular, those that influenced the consolidation of labour policies and other discriminatory Acts which promoted and reinforced socio-economic stratification between races. Most notable were the Mines and Works Act (1911), which imposed colour bar, Land Act (1913), which forbade the purchase or lease of land by Africans outside designed areas known as 'reserves', and the Urban Areas Act (1923), which provided for residential segregation in towns.

Since the beginning of the 1990s, the post-apartheid economy has been an acute concern in South Africa. Most significant has been the concern about the issues of growth and redistribution. As noted above, the economic legacy of apartheid had created income and welfare disparities that were among the largest in the world (Wilson and Ramphele 1989). McGrath, cited by Nattrass and Seekings (in Petersson 1998:44) argues, "under the apartheid institutional framework, the market acted like a malevolent invisible land, working to the advantage of workers and capitalists, widening the wage differentials between whites and blacks." Although from the mid-1970s through to the 1990s notable changes occurred in the distribution and direction of economic inequality in South Africa, the overall distribution of income has not changed.

The political transition introduced by the democratic elections in 1994 urged the new government to restructure the economic system so that the country develops a modern, internationally competitive economy, less reliant on the export of minerals and raw materials, and open to the growth of small and medium-sized business and capable of creating jobs. Most importantly was the process of deracialising the economy, to ensure equitable participation of black people in all its sectors, including access to land. Prior to 1994, the ANC did not have a clear economic programme to offer, apart from a few advances it had made on the vague and contradictory formulations of economic strategy presented in its Freedom Charter.

For some analysts, the Freedom Charter should be read as a general statement of aspiration rather than as a coherent view of how the economy should be run. However, Lundahl (in Petersson 1998:28) notes that the Freedom Charter called for the nationalisation

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of the South African economy and for a transfer of land from Whites to Africans, at the same time, it established the principle of free competition in all sectors and private ownership was by no means ruled out. Lundahl further states that the vision seems to be that of a mixed economy, with the state playing an important role both as a policy-maker and as direct producer. In 1994, the ANC and its allies adopted the Reconstruction and Development Programme (RDP). Thus, both the pre-election RDP base document and the subsequent White Paper on Reconstruction and Development made clear the need for a more rapid economic growth as part of a programme for attacking poverty, achieving employment opportunities for all work-seekers and redistributing incomes and wealth.

The South African government had planned to finance the RDP through savings on security-related expenses and increased revenue resulting from economic growth. However, the implementation of the RDP proved much more difficult than the government had anticipated. In 1996 the South African government announced its new macroeconomic policy, the Growth, Employment and Redistribution Strategy (GEAR). The GEAR document stresses the need to adopt economic policies which encourage investment in the economy and allow South Africa to compete in the global economy. The emphasis is on growth, which is considered as a prerequisite for both employment and redistribution. It is argued that the implementation of GEAR policies will make the implementation of the RDP in all its facets possible. In other words, what the RDP set to achieve by the year 2000 would be met if the policy positions of GEAR are fully implemented. These two economic strategies are discussed in greater detail in Chapter 3 in relation to the problem of poverty and inequality in South Africa. On a general level, the economy envisaged by the new South African government is one with a growth of real GDP per capita which is high enough to allow for a substantial redistribution in favour of the poor majority both via the creation of employment and via the expenditure side of the government budget (Lundahl in Petersson 1998:32).

Summing up, we may conclude that South Africa faces a range of daunting obstacles to economic, social and political developments which are a result of almost hundred years of the legacy of race discrimination. An outline of this legacy has been sketched above. It sought to suggest how structural economic, social and political inequalities took different forms in different periods, and tried to indicate some consequences of those changes. We shall revisit some of the issues raised above in Chapter 3 where we will be analysing the profile of poverty, inequality and human development, as well as economic policies in South Africa. We now turn to analyse Zambia’s socio-economic and political developments.
Chapter One

Zambia in Brief

Politics, Land, Demography and Economy

Zambia was a British colony until 24 October 1964 when the country obtained self-rule following 74 years of colonisation. Before independence, Zambia was known as Northern Rhodesia, a part of the Federation of Rhodesia and Nyasaland. Since independence, the country has undergone three major political phases of governance. From 1964 to 1971, the country introduced a one party state. This second system of governance was brought to an end when the Zambian people decided to revert to multiparty politics in October 1991. Administratively Zambia is divided into nine provinces being Central, Copperbelt, Eastern, Luapula, Lusaka, Northern, North Western, Southern and Western, with 73 officially recognised local languages. Lusaka is the capital city of Zambia and the seat of government. The government consists of central and local governments. The local government is administered through the current 72 district councils, which are classified as townships, municipal and city councils.

Zambia is a landlocked country. Although it is landlocked, the country has relatively good transport links with her southern African neighbours. Zambia lies in the southern tropics of the sub-Saharan south central part of the continent, sharing borders with eight other countries: Tanzania in the north-east, Malawi to the east, Mozambique to the south-west, Zimbabwe to the south, Angola to the west, Botswana and Namibia to the south-west, and the Democratic Republic of Congo to the north. On the World Map, Zambia lies between 8° and 18° South and longitudes 22° and 33° East. Zambia has a total area of 752,614 square kilometres (290,586 square miles). Zambia is about 2.5 per cent of the African Continent's total and the sixteenth largest state in Africa. The country lies on the Central African Plateau between 1000 and 1600 metres above sea level. This gives Zambia a moderately cool sub-tropical climate, with a hot and cold season each year.

Zambia has considerable natural resources, although until now these have been only partly exploited. While soils and climate conditions in many parts of the country are favourable for arable agriculture, only about one fifth of the cultivable land is actually farmed, albeit, much of the better land. The combination of relatively good soils, water and climate provides the country with a great potential for crop and livestock production. By far the most important crop is maize. Other crops include groundnuts, millet, sorghum, cotton,
Chapter One

tobacco, sunflower and cassava. Zambia’s many lakes and rivers support a rich and diverse resource of fish. Thus, fishing is another important supplementary economic activity in rural areas, mainly to supply urban consumption requirements (Republic of Zambia and United Nations 1996:19).

Over the past three decades Zambia’s population has more than doubled in size. The 
\textit{de jure} population rose from 3.5 million in 1963 to an estimated 9.5 million in 1996, representing an increase of 171\% over 33 years (Zambia Human Development Report 1998:5). Owing to the high population growth, the average population density per square kilometre rose from 4.5 in 1963 to 7.5 in 1980 and to 10.6 in 1993, but remains low by international standards (Zambia Human Development Report 1998:5; Republic of Zambia and UN System 1996:19). The Central Statistics Office (CSO) projection for 1996 is 13 persons per square kilometer (CSO 1997:2). In 1998, Zambia’s population was estimated to have reached 10.1 million and it has been growing at annual rate of 3.1 per cent, one of the highest in the world. According to the Zambia Human Development Report (1998:5), one of the main reasons for the persistent high growth of the population is the persistence, despite a declining trend, of a high fertility rate. For instance, in 1969, the fertility rate was estimated at 7.4 children per woman, 7.2 in 1980, 6.7 in 1990, 6.5 in 1992, and it was estimated to 6.1 in 1996 (Economic Report 1998:22).

A variety of socio-cultural factors contribute to the high fertility rate in Zambia. For example, child bearing begins early, about half of the women have either been pregnant or already had a first child by age 18 (Zambia Human Development Report 1998:5). Other factors include low education especially among women, low contraceptive use, high levels of infant and child mortality, and low socio-economic status especially that of women (see Republic of Zambia, CSO 1996:24-25).

By the rule of numbers, it implies that Zambia’s population will double by the year 2021 (i.e. if the current population growth were to continue). In term of age and sex, 16.5 per cent of the population is under 5 years of age, 45.2 per cent of the population is below 15 years of age (Zambia Human Development Report 1998:6), 52 per cent of the population were estimated to be females (Economic Report 1998:22). The Zambia Human Development Report (1998:5) notes increases in mortality rates especially during the 1990s have contributed to a declining trend in life expectancy at birth. Figures from the CSO show that in 1980 life expectancy at birth was 52 years, it declined to 46.9 years in 1990 and it is estimated to have fallen further to 43.5 in 1996 (see Economic Report 1998:22). AIDS is a
major concern, as shown in the introduction, over 19 per cent of the population has been infected with the HIV virus.

Zambia has its main economic activities (mixed) concentrated along the line of rail (see Chapter 3), while the agriculture sector is most condensed in the rural parts of the country. As shown in the next section, and as further discussed in the third chapter, at independence, Zambia inherited a dualistic economy that was heavily dependent on the mining sector for employment, foreign exchange earnings and government revenue. The Zambian government based its development strategy on copper earnings, which accounted for 90 per cent of all earnings and nearly 50 per cent of the gross domestic product (Bonnick 1997:48). Thus, the government policy was focused on this sector, with a view to use the earnings to create a manufacturing sector in a highly protected environment.

During the first decade of Zambia's independence, a relatively advanced manufacturing base was developed through import-substitution. Also during this period the country managed to achieve significant progress in the provision of social services. Jones (in van der Geest 1994:26) notes that the country's steady economic growth since independence funded an ambitious welfare state based on rapid expansion of health and education services and subsidies on basic foods. Relying on the country's prosperity, the Zambia's political leaders were confident enough to take over the main commercial and industrial undertakings.

Although Zambia developed a large and diversified industrial base under public control sector (see Bonnick 1997:48), unfortunately the country's considerable agricultural potential was neglected.24 The Zambian government's economic policies were biased against agriculture. Jones (in van der Geest 1994:26) writes, "while diversification of export earnings away from copper, and the promotion of the agricultural sector which absorbed the bulk of employment, had both been primary stated government objectives since independence in 1964, government investment and pricing strategies had done little to bring about them." Similarly, Mwanza (1992:2) contends that there was no major shift in agriculture policy and little attempts were made to integrate the development of agriculture with that of manufacturing. Keppler (cited by Andersson et al 2000:15) also notes that Zambia's agricultural policies were never clear-cut.

According to Keppler, three contradictions complicated the agricultural and, by implication, rural development policies: (1) The need to appease urban dwellers by assuring

24 The Mulungushi Reforms of 1968 saw the Zambian control extended over a wide range of economic activities. In commerce, this took the form restricting areas of retail trading to Zambian citizens, but whereas in manufacturing, transport, mining and other big industries it was government, through the acquisition of a majority stake in enterprises concerned, that acquired control on behalf of Zambian interest.
them low food prices as opposed to the necessity of improving incentives to farmers through higher prices for their produce. (2) The choice between concentrating government efforts and programmes on commercial and emergent farmers or on the majority composed of peasant farmers. (3) The conflict that arises between pursuing a capitalist or socialist approach to agriculture.

Like most countries in Southern Africa, Zambia inherited from the colonial period agriculture divided between high-productivity (formerly European) commercial farms and low-productivity communal farms. As was the case, colonial policies were tilted in favour of expatriate (commercial) farmers, while traditional agriculture was ignored. Nevertheless, even in the prosperous post-independence days, Zambian policy-makers saw agriculture as an alternative to mineral extraction, however, the government lacked an autonomous political will to change the colonial policies that largely benefited large-scale farmers.

In contrast, the manufacturing sector which the government had helped to create, generally enjoyed high rates of effective protection and so was uncompetitive in export markets, while being highly dependent on foreign exchange earnings from copper to finance its imports of raw materials and capital goods (Jones in van der Geest 1994:26). When the worldwide recession of the 1970s hit Zambia, causing a slump in copper prices, the manufacturing sector was affected at least as severely as mining.

The mid-1970s marked a sharp discontinuity in the development of Zambia. As earlier noted, the country's terms of trade fell sharply following the 1973/74 oil crisis and the subsequent world economic recession. After 1973 the Zambian economy contracted because of the massive decline in copper prices and the doubling of import prices (Bonnick 1997:49). The 1979/80 oil crisis resulted in another sharp decline of the copper-petroleum terms of trade (Andersson et al 2000:16). Bonnick (1997:49) notes that a sharp drop in copper production after 1980 also contributed to the shortage of foreign exchange, in turn causing the under-utilization of industrial capacity and the postponement of maintaining and rehabilitating infrastructure. Although Zambia had joined the IMF in 1965, but because of the economic boom the country was enjoying in the 1960s, it saw no point in using the IMF's resources until in the 1970s. When the international copper prices continued to be depressed, Zambia's economic strategy became impracticable. In 1980 the government accepted the need for reform and turned to the IMF. The following section will analyze Zambia's socio-economic development, its strategies, errors and adjustment attempts.
Chapter One

Zambia: Its Socio-economic Development

Zambia has a mixed economy consisting of government and privately owned organisations. However, Zambia’s economy has traditionally been dependent on copper mining, which has evolved since the late 1890s. The copper-mining industry began full operations in the early 1920s and was dependent on cheap African labour through the migrant labour system. In an attempt to compare South Africa’s migrant labour with that of other countries, Wilson (1972) reveals an interesting account on the Central African migrant labour system. He cites the examples of the copper mines of Zambia and Zaire (Democratic Republic of the Congo) as interesting case studies for those concerned about migrant labour in South Africa (Wilson 1972:138). One of the arguments in favour of oscillating migration advanced by the recruiting organisation in the South African context was that:

In a dual economy where a modern sophisticated industrial sector co-exists with a traditional subsistence society, a pattern of oscillating migration which enables men to work in the cities without being uprooted from their traditional way of life is a less disrupting way of developing an economy than would be a method which involved moving their families to a totally new urban environment, where the felt lost and rootless (see Wilson 1972b:169).

Life in the Copperbelt mines of Zambia also begun by employing oscillating migrant labours, and during this period the colonial labour policies restricted women’s entry into the urban economy. This policy of ‘industrialisation without urbanisation’ required that women remained in villages so that men could return to them for marriage and family life. But in 1940 the management in Copperbelt mines changed their labour policies. Thus, unlike their counterparts in the South African mines, the mining corporations of the Copperbelt started a deliberate and successful policy of replacing a system of oscillating migrants with one of labour stabilisation. Wilson (1972b:140) notes that by 1966 those managing the copper industry were overwhelmingly in favour of stabilised labour as opposed to migrant labour. He also points out that the main argument put forward in favour of stabilised labour was that without stable labour, the higher level of training would have been impossible, and yet training was absolutely essential if the industry was to have sufficient men of skill to keep it going. A supporting argument is that under a migrant system it would not have been possible to employ blacks at a level much above the category of men who marked, drilled and blasted their own holes, who did not act in any supervisory capacity (see Wilson 1972b:140).
introduction of the policy of creating a permanent fully industrialised labour force that begun in 1940, and in particular, the training of the black workers, was an investment for the copper mines, which later yielded dividends to the industry. Baldwin (cited by Mwanza 1992:1) notes that during the immediate post-World War II era, the copper mining industry transformed Zambia into a rapidly growing economy.

The copper mining industry has been the backbone of Zambia's economy. Over the years Zambia had used its positive trade balance to finance its service account (i.e. freight and insurance), investment incomes and transfers abroad. (Andersson et al 2000:16). Similarly, in his study, Mwanza (1992:2) shows that in the mid-1950s, Zambia's economic revenue was used as a market for the industrial development of Southern Rhodesia (now Zimbabwe). During the period of the colonial rule, Zambia had managed to establish basic economic structures. In other words, the country inherited a relatively sound economy from its colonial masters. As noted in the foregoing paragraph, Zambia had a striving export enclave based on the exploitation and exportation of copper up to the beginning of the 1970s. During this period Zambia enjoyed the balance of payments surplus and was able to accumulate modest foreign exchange reserves (Chakaodza 1993:31). Andersson et al (2000:11) refer to the period 1964 to 1974 as 'Zambia's golden age'. What were the causes of Zambia's economic decline? It is argued that the factors that contributed to Zambia's economic decline were both external and internal.

For decades, Zambia has depended heavily on the copper mining sector, and it is this sector which had spear-headed the development of a small, but vigorous manufacturing sector (Mwanza 1992:2). It must be indicated that during the boom period, that is, the period 1964 to 1974, as shown in the previous section, the agricultural sector was neglected. To this day, the Zambian government still has not come up with a good agricultural pricing policy, and the land tenure system also bears the marks of the colonial epoch, which was designed to serve a minority. For example, commercial farmers, with a powerful lobby, have significant influence on agricultural policy. Fertiliser subsides, which account for the bulk of agricultural support, are mostly to the benefit of large-scale farmers. This also applies to credit schemes that have been used from time to time. The government has failed to respond to the agricultural needs of small farmers in the country. Andersson et al (2000:15) cite Wood and Shula who argue that this is a result of a direct confusion between rural development and agricultural production within the Zambian strategies and plans. Kydd shares this view and points out that rural development has been of a 'welfarist' nature (see

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25 This is the period when the copper prices rose and its profit contributed highly to the government revenues.
Andersson et al 2000:15). As Andersson et al (2000:15) rightly point out, public investments in rural development in Zambia have been some kind of compensation to the people living there instead of emphasising production.

Zambia’s failure to diversify its economy is one of the internal causes of its economic decline. Indeed, the continued dependence on one commodity, ‘copper’, which accounts largest portion of the country’s foreign exchange earnings, has been the main obstacle to a viable and sustainable economic growth (see Chakaodza 1993:31). For instance, when the price of copper collapsed in 1975, the mining sector’s share in Gross Domestic Product (GDP) was halved, and the sector ceased to make any direct contribution to government revenue (van der Geest 1994:25). Mwanza (1992:2) argues that the other factor that brought about a massive contraction of the Zambian economy was the 1973 energy crisis. Both Chakaodza (1993:32) and (Mwanza 1992:2) claim that this recession led, in part, to reduced demand for copper, and thus, causing falling prices in export and rising import prices. This resulted in increased debt servicing, and so, Zambia’s balance of payments problems worsened.

Chisanga et al (1999:38) note that the introduction of the Structural Adjustment Programme (SAP) in the mid-1980's, as urged by the International Monetary Fund (IMF) and the World Bank policy prescription, was thought to be necessary due to the poor state of the economy dating back to the 1970s. They further observe that the adoption of these economic policies, leading to heavy governmental borrowing and resulting in indebtedness, was intended to restructure and adjust the domestic economy to the competitive, international economic environment (Chisanga et al 1999:38). A fuller discussion on SAP is reserved for Chapter 3. In this section we only mention briefly the experience of policies aimed at bringing about structural adjustments in Zambia from 1981-1990.

At the beginning of the 1980s, Zambia’s external position was becoming critical (compounded by the above-mentioned problems), the pressure on government to carry out significant reforms, and the bargaining power of the International Monetary Fund (IMF) and the World Bank increased significantly. In other words, in an effort to halt the country’s economic recession and make the economy self-sustaining, the Zambian government had no choice but to implement the structural adjustment programme with the assistance of the international financial institutions. The period can be divided into five distinct phases:

1981-85 Attempted stabilisation and limited liberalisation, initially under an IMF Extended Fund Facility, and then under a stand-by agreement.

26 For details on this subject see Jones in van der Geest (1994).
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1985-86 An intensive reform effort during which the foreign exchange auction operated and the abolition of food subsides was attempted.

1986-87 A period of disintegration of the IMF and World Bank programme, culminating in the formal break in May 1987. Economic reforms were reversed after unrest over price of maize meal.


1989-91 Zambia resumes relationship with the IMF and the World Bank as bilateral assistance falls to lowest level in four years. A phase beginning formally in June 1989 and lasting up to September 1991 when the programme broke down as food subsides were increases following the drought and the collapse of the marking system in the run-up to the 1991 October general elections.

During each of the five phases, Zambia was willing or unwilling to follow a path agreeable to the IMF and the World Bank depending on the ruling party's perception of the opportunity costs to it or to the country as a whole. The United National Independence Party (UNIP) government only saw it necessary to seek the IMF and World Bank's assistance when other sources and assistance dried up. Thus, UNIP and its government's decision to adjust was made at their weakest moment.27

The need to restructure and diversify the economy was an early concern for policymakers in Zambia. Since independence the Zambian government attempted at several occasions to reduce its dependence on copper. It made several efforts to diversify the economy through its locally initiated Development Planning and Economic Performance (DPEP). The precise aim of the DPEP was to address some areas that the colonial government had neglected, for example, the development of infrastructure, the development of tourism, and the transformation of agriculture (see Mwanza 1992:4-11).

Since the mid-1970s Zambia has had a poor record of economic performance and a penchant for starting and stopping adjustment programmes. Subsequently the country's per capita income has fallen continuously, there has been little GDP growth, and the population has grown rapidly.28 Weeks and Mosley (in Lennart 1998:180) note that in 1975 Zambia was classified by the World Bank as 'middle-income' with per capita income of US$ 900; by 1994 it had collapsed into the middle of the low-income group with per capita income of US$280. Like most African countries, Zambia has undergone a series of adjustment programmes to

27 Further discussion on the government's economic development strategy, errors and adjustment attempts is reserved for Chapter 3.
28 Statistics for the population growth see previous section.
restore economic equilibrium and growth. There has been progress with regard to some macroeconomic balances such as the external account, but there has not been any vigorous investment response. As observed by Andersson et al (2000:7), the extra resources have primarily been used to restore the external balance, and since Zambia had built up large foreign debts before adjustment efforts, most of the extra resources have had to be devoted to debt service. Zambia is one of the worst cases of economic decline and built up of foreign debt in Southern Africa.

In sum, it must be stressed that structural adjustment and economic reform are not new in Zambia. As early as the 1970s, when copper prices collapsed, the government sought assistance from the IMF and the World Bank to rectify imbalances in the balances of payments. However, the Zambian government demonstrated little commitment to the reforms or to compliance with the associated the IMF and the World Bank structural adjustment programme. Before 1991 Zambia implemented structural adjustments programmes 'in a piecemeal way' (see Bonnick 1997:51). Building on the renewed adjustments efforts of the late 1980s, the current government has been pursuing an aggressive adjustment programme since taking office in 1991.29

Summary

In the wake of our discussion on South Africa and Zambia's political and economic histories, we summarise the main lesson derived. Both South Africa and Zambia have had successful democratic transitions, in 1994 and 1991 respectively. Presently, the South African and Zambian economies are in a period of transition. In the case of South Africa, its economic transition is that of moving away from the distorted and unjust system created by the apartheid regime, towards what will hopefully become a system characterised by equal opportunity, efficiency, and prosperity for all. As noted elsewhere this chapter, in 1994 the new South African government implemented its Reconstruction and Development Programme (RDP) and then, in 1996 switched to Growth, Employment and Redistribution (GEAR) as its macroeconomic strategy in order to address poverty, inequality and economic injustices caused by the legacy of apartheid.

Zambia was and is still a one-commodity exporting country. When its mainstay copper plummeted on the international markets in the mid-1970s, and with disastrous

29 Key measures are discussed in Chapter 3.
decline in copper prices in the mentioned period, which seriously impaired the underlying strength on the economy. Since the early 1990s, the government of Zambia has embarked on the IMF/World Bank structural adjustment programme (SAP), in an effort to restore economic prosperity. Little was wrong with both the RDP/GEAR and SAP. But as we shall see in Chapter 3, implementation is the real problem. In conclusion, although South Africa and Zambia have unique economic histories, the specific manner in which both economies developed has had a marked, cumulative impact on the shape of income distribution, on the pattern of poverty as it manifested itself in both countries towards the end of the twentieth century.
CHAPTER TWO

GENERAL REVIEW OF THE CONCEPTS OF POVERTY

Introduction

This chapter does not intend to analyse in detail the various debates on the conceptual problems of poverty and its measurement. In fact, in a study of this size, it is not possible to cover all the concepts of poverty, particularly given the present situation in poverty research. Given the scope of this study, this chapter mainly discusses the absolute and relative definitions of poverty, paying particular attention to the way these definitions have been used. As the title suggests, this chapter therefore attempts to give a general review of the concepts of poverty by briefly discussing the different and varying definitions and measurements used by researchers on poverty.

The last section in this chapter discusses the theories of poverty and inequality. Given the different contributions to the global stock of poverty knowledge, it could have made sense to diversify this general review of concepts of poverty in this chapter. In fact, there is an enormous variety of perceptions and opinions on poverty (this can be gauged from the existing literature and the ongoing research on poverty), and these continue to generate heated debates, leading occasionally to polarised positions.

Poverty: Conceptual Problems

The Definition and Measurement of Poverty

Despite a voluminous literature on poverty, in recent years researchers and analysts have grappled with two major conceptual problems in theoretical definitions of poverty. The first relates to the absolute terms, which do not change over time or across countries. People are defined as poor when they lack the command over resources to meet some absolute needs. The second approach relates to poverty in relative terms. The relative line will move with standards of living (as presented by, say, median income): the poor are then taken to be those persons that are suffering relative deprivation. Thus, in the view of those who support
the view of relative deprivation, people become poor because of the unequal distribution of resources.

The problem that faces all poverty researchers is that of finding a point at which it is possible to draw a poverty line. The question of how to demarcate the poor from the non-poor population has been central to the study of poverty. In other words, where to draw the line is of crucial importance because the notion of poverty has clear value and policy implications. As Ramesh Mishra (in Øyen et al 1996:454) puts it, "unlike its close cousin 'inequality', poverty is a statement about a condition that demands redress - some form of meliorative action." Hence, Mishra concludes that it is not surprising that where to draw the poverty line and how to count the poor have been the staple of controversy in poverty research (Mishra in Øyen et al 1996:454-455). Dilemmas such as these now challenge poverty analysts to generate data and develop definitions of poverty that will allow the measurements of changes of poverty over time, comparisons across space and the identification of the poor households or individuals for targeted poverty-alleviation programmes. A full discussion on the variations on poverty concepts would take us beyond the limits of the present study; hence, we shall confine ourselves here to the theme of the conceptual problems of poverty, its definition and measurement.

Seebohm Rowntree's work in Britain at the end of the nineteenth-century was the first serious attempt to define poverty in absolute terms (see Rein in Townsend 1970:49). According to Rowntree, a family is in poverty if its total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency (George, in George and Lawson 1980:1-2). In this respect, the minimum necessities were food, clothing, housing, lighting and utensils for cooking and washing, all purchased at the lowest prices and in quantities necessary for physical subsistence only. The second definition views poverty in relative terms, and is based on the notion that needs are not physiologically based but cultural determined. In other words, poverty should be analysed in relation to societal norms such as levels of consumption; services and other features of living that could be considered as the minimum necessary for decent participation in society. George (in George and Lawson 1980:2) notes that this view also has a long tradition with such diverse exponents as
Adam Smith and Karl Marx (Alcock 1997:69; cf. George 1980:2). He further states that this view of poverty remained dormant and had little influence on social science thinking and social policy until the 1960s when poverty was "rediscovered" in the United States of America and in Britain. For decades, the debates about the appropriate way to define poverty focused particularly on the fundamental distinction that is alleged to exist between absolute and relative poverty. But with the globalisation of research in poverty, new concepts and measurements have been developed in the literature that reflect other dimensions of poverty.

Novak (in Øyen et al 1996:47) cites Townsend (1993) who acknowledges that the original Rowntree poverty research has developed into a number of approaches that depended principally on the ideas of subsistence, basic needs, and relative deprivation. Often poverty has been perceived as an income problem and as and as such, it has over-shadowed other dimensions of poverty. It is important to know that poverty has many dimensions. Thus besides inadequate consumption (which is probably the core dimension), other important features include ill health, illiteracy, lack of access to basic services, insecurity, powerlessness, social and physical isolation and vulnerability to violence.

The ongoing debates about the conceptual problems of poverty and its measurement among social scientists shows that this field has always been a contested and even a conflictual arena. For some scholars, the disagreements over the definition and measurement of poverty run deep and are closely associated with the disagreements over both the causes and solutions to it. But in practice, as Alcock (1997:67) observes, all these issues of definition measurement, cause and solution are bound together, and an understanding of poverty requires an appreciation of the interrelationship between them. Nevertheless some logical distinctions can be made, and as Alcock (1997:47) rightly points out, they will have to be if we are to make any progress in analysing the range of theoretical and empirical material these debates have produced. In a sense, most scholars recognise the need for definition and measurement of poverty on poverty issues.

30 "By necessities I understand," wrote Adam Smith, "not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even the lowest order, to be without." Continuing with this same quotation Alcock adds the following words from Smith: "A linen, for example, is strictly speaking not a necessity of life... But in the present time... a creditable day labourer would be ashamed to appear in public without a linen shirt." Similarly Karl Marx wrote that "Our desires and pleasures spring from society; we measure them, therefore, by society... they are of a relative nature."

31 Unlike Rowntree's definition of absolute poverty which has been extremely influential on subsequent studies and on social policy both in Britain and other countries, the relative definition of poverty has had greater influence on academic thinking than on government policy.
Chapter Two

As reflected in the work done by the Comparative Research Programme on Poverty (CROP), various approaches and methodologies are being applied resulting in a multidimensional conception of poverty. Although this is the case, still there is no uniform definition of poverty or agreement on its most precise form of measurement. The following section analyses the distinction between absolute and relative poverty.

Absolute and Relative Poverty

The various debates on the absolute and relative concepts show that both concepts present numerous problems of definition and measurement of poverty. Should we define poverty only in terms of resources deemed necessary and sufficient for survival in a given society, or in relation to some average resources available in that society? In this section, we are going to examine some of the answers social scientists have given to this controversial question. Alcock (1997:68) notes that the notion of absolute or subsistence poverty has often been associated with the early work of Charles Booth (1889) and Seabohm Rowntree (1901, 1941).

The absolute or subsistence notion holds that there must be some base level provision of human needs below which survival is threatened. Haralambos and Holborn (1995:125) observe that the concept of absolute poverty usually involves a judgement of basic human needs and is measured in terms of the resources required to maintain health and physical efficiency. Similarly, Rein (in Townsend 1970:48) writes that the definition of poverty in terms of subsistence level of living has had wide acceptance because it seems to accord with common sense and appears to be divorced from personal values either of harshness or of compassion. Rein goes on to state that that it seeks to describe poverty objectively as lack of the income needed to acquire the minimum necessities for life. If we follow Rein's argument, then those people who lack the necessities to sustain life are by definition poor.

Some social scientists argue that there is a minimum standard that can be applied to all societies below which individuals can be said to be in poverty (Haralambos and Holborn 1995:124). Measures of absolute poverty are usually based on the idea of subsistence. If

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32 The Comparative Research Programme on Poverty was launched by the International Social Science Council (ISSC) in 1992, in close collaboration with UNESCO's Sector for Social and Human Sciences. The aim of CROP is to build a solid foundation of empirical and theoretical knowledge on poverty causes and poverty manifestations in developed and developing countries.
absolute poverty is based on assessment of minimum subsistence requirements, then this means that those who measure poverty in absolute terms usually limit poverty to material deprivation. In other words, people are in poverty or deprived if they do not have necessary minimum resources to physically maintain human life. In this case, the necessary minimum resources are food, housing or shelter, clothing, water, lighting and heating, which are deemed necessary for a healthy life. Amartya Sen, cited in Dodson and Dewar (1993:2), has argued that such an absolute definition of poverty has been too hastily rejected on the grounds of its lack of theoretical sophistication, when in fact very large numbers of people do live in absolute poverty. According to Dodson and Dewar, Sen avers that "there is an irreducible core of absolute deprivation which translates reports of starvation, malnutrition and visible hardship into a diagnosis of poverty without having to ascertain first the relative picture" (cf. also Haralambos and Holborn 1995:132).

However, the concept of absolute poverty has been widely criticised, not only on the mechanics of its application but also in its practical relevance. As shown in the introduction, within an absolute concept, poverty in the long-term is gradually eradicated by economic growth. The rate at which poverty is eradicated would be determined by the rate at which the incomes of those people living in poverty, including social security provisions increase (Heintz and Jardine 1998:6). In other words, general increases in standards of living are linked to the level of economic growth. To this end therefore, it is often argued that steady levels of economic growth will be sufficient to eventually eliminate poverty.

As observed by Fiegehen et al (1977:12), "in the first place family income may not be a satisfactory indicator of living standards and for some time it has been accepted that 'net economic resources', embracing especially the capital situation of households, more faithfully reflect potential living standards." According to Haralambos and Holborn (1995:125), another difficulty is based on the assumption that there are minimum basic needs for all people, in all societies. In their view, this is a difficult argument to defend even in regard to subsistence poverty measured in terms of food, clothing and shelter.

The critics of the absolute poverty concept argue that measuring poverty in terms of subsistence minimum requirements underscores the fact that needs vary both between and within societies. Those who have disassociated themselves with absolute and subsistence standards of poverty maintain that a definition of poverty must be related to the standards of a particular society at a particular time. According to those who argue against the absolute concept, the point at which the dividing line which separates the poor from other members of the society is drawn will vary according to how affluent that society is (Haralambos and
Holborn 1995:124). There is a widespread feeling that poverty should be judged in whole or in part in the light of contemporary standards.

In developing his concept of relative deprivation, Townsend argues that it should be thought of in terms of the resources available to individuals and households, and the styles of living which govern how those resources are used (Halarambos and Holborn 1995:129). In other words, conceptualising poverty involves a focus not just on monetary poverty and on comparisons between income levels, but also on analysis of the social and economic situations of individuals and families, and the extent to which these situations circumscribe the activities and life chances that people experience (see Alcock 1997:86). On the basis of this argument, Townsend (1979:31) defines poverty as follows:

Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities.

Ferge (in Ferge and Miller 1987:15) adds to the above definition the following sentence, 'and therefore they cannot accede to full membership in this society'.

Townsend's definition seeks to define poverty in relation to the prevailing living standards. It further seeks to recognise that the needs which an individual or a family must satisfy in order to live as a member of his or her society are socially as well as physically determined. Ferge agrees with Townsend by arguing that poverty in the relative sense means that part of the population lacks the resources which assure full social membership in the given society, or at least which would assure living conditions customary in this society. Spicker (1993:5) refers to the relative definition as the alternative concept, which in his opinion defines poverty in terms of its relation to the standards that exist elsewhere in the society. In Spicker's (1993:41) view, the absolute model is supposed to be fixed over time, and conceived without reference to social circumstances. He goes on to argue that the texts of Booth and Rowntree which are most commonly cited as examples of the absolute model show a clear awareness of the social nature of poverty (Spicker 1993:41). Scott (1994:11) confirms that this is what led Townsend to conclude that all measures of poverty are, inevitably, relative to social circumstances, and that this fact should be recognized explicitly.

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33 That is, alternative to the absolute concept.
in any attempt to reconceptualise poverty. To this effect therefore, the supporters of the relative concept argue that poverty is not only a condition of economic insufficiency, but also of social and political exclusion.

Despite the enormous impact the relative concept has had on research in poverty, some of the problems that arise with the concept of absolute poverty apply equally to the relative approach. For example, one controversy about the relative deprivation concept arises from the linkage between resources and the actual living conditions (Feigbeh 1977:15). In his 1979 report on poverty, Townsend holds that below a certain level of income an individual’s risk of being deprived of enjoying the benefits and participating in the activities customary in society increases dramatically. But other researchers have questioned whether such a sudden increase of risk can be identified (see Kohl in Øyen et al 1996:259).

Whatever the concept of poverty, whether it is conceived indirectly (as a lack of resources) or directly (in deprivations in the way of life), it is necessary to set certain minimum standards below which people are regarded as poor. In fact, the subsistence idea of poverty in terms of lack of resources has proved to be the most popular in developing countries because it offers a more transparent and less ambiguous picture of poverty. Most significantly, the notion of minimum living standards enable governments in developing countries to get a handle on the number of poor people, as well as the depth and severity of poverty. In sum, the definition and measurement of poverty are then needed as argued at the beginning, in order to identify the target population of anti-poverty measures. But they are certainly not the ultimate goal of poverty research, and definitions should not be confused with explanations.

The Subsistence Idea

Wilsworth (1979:26) notes that the subsistence concept as developed by Rowntree was extremely influential both in shaping views about the nature and extent of poverty and in supplying a basis for the payment of social insurance or public assistance. This point is shared by John Scott (1994:10) who notes that Rowntree’s 1936 study extended and elaborated view of the subsistence standard became the central plank on the Beveridge proposals for the welfare system in Britain following the Second World War. Many social science theorists have found a problem with Booth and Rowntree’s definition of poverty in
subsistence terms. They do not agree that the subsistence concept provides the bases for defining poverty.

On the basis of the subsistence concept, Booth is thought to have specified a minimum standard of living which was necessary for a person to have basic essentials; Rowntree, a standard of poverty calculated from minimal norms (see Spicker 1993:5). According to Townsend, “the main problem of the subsistence concept can be summarised as being that human needs are interpreted as being physical needs – for food, shelter and clothing – rather than as being social needs, and yet the crucial fact about human beings is that they are social beings rather than physical beings” (in Ferge and Miller 1987:35).

Analysing the work of Rowntree, Scott (1994:10) notes that he employed a subsistence measure of poverty that was based on actual studies of diet and physiological needs. He goes to state that by using evidence from actual medical studies, Rowntree calculated average nutritional requirements of individuals and families and converted these into their monetary equivalents (see Scott 1994:10). Rein (in Townsend 1970:49) notes that for his definition of the minimum necessities for the maintenance of mere physical efficiency, Rowntree drew upon the research on the American nutritionist, W. O. Atwater, who had devised a minimum diet based on research undertaken on American convicts. Rein goes on to state that Atwater estimated minimum caloric intake per day by determining the amount of food which was required to prevent prisoners from either gaining or losing weight.

Townsend (1979:33) adds that the work of Atwater was reinforced by the findings of Dr Dunlop, who had experimented, with the diets of prisoners in Scotland to find how nutritional intakes were related to the maintenance of the body weight. He estimated the average nutritional needs of adults and children, translated these needs into quantities of different foods and hence into the cash equivalence of these foods. By estimating variations for men and women and determining the market value of the food which satisfied their minimum requirements, Rowntree arrived at a low-cost food plan which served as the basis for his definition of poverty.

According to Scott (1994:10), the intention behind these calculations was to express in monetary terms the subsistence below which individuals would experience survival-threatening hardships. He goes on to note that this measure of poverty defined on the basis of basic subsistence has certain obvious attractions (Scott 1994:10). In Scott’s view, it appears to offer an absolute and objective measure of poverty that can be applied to all societies and all times. Nevertheless, Scott finds the subsistence view of poverty to have a
number of fundamental difficulties. He argues that in practice, all attempts to establish a subsistence concept of poverty have to a greater or lesser extent, gone beyond mere physiological needs. He goes on to note that Rowntree, for example, included an estimate of the costs of clothing that rested upon what he and others of his time felt was appropriate clothing for the low paid. The problem, of course, as Scott observes is that the number and type of underclothes, say, a person needs cannot be assessed with the same precision as the amount of carbohydrate that is required in a basic diet (Scott 1994:10 – 11). Scott argues that it tends to equate ‘poverty’ with the very different idea of ‘starvation’. In conclusion, Scott disagrees with the equating of poverty and starvation, for the moment this is done, an important distinction is lost.

Similarly, Rein observes that the terms of reference for a subsistence concept are the capacity to survive and to maintain physical efficiency (Townsend 1970:49). Rein’s concern with this definition of poverty is the question of how ‘minimum’ should be defined. Wilson and Ramphele (1989:16) cite Timmer (1987) who notes that there is a considerable dispute in the learned international journals as to whether it is even theoretically possible to determine a minimum level of calorie intake to ensure subsistence of the human body, for it has been shown that, depending on food intake, the human body can sustain itself for long periods of time at different weight equilibria. In this respect, some poverty analysts argue that it does not really make sense to define poverty at some minimum living level when people continue to survive below it.

In sum, the objective logic of a subsistence concept (i.e. having enough to sustain life) begs the question, what is life? What individuals, a family or a group will require for life will in practice differ depending on place and time. Thus, different people need different things in different places according to different circumstances. Differing individual needs will also be affected by the living or sharing arrangements they have with other individuals in families or households.

**Explanations of Poverty and Inequality**

Many theories have been put forward which define poverty and inequality. But, as observed by George (1980:1), there is the lack of any sustained effort to group such theories into those which attempt to explain why there is poverty and inequality and those which explain which individuals are likely to be the low paid and the poor. Precisely, two theories
emerge in as far discussions on the concepts of poverty and inequality are concerned, that is, those theories that deal with the causes of poverty and inequality and those which are concerned with the distribution of poverty and inequality. In this study, we are not going to attempt to distinguish further these two theories, but rather to explain the relationships between the concepts of poverty and inequality.

What exactly is inequality? How is it measured? These questions are fundamental. It has generally been observed that inequality is a common feature of all contemporary societies irrespective of their economic development, political system or anything else. Inequality is used to refer to the unequal distribution of income and wealth as well as the status of power. While acknowledging the importance of status and power in our societies, this section is concerned with the inequalities of income and wealth.

Contributing to the debate on inequality, May (2000:5) writes: "defining 'inequality' within the social context requires consensus on what we mean by 'equality.' The term 'equality' can be regarded as referring to a state of social organisation that enables or gives equal access to resources and opportunities to all its members." Clearly the reality is that this state of organisation does not exist anywhere. So implicit to identifying 'inequality' as a problem is the idea that societies should be striving to attain greater equality, but this in itself does not get us very far.

As May observes, clearly, the choice of the criterion by which we define 'equality' will impact on the way in which we define and measure inequality. Inequality is often studied as part of broader analyses covering poverty and welfare, although these three concepts are distinct. Inequality is a broader concept than poverty in that it is defined over the whole distribution, not only the censored distribution of individuals or households below a certain poverty line. Incomes at the top and in the middle of the distribution may be just as important to us in perceiving and measuring inequality as those at the bottom, and indeed some measures of inequality are driven largely by incomes in the upper tail.

For the purposes of explanation, poverty is best seen as part of inequality. George (1980:3) argues that to explain inequality is to explain both wealth and poverty, for the two are the extreme positions of income distribution in society. Obviously, poverty and inequality are very closely linked – for a given mean income, the more unequal the income distribution, the larger the percentage of the population living in income-poverty (George 1980:3; Alcock 1997:6). But George (1980:3) maintains that poverty is not the same as inequality. According to Alcock (1997:6), the most important distinction between the two is that whereas poverty,
as we have seen, is a prescriptive concept, inequality is a descriptive concept. He goes on to argue that inequality is simply a state of affairs – and probably an inescapable if not even a desirable one. Opinions are hotly disputed, of course, about how much inequality is acceptable, or rather about the extent of inequality that should be tolerated (see George 1980:1-23; Darroch 1991:225-232).

Some poverty analysts argue that in any society in which there is inequality is bound to have poverty. In other words, if all individuals with below average income were defined as poor, then the only way that poverty could be eradicated would be to abolish all inequality in income (Haralambos and Holborn 1995:125). Although Sen (1981:14) accepts the idea that the concept of poverty is essentially one of inequality, he argues that inequality is fundamentally a different issue from poverty. Sen (1981:15) argues that:

To try to analyse poverty 'as an issue of inequality', or the other way round, would do little justice to either. Inequality and poverty are not, of course, unrelated. But neither concept subsumes the other. A transfer of income from a person in the top income group to one in the middle-income range must *ceteris paribus* reduce inequality; but it may leave the perception of poverty quite unaffected. Similarly, a general decline in income that keeps the chosen measure of inequality unchanged may, in fact, lead to a sharp increase in starvation, malnutrition and obvious hardship; it will then be fantastic to claim that poverty is unchanged. To ignore such information as starvation and hunger is not, in fact, an abstinence from 'pseudo-scientific accuracy', but blindness to important parameters of the common understanding of poverty. Neither poverty nor inequality can really be included in the empire of the other.

Similarly, Rein contends that poverty cannot be understood by isolating the poor and treating them as a special group (in Townsend 1970:46). An interesting observation is that in most poverty studies the poor and poverty are treated as a phenomenon that can be understood in isolation from society at large. The fact that they are also in living symbiosis with the rest of the society is more or less ignored. In most cases, the poor are treated as an excluded group, living in painful relationship with the society at large. Sen (1981:9) argues that there is little doubt that the penury of the poor does, in fact, affect the well-being of the rich. According to Rein, the study of the poor then depends on an understanding of the level of living of the rich, since it is these conditions of relative to each other that are critical in the conception of inequality. Rein sees society as a series of stratified income layers and as such, poverty is concerned with how the bottom layers fare relative to the rest of society.

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35 Ibid.
36 Ibid.
Thus from this perspective, the concept of poverty is seen in the context of the society as a whole. Kohl (in Øyen et al 1996:262) also notes that poverty as a social problem cannot be understood and analysed without reference to the general issue of social inequality. Kohl's view is quite in accordance with the conceptualisation of poverty as a particular aspect of the broader issue of the distribution of resources in the society.

**Conclusion**

In summary, this chapter has attempted to deal with the problems of defining and measuring poverty. It has also attempted to explain the concept of inequality and how it is measured. As argued, poverty is not the same as inequality, although as shown in the previous section the two concepts are closely connected. Ordinary people in our region are becoming more aware of – through the growth in radio, television and other media – and more vocal about the gap between the rich and the poor. Policy-makers, researchers and academics are also increasingly recognising the links between inequality and other social and economic phenomena. Though the debates about poverty and inequality may seem more inclined to economic affairs, behind these debates is the whole question of human life, which must be of concern to Christians and churches.

Because poverty is not just one aspect of inequality, but the unacceptable extreme of inequality, it is so important to study it. As it has been argued, since the identification of poverty requires policy action to respond to it, both academics and politicians have been concerned to identify it. But as noted, it is the moral and political thrust of poverty research that it is of great attraction, and as such it should attract the Church to understand the debates around the conceptual problems of poverty and its measurement. Then it will be able to critique concepts that are "poor blind" and to challenge policy-makers to grow more aware of the increasing problem of poverty and deprivation in our societies.
CHAPTER THREE

CASE STUDIES IN POVERTY: SOUTH AFRICA AND ZAMBIA

General Introduction

It is important that this comparative study of poverty and impoverishment in South Africa and Zambia should be made with a clear recognition of a wider regional context in which it occurs. South Africa and Zambia are in Southern Africa and both countries are members of the Southern African Development Community (SADC). I therefore start this chapter by briefly looking at SADC. Indeed, the size of SADC, the diversity of the economies in the region and its shared colonial history makes it interesting as a model of regional integration in developing economies. In economic terms, a number of studies on SADC suggest that the region stands a high chance of integrating into world trade. The dismantling of apartheid and the integration of South Africa into SADC has opened a window of opportunity for the region to rebuild institutions that will foster economic growth into the twentieth century.

In a study on economic growth in Southern Africa, Allen et al (2000:133) write that data on SADC countries reveal wide disparities in economic performance over the past decades. Thus, many SADC countries are still facing significant institutional and structural impediments to growth, and continue to depend on agriculture and/or single-commodity export. The difficulties of the region are also compounded with continued conflicts such as civil wars, causing political uncertainty, and adding to an inability to attract capital and lay the groundwork for stronger growth. In other words, the economic and political problems facing most SADC countries are contributing to the region's failure to reduce persistently high levels of unemployment and poverty. Allen et al (2000:133) argue that although the majority of the countries in region have performed poorly, Botswana and Mauritius have experienced steady growth and are now converging to high-income levels, thereby catching up with South Africa.

Since the identification of poverty requires policy action, the governments of Southern Africa have developed various programmes to address the issue. 37 As reflected in a sub-regional brief, with the backing of the donor community, nearly all SADC member

states are implementing one or other form of poverty reduction programme. Most of these programmes are being targeted at women who are the most vulnerable either as heads of households or wives to unemployed men or men in low-income paid jobs. The sub-regional brief further indicates that these programmes have generally been poor-friendly, focusing particularly on the following areas: employment creation, income generation projects, land ownership and the provision of social services. Indeed, poverty reduction has increasingly become an area of immediate concern for governments in Southern Africa, donor agencies and civil society since early 1990s due to failure of previous policies to bring about economic development, including poverty eradication.\textsuperscript{38}

In South Africa, the South African Council of Churches, Homeless People's Federation, the United Nations Development Programme, the Department of Welfare and the Congress of South African Trade Unions are all actively involved in activities to sensitise and support services to alleviate poverty. Similarly, the Zambian government with the assistance of the international support has held workshops aimed at sensitising participants on the state of poverty in Zambia and to discuss the existing projects and programmes on poverty. In both countries, poverty eradication remains the key challenge facing the government, the church and the civil society at large.

\textbf{Poverty and Inequality in South Africa}

The roots of poverty and inequality in South Africa and the ongoing situation of impoverishment go deep into the past. There are various circumstances that have contributed to poverty and inequality in South Africa. Firstly, there is the whole policy of the labour system, with its pattern of oscillating migration, introduced by the mining industry and buttressed by pass laws, discriminating Africans of their economic and social rights.

\textsuperscript{38} In May 1997, Southern Africa held a Regional Forum on Poverty Eradication in Windhoek, Namibia. The objective of the forum was to promote action on the recommendations and decisions made at United Nations international conferences including the 1994 International Conference on Population and Development, the World Summit on Social Development in 1995, the Fourth World Conference on Women, the Habitat II Conference in 1996 and the Food and Agriculture Organisation (FAO) Food Summit in 1996. The central themes in these conferences were attaining sustainable human development and poverty eradication. The forum addressed poverty issues in the sub-region and the setting up of mechanisms for the adoption of national poverty reduction plans, which would ensure better implementation, co-ordination, and monitoring of poverty reduction initiatives at country level. A declaration was adopted which emphasised the role of governments in involving the people, non-governmental organisations (NGOs), community based organisations (CBOs), the private sector, the media and other agencies in formulating and implementing programmes designed to eradicate poverty in Southern Africa. The forum also called on SADC to continue to develop and encourage member states to place poverty issues at the centre of their development agendas.
Secondly, there is a net of legislation and regulations, the most notorious having been the Land Acts, which imposed the policy of territorial segregation, and subsequently marked the beginning of 'separate development'. What the policy of separate development focused on was 'political independence with economic interdependence'. As Davenport (1987:259) rightly points out, the Land Acts aimed specifically to get rid of those features of African land ownership and share-cropping which white farmers found undesirable, and at the same time to increase the size of African reserves for more convenient recruiting of labour for mines. Finally, there is the whole policy of forced removals in both urban and rural areas, which had a profound effect on the living standards of Africans. In most cases they were relocated to barren areas far from employment or adequate resources.

Broadly speaking, the history of twentieth-century South Africa is notable for the persistence and spread of poverty and unequal distribution of the country's wealth; the two are intimately related. South Africa's economic history exemplifies Kurien's pithy comment: "Poverty is the carcass left over from wealth acquisition" (see Bundy in Schrire 1992:33). State intervention not only inhibited black advance; it buttressed and boosted white privilege in far too many ways even to be summarised. When the National Party came into power in 1948, that saw the construction of apartheid, and its cornerstone was the division of all South Africans by race in all spheres of life. What follows is an analysis on the patterns of poverty in South Africa.

Patterns of Poverty in South Africa

Little did South Africans realise that the removal of the apartheid regime from power and the eradication of the institutionalised form of apartheid would not necessarily be followed by an immediate disappearance of the legacy of apartheid. The apartheid debt, the old civil service not committed to transforming South Africa and the development backlog were some of the challenges that the newly elected government faced... 41

39 See footnote 14. This study is unable to cover all the Acts that in one way or the other impinged on the socio-economic and political rights of black South Africans in the period under review.
40 For the government of the day the political significance of separate development was more important than the economic motives of earlier segregationist policies. Economic self-sufficient for reverses or homelands was never a viable or desired option.
41 Part of a paper delivered by the Advocate Rams Ramashia, President of South Africa NGO Coalition (SANGOCO) to the National Poverty Summit, Midrand, 26-28 June 1998. In the same paper, Ramashia notes that 53 per cent of South Africans live below the R301 per month poverty line. Ninety five per cent of poor people are Africans. More than 50 per cent of schools are without electricity; and 24 per cent of schools have no water within the walking distance. Fifty thousand white farmers own 85 per cent of agricultural land. Twelve millions households do not have drinkable water inside their dwellings or sites. Eighty seven per cent of African children below the age of 12 are nutritional compromised.
Poverty is widely acknowledged as being among the most serious problems facing post-apartheid South Africa (cf. Table 1). This section describes, from available data, the nature and extent of poverty (both absolute and relative) and inequality in South Africa.

Table 1: Profile of Poverty in South Africa (Poverty Rates)

<table>
<thead>
<tr>
<th></th>
<th>Proportion of Households Living in Poverty</th>
<th>Proportion of Individuals Living in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>47.2%</td>
<td>57.2%</td>
</tr>
<tr>
<td>Asian</td>
<td>6.2%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Coloured</td>
<td>18.5%</td>
<td>19.8%</td>
</tr>
<tr>
<td>White</td>
<td>2.1%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total</td>
<td>35.2%</td>
<td>45.7%</td>
</tr>
</tbody>
</table>

Source: Poverty and Economics in South Africa, NALEDI, 1998

Budlender (1999:197) notes that in 1993, the Southern African Labour and Development Research Unit (SALDRU) conducted a national household survey, which was the first survey for several decades to include the whole country, including the so-called 'independent' homelands. In 1994, the newly elected South African government faced the fact that the apartheid government had little interest in collecting credible and comprehensive social indicator data that could assist it in policy formulation. As an example, May (2000:19) states that between 1976-1994 official statistics excluded TBVC countries (the former homelands of Transkei, Bophuthatswana, Venda and Ciskei) on the ground that they were 'independent states', thus automatically excluding a large proportion of the poor from official statistics.

South Africa is a middle-income country, a developing country, with a per capita similar to that of Botswana, Brazil, Malaysia or Mauritius (May 2000:1). Basing on economic criteria, the country has usually been classified with middle-income economies, but its rating has slipped in recent years due to a decline in per capita income. South Africa now only barely falls above the World Bank dividing line between middle-income and lower-middle-income countries (see van der Berg in Nomvete 1993:7). Basing on such social criteria as education, life expectancy and infant immortality, South Africa can more properly be compared with lower middle-income developing countries. Van der Berg (in Nomvete 1993:7) notes that the discrepancy between South Africa’s economic status and its performance in terms of social measures indicates that the country’s economic resources are
not well used to improve the standards of all the people. In reality South Africa is not a rich country, **fairing poorly in terms of translating income into such social measures of welfare as health** (van der Berg in Nomvete 1993:7).

Though South Africa is today a middle-income developing economy in which minerals play a dominant role in exports, its manufacturing sector has already grown to a substantial size. In this case, South Africa is similar to most other developing countries. In the Executive Summary of the Poverty and Inequality Report (PIR), May et al (1998:2) argue that for decades South Africa’s Gini coefficient has been one of the highest in the world.\(^{42}\) In the same text, May et al (1998:2) go on to indicate that income shares in South Africa show that the poorest 40 per cent of households receive only 11 per cent of the country’s total income, while the richest 10 per cent of households receive over 40 per cent of total income (cf. Table 2).\(^{43}\)

### Table 2. Income Shares – Comparison of Richest and Poorest

<table>
<thead>
<tr>
<th>% of Households</th>
<th>% of Population</th>
<th>% of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest 40% of</td>
<td>50%</td>
<td>11%</td>
</tr>
<tr>
<td>Households</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richest 10% of</td>
<td>7%</td>
<td>40%</td>
</tr>
<tr>
<td>Households</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source:* May et al, 1998:24

> Although in *per capita* terms South Africa is rated a middle-income country, most South African households experience outright poverty or vulnerability to being poor (Democracy Watch 1998:4). Similarly, in measures of human development such as life expectancy, infant mortality and adult illiteracy, South Africa compares unfavourably with several other middle-income countries (see Table 3). As reflected in the table, all the countries to the left of South Africa have lower *per capita* than South Africa, yet generally they

---

\(^{42}\) A Gini coefficient is a commonly used statistical measure of the degree of socioeconomic inequality within a society, based on the nature of the income distribution within that society and the disparities from the norm. The index is derived from the comparison of the percentage of national income earned by key, percentile-based sub-divisions in the society, ranging from the lowest to highest income categories. The higher the statistical score on the test undertaken, the more unequal the spread of wealth that there is in the society. A score of 0 would indicate absolute income equality and 1 indicates absolute inequality (see also section on General Concepts and Definition of Selected Terms, p. xiv).

\(^{43}\) South Africa Gini coefficient is about 0.58, in terms of international standards, this is extremely high, indicating a very skew distribution of income.
perform better on indicators such as life expectancy, infant mortality and adult illiteracy (May et al 1998:19). However, this information conceals profound differences between races in South Africa. Studies comparing poverty and social deprivation among the different races in South Africa show that poor households do not fare well in almost all social indicators (cf. Table 7).

One approach to placing South Africa’s poverty and social deprivation in an international context is to compare social indicators in South Africa with countries with similar income levels. Although South Africa has undergone a dramatic, economic, social and political transition, but poverty and inequality continue to persist. There are still huge disparities in the population in terms of education, employment, health and housing. The table above shows the inadequacy of using per capita GNP (Gross National Product) as the sole indicator of development. Table 3 further shows that South Africa fares poorly when compared with other middle-income countries.

Table 3. Comparison of Social Indicators from selected middle-income countries.

<table>
<thead>
<tr>
<th></th>
<th>Poland</th>
<th>Thailand</th>
<th>Venezuela</th>
<th>Botswana</th>
<th>Brazil</th>
<th>South Africa</th>
<th>Malaysia</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNP per capita US$ (1994)</td>
<td>2410</td>
<td>2410</td>
<td>2760</td>
<td>2800</td>
<td>2970</td>
<td>3520</td>
<td>3480</td>
</tr>
<tr>
<td>Life expectancy</td>
<td>72</td>
<td>69</td>
<td>71</td>
<td>68</td>
<td>67</td>
<td>64</td>
<td>71</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>15</td>
<td>36</td>
<td>32</td>
<td>34</td>
<td>56</td>
<td>50</td>
<td>12</td>
</tr>
<tr>
<td>Adult literacy rate</td>
<td>N/A</td>
<td>6</td>
<td>9</td>
<td>30</td>
<td>17</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Total fertility rate</td>
<td>1.8</td>
<td>2.0</td>
<td>3.2</td>
<td>4.5</td>
<td>2.8</td>
<td>3.9</td>
<td>3.4</td>
</tr>
</tbody>
</table>


Poverty and unemployment in South Africa are closely linked. The Poverty and Inequality Report (1998) estimates that 55 per cent of people from poor households are unemployed compared with 14 per cent of those from non-poor households (cf. May et al 2000:38). The report further notes that poor households are characterised by a lack of wage
income, either as a result of unemployment or low-paying jobs, and typically rely on multiple sources of income, which helps to reduce risks.

Besides the problem of unemployment, several studies in poverty in South Africa show that access to basic services is closely correlated to poverty. Tables 4 shows the situation with respect to electricity, toilet inside dwelling and piped water inside dwelling. A quick comparison of the situation in the two tables shows that poor people have less access to utilities than the non-poor. Because of the apartheid legacy, access to services is skewed in terms of race, class and geographical location. Of nearly 2.5 million poor rural households, more than 2 million have no access to clean piped water, modern sanitation or electricity, and 1.6 million poor rural households have to use wood as the main source for cooking (PACSA 1998). There is a generally observation that access to clean water and sanitation has the most obvious and direct consumption benefits in reducing mortality and poor health and increasing the productive capacity of the poor. It can be seen from Table 4 that lack of access to basic services is closely related to poverty.

<table>
<thead>
<tr>
<th></th>
<th>Percentage of households with access</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor households</td>
</tr>
<tr>
<td>Electricity</td>
<td>22.7</td>
</tr>
<tr>
<td>Flush or VIP Toilet</td>
<td>19.5</td>
</tr>
<tr>
<td>Piped water</td>
<td>28.4</td>
</tr>
</tbody>
</table>

Source: IES & OHS, SSA 1995

Similarly, many households in South Africa still have unsatisfactory access to education, healthcare, housing and land. As observed by Wilson and Ramphele (1989:226), for a long time the education process in South Africa was such that, in general, whites have had innumerable advantages over blacks in acquiring skills necessary to fill jobs at the upper end of the economic pyramid. To end this therefore, there is a close association between poverty and lack of education as clearly illustrated in table 5, and illiteracy is a major dimension of poverty all over South Africa, especially in the rural areas.

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44 PACSA stands for Pietermaritzburg Agency for Christian Social Awareness.
Table 5: Educational level: Incidence of poverty

<table>
<thead>
<tr>
<th>Educational level of household head</th>
<th>% living in poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>63</td>
</tr>
<tr>
<td>Sub A - Std 1</td>
<td>67</td>
</tr>
<tr>
<td>Std 2 - Std 4</td>
<td>53</td>
</tr>
<tr>
<td>Std 5 - Std 7</td>
<td>41</td>
</tr>
<tr>
<td>Std 8 - Std 9</td>
<td>23</td>
</tr>
<tr>
<td>Std, 8, 9 + diploma</td>
<td>1.2</td>
</tr>
<tr>
<td>Std 10</td>
<td>8.8</td>
</tr>
<tr>
<td>Std 10 + diploma</td>
<td>1.8</td>
</tr>
<tr>
<td>Std 10 + other</td>
<td>4.7</td>
</tr>
<tr>
<td>Completed university</td>
<td>2.2</td>
</tr>
</tbody>
</table>

\[Source:\] Whiteford et al (1999)

According to PACSA (1998), about 50 per cent of adult poor in South Africa (those over 16) have no education or only incomplete primary education; only 7 per cent have complete secondary education or have higher. There is a strong correlation between educational attainment and the employment opportunities. Usually, among those without formal education, a large proportion is unemployed or in odd, casual and part-time jobs.\(^{45}\) A sample used by Indicator South Africa indicates that 20 per cent of full-time workers were unskilled, and close to 50 per cent of the part-time workers were unskilled, reconfirming the vulnerability caused by lack of education (see Indicator SA, June 2000:14).

The other thing that has contributed to the problem of poverty in South Africa is the question of land ownership. The majority of South Africans bear the brunt of marginal farming activities, and as such they are unable to produce enough food to meet their broader subsistence needs. Moyo (1998:18) notes that the inherited inequities are at their extreme in South Africa, where some 70,000 white farmers own 87 per cent of the farming land, while perhaps 300 times that number of black farmers are confined to 13 per cent of the land (see Table 6). The RDP (1994:1.2.9) argues "no political democracy can survive and flourish if the mass our people remain in poverty, without land, without tangible prospects for a better life."

\(^{45}\) Although the unemployed are generally expected to be illiterate, several studies indicate that they also include those who have finished primary schooling, those with nine years of schooling and those with secondary education.
Table 6: Land Ownership in South Africa

<table>
<thead>
<tr>
<th></th>
<th>large-scale Commercial</th>
<th>Communal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area (million ha)</td>
<td>85.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Land holding population (million)</td>
<td>0.35</td>
<td>14.0</td>
</tr>
<tr>
<td>Ha/person</td>
<td>244</td>
<td>1.08</td>
</tr>
<tr>
<td>Ha/landholder</td>
<td>1220</td>
<td>N/A</td>
</tr>
<tr>
<td>No. of commercial farmers (mainly white)</td>
<td>70 000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: ADB, 1993 (adapted from SAPEM 1999)

For many people, income is not the only measure of poverty or determinant of well-being. A house in which they dwell is their greatest asset. A house and the land on which it stands provide the living space for household members. As Budlender observes, in some cases the dwelling and land are also productive assets in that they provide a means of generating income for households (Budlender 1999:204). During the Poverty Summit Hearings, the testimonies in rural areas were clear about the importance of land for their survival. Still, those who have access to land, often lack the resources to utilise it. Inequitable access to land is a critical constraint to poverty eradication in South Africa. The South African government will have to accept that there are real costs involved in the neglect and postponement of the survival problems of the landless poor who do not have alternative means of social and economic reproduction.

In our brief analysis of these indicators, all of them point equivocally to an economic structure and a welfare distribution that are both strongly biased in favour of the whites and against the other races, notably the Africans (see Lundahl 1999:32). As we have noted above, though the ending of apartheid and the ushering in of a democratic government are enormous achievements in South Africa, tremendous challenges still exist which must be addressed if the country is to aspire to social and economic equality for all South Africans. With this statement in mind, the next section analyses the South African government’s formal economic policies adopted to address the inherited social and economic inequalities.

46 72 per cent of the poor in South Africa live in rural areas, and hence land forms an important part of their livelihood.
Macroeconomic Policies and Social Development

Reconstruction and Development Programme

The African National Congress (ANC) and its allies in consultation with other key mass organisations drew up the Reconstruction and Development Programme (RDP) document. Many non-governmental organisations (NGOs) and research organisations assisted in the process. In the ANC's opinion, this inclusive approach to developing and implementing policy — involving as many organisations as possibly — is unique in the South African political history. Colonialism, racism, apartheid, sexism and repressive labour policies for many years dominated the South African society. Poverty existed side by side with modern towns and cities, and a developed mining, industrial and commercial infrastructure. In all aspects, the South African society had great inequalities in education, health, welfare, transport, housing and employment. The country's economy was built on a systematically enforced racial division; rural areas were divided into impoverished independent Bantustans and well-developed, white owned commercial farming areas. The South African industries did not invest enough money into human development, and hence they failed to meet the needs of the people and are often unable to survive in world markets.

After the 1994 democratic elections the government needed a programme of action to build and develop the country, and hence the ANC released the RDP as a programme of 'people-centred development', designed to address the injustices of the past and promote sustainable development in the future. Deploying the original 1994 RDP document, the ANC sought "to mobilise all our people and our country's resources toward the final eradication of apartheid and the building of a democratic, non-racial and non sexist future" (ANC 1994:1). Lester et al (2000:248) cite Michie and Padayachee (1997) who argue that the programme sought to attain the material objectives of economic growth and basic needs provision, while at the same time addresses past injustices. Lester et al (2000:248) observe that "the document was full of the rhetoric of 'people-centred development', 'integrated and sustainable development', 'peace and security', 'nation-building' and 'democratisation', expressed in five core programmes.48

47 The allies are Congress of South African Trade Unions, South African Communist Party, South African National Civics Organisation and National Education Co-ordinating Committee.
48 These were the RDP basic principles which were designed to enable the government to facilitate, give content and coherence to the programme. For further details also see Lundahl (1999).
• Meeting of basic needs, such as public works, housing, land reform, transport, nutrition, health care and social welfare.
• Developing human resources through education, training, arts and culture and sport.
• Building the economy and addressing economic imbalances and poverty by encouraging urban and rural development.
• Democratising the state and society, which meant reforming the various tiers of government, the public service and civil society.
• Bringing about effective management and financing so that each of the above could be implemented.

Since the RDP was a result of a consultative process by different parties, thus, during 1994 and 1995, the document became the cornerstone of government policy, with all government departments, unions, civic bodies and many non-governmental organisations broadly identifying with its principles. Lester et al (2000:248) notes that "in many ways it became a mantra for government policy, appearing to stand for the total 'transformation' of South Africa. It was widely used as a yardstick against which the success of the government could be assessed." Given the economic, social and political history of South Africa, in a way the RDP served initially as a powerful symbol and focus for the post-apartheid South Africa.

One of the challenges faced by the reconstruction and development programme was to align economic policy in a way that the new growth strategy would make it possible to reach redistribution targets that constitute the basic needs component of the programme. Some of the most important development targets that the document identified included focus on infrastructure: 1 million new houses in five years, free and compulsory ten-year education, electricity to 2.5 million households, running water and toilets to 1 million families and improved health care and medicare for the masses, especially preventive primary health care (Lundahl 1999:34).

An interesting observation is that soon after its release the RDP document was criticised by the press and opposition parties, not on the grounds of its spirit and intent, which as already discussed, were widely applauded, but rather because of the vagueness of the strategies proposed and their cost implications (cf. Lester et al 2000:250). Despite the concerns raised by other parties, a ministry within the Office of the President was established to oversee the implementation of the RDP. For a number of reasons, the RDP was barely able to survive two years as a government’s economic policy in its original form. Lundahl
(1999:96) notes that of the 2.5 billion rand budgeted for 1994/95, 1.7 billion had to be rolled over to 1995/96 and, as it seems, 20 per cent or more of the budget for the following year will probably share the same fate. He further writes: "it is, however, clear that the purpose is to reallocate public expenditure rather than increase it. Tax increases that are conducive to distortions of the resource allocation are to be avoided and the efficiency of tax collection is to increase. Inflationary borrowing is out of question" (Lundahl 1999:34).

Similarly, Lester et al (2000:249) argue that from its inception, there was a lack of clarity over whether it was a 'supra-ministry' or merely a unit to co-ordinate the policies of other ministries. In spite of these difficulties some things had been achieved, and approximately 1 million was spent by the RDP office (Lundahl 1999:97; Lester et al 2000:250). Lack of proper administrative structures, together with conflict with line ministries, delays in releasing funds and implementation of projects are some of the problems that led to subsequent fate of the programme. Figure 2 (Appendix I) illustrates how in the view of some analysts the RDP was not feasible in terms of investment.

However, the above-mentioned difficulties are not only ones that caused the government's effective abandonment of the RDP. Critics of the RDP argue that one of the fundamental weaknesses of the RDP was that the goals it set out were statements of intent rather than pragmatic development strategies (Lester et al 2000:250). The Sunday Times described the RDP document as 'pursuing the unachievable'. Rapoo (1996) cited in Lester et al (200:251) argued that the RDP programme was characterised by an 'integrated approach (but) incoherent policies', and it did not seem to be based on any clear economic model of the South African economy.

It should be mentioned here that during 1994/95 the 22 so-called presidential lead projects were implemented, with a view to building a learning process into the implementation. These projects gave government a range of insights into the development process. They also highlighted some difficulties of working with a bureaucracy unaccustomed to integrated project management, especially in the absence of democratic local government (Lundahl 1999:97). In fact, an indication of the recognition of the limitations of the RDP started in 1995 when the minister responsible for the RDP formally reported on the programme to parliament and then announced plans for a 'National Strategy for Growth and Development' to be finished at the beginning of 1996 which, in a way, was a modification of the RDP. However, this strategy was seen lacking in a macro-economic thrust and was never implemented.

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Chapter Three

It was becoming clear that the RDP, as originally formulated, was not a viable proposition. Above all, a higher economic growth rate would be needed to sustain the development targets set out in the National Strategy for Growth and Development. Most significantly, the growth and development was overtaken by the release of a document entitled 'Growth for All', by the South African Foundation, an organisation representing the interests of big business (see Figure 3, Appendix I, for its conceptual framework).

Given the scope of the present study, we shall not discuss the details of the 'Growth for All' document, however, its important to note that the five pillars contained in the document were challenged head on by a trade union document called 'Social Equity and Job Creation' which rested on six pillars.50 Precisely, these two documents provoked responses from three other quarters: Business South Africa, the National African Federated Chamber of Commerce and Industry and a number of civic organisations. Far more important, however, is that in June 1996 the South African government adopted a new macroeconomic strategy titled 'Growth, Employment and Redistribution' (commonly called GEAR).

Growth, Employment and Redistribution

In this section, the key features of GEAR are examined and the response which it has received are described. The adoption of GEAR as South Africa's new macro-economic strategy was well received by major international financial institutions such as the IMF and the World Bank. The GEAR strategy focused on an improved growth performance and the sustainability of the government's social, developmental and economic goals (Donaldson 1997:447). One of the major reasons why the South African government adopted this macroeconomic policy was to enhance the country’s international competitiveness of the economy.

The GEAR document has several policy commitments such as an export-friendly regime, reducing the fiscal deficit, liberalising exchange, expanding infrastructure investment, enhancing training finance and instituting labour market reforms consistent with accelerated job creation.51 This document also emphasised the redistributive thrust of the reprioritisation of government expenditure and the role of social and sectoral policies in meeting basic needs, improving services available to the poor and building social infrastructure. Donaldson

50 For a detailed discussion on the two policy documents see (Lundahl 1999).
(1997:447) notes that the GEAR strategy affirmed that growth needs to be translated in redistribution of incomes and opportunities through appropriate social development policies and programmes and deliberate promotion of employment creation.

GEAR's primary focus is growth, achieved through greater export – competitiveness, growing foreign investment, and productivity improvements. The premise is that high levels of growth will enable poverty to be addressed through redistributive developments. The most important of these is supposed to be job creation. The logic of GEAR is straightforward: as unemployment drops, poverty will gradually disappear. Economic growth will also generate additional public resources, which can be used to provide public services and poverty relief. In sum, GEAR stresses the need to adopt economic policies which will encourage investment in the economy and allow South Africa to compete in the global marketplace (Heintz and Jardine 1998:16).

The critics of GEAR argue that the document completely ignores a number of economic issues. In their opinion, asset redistribution is hardly mentioned, apart from a brief statement calling for land reform. They go on to assert that the document's preference for a more restrictive monetary policy means that interest rates will remain high, access to credit and productive capital will be limited, and financing land redistribution and housing development could be prohibitively expensive. Their other argument against the GEAR policy is that it largely ignores the informal sector, naturalising the vision of the sector as a residual economy. They further argue that the failure to create jobs will probably place pressures on the living standards of the informally employed as more people crowd into the informal sector. They also note that gender issues and households dynamics are almost completely invisible, contributing to the on-going marginalisation of women.

For critics, it is already clear that GEAR is not delivering, either in terms of economic growth or job creation. As indicated by Röhm and Halbach (1999:58), after more two years, the popularity of GEAR has weakened even among its former supporters, particularly the business community. Röhm and Halbach (1999:58) further argue, "although government has met the targets for inflation and the higher budget deficit and initiated structural reforms, economic growth and private investment have fallen far short of expectations. Most disappointing has been the further fall in formal employment." Like the RDP, GEAR's failure was rather to overestimate the short-term economic growth potential, thereby creating unrealistic expectations, a point reserved for later discussion in this chapter.
Poverty and Human Development in South Africa

South Africa is ranked 86th amongst countries for which the human development index (HDI) has been measured (May et al 2000:22). However, there are great disparities in human development in South Africa. According to May et al (2000:22), the Western Cape and Gauteng are considered to show a high level of human development, similar to that of Venezuela or Singapore, while the Northern Province, on the other hand, has a low HDI, comparable with that of Zimbabwe or Namibia. Given the South African political and economic history, the country has large racial disparities in human development. For instance, while the infant mortality rate for whites in 1994 was 7.3 per thousand, that for the African population was 54 per thousand, which is on a par with Zimbabwe and Kenya (May et al 2000:21, cf. Table 7).

Table 7: Comparison of social indicators by race

<table>
<thead>
<tr>
<th>Social Indicator</th>
<th>White</th>
<th>Coloured</th>
<th>Indian</th>
<th>African</th>
<th>SA Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality rate 1990</td>
<td>7.4</td>
<td>28.6</td>
<td>15.9</td>
<td>48.3</td>
<td>40.2</td>
</tr>
<tr>
<td>Infant mortality rate 1994</td>
<td>7.3</td>
<td>36.3</td>
<td>9.9</td>
<td>54.3</td>
<td>48.9</td>
</tr>
<tr>
<td>% of deaths at 5 years and younger</td>
<td>12</td>
<td>19</td>
<td>13</td>
<td>20</td>
<td>--</td>
</tr>
<tr>
<td>Male life expectancy at birth 1990</td>
<td>69</td>
<td>59</td>
<td>64</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>Female life expectancy at birth 1990</td>
<td>76</td>
<td>65</td>
<td>70</td>
<td>67</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Health Systems Trust 1996 (May et al 2000:22)

The Poverty and Inequality Report (1998) notes that the poverty rate among people with no education is 69 per cent compared with 54 per cent among people with primary education, 24 per cent among those with secondary education, and 3 per cent among those with tertiary education. Education or the lack of it has a bearing on many aspects of life. In fact, world-wide, the right to education has been recognised as a precondition for enjoyment of many civil and political rights such as freedom of information, expression, assembly and association, the right to vote and to be elected or the right of equal access to public service depends on at least a minimum level of education, including literacy. There is also the link
between poverty and health. Because of inadequate access to health services poor people have worse health records with a much higher proportion of illnesses such as tuberculosis, diarrhoea, fever, physical and mental disability (see Table 8).

Table 8: Poverty profile of diseases

<table>
<thead>
<tr>
<th>Disease</th>
<th>Poorest 20%</th>
<th>Richest 20%</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuberculosis</td>
<td>4.2</td>
<td>2.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Diarrhoea</td>
<td>8.2</td>
<td>4.6</td>
<td>6</td>
</tr>
<tr>
<td>Fever</td>
<td>8.5</td>
<td>5.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Mental disability</td>
<td>6.5</td>
<td>2.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Physical disability</td>
<td>4.5</td>
<td>3.1</td>
<td>4</td>
</tr>
</tbody>
</table>

*Source: adapted from May (2000) and PACSA (1998)*

May et al (2000:36) note that differences in health status are difficult to measure without a physical examination. However, they argue that reliance on a respondent's own perception of his or her health status often leads to biases since better-educated individuals are typically more concerned about their health problems and report being sick even if they suffer from comparatively minor ailments. In many cases lack of health awareness among poorer people often leads to lower reported incidences of ill health, despite objectively worse health indicators. Some of the problems recorded during the Poverty Hearings between March and June in 1998 were that poor people were prevented from accessing health services because of costs of transport and physical distance from health care, inadequacy of health facilities, the arrogant attitude of the health workers, and the lack of support from the formal health system for informal systems such as village health workers.

**Poverty and Inequality Reduction in South Africa**

The social and economic effects left by the apartheid system led to strong demands for measures that can remedy the inequitable situation in all areas discussed above. Thus, the importance of reducing poverty and inequality in South Africa has been a consistent theme for the ANC-led government. As a diplomatic endorsement, in March 1995, South Africa
joined the nations of the world in pledging to work towards the eradication of poverty at the World Summit for Social Development in Copenhagen. Given that the dominant themes of the history of South Africa have been inequality, exclusion and poverty amidst plenty, the Reconstruction and Development Programme (RDP) base document, which was the present government's original election manifesto, emphasised that planning needs to be focused on the objectives of narrowing inequality, breaking down the barriers that hamper participation in the economy and reducing poverty (see May 2000:2).

In the Bill of Rights of the South African Constitution, a number of socio-economic rights are guaranteed. These include adequate housing, healthcare services, sufficient food and water, social security, basic and on-going education. All these rights reflect important economic dimensions. For this reason, the Constitution limits the obligation of the state to deliver these rights within its 'available resources'. Many of these rights reflect areas of basic needs or delivery of particular goods and services. The right to social security, however, could be interpreted very broadly to include jobs, public support, and access to productive assets. According to Heintz and Jardine (1998:7), an example of a possible core set of economic rights could be the right to: a basic income and access to a minimal level of economic resources; participate in the productive and reproductive work of society; and non-discrimination – on the basis of gender, race, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth – in the distribution of income, productive output, and economic resources. The realisation of these rights would require a fundamental transformation of the South African economy.

Since being elected, the ANC-led government has frequently expressed its commitment to reducing poverty as a top priority. Politically it cannot do otherwise. The real question is: "how?" A start was made with the Presidential Lead Projects, the setting up of the RDP fund to leverage reprioritisation in departmental budgets and the initiation of certain programmes targeted specifically at the poor. The RDP sought to integrate growth, development, reconstruction and redistribution into a unified programme where the 'key' was an infrastructural programme that will provide access to electricity, water, telecommunications, transport, health, education and training for all the people (see Lundahl 1999:93) Clearly there was an intention to foster economic growth by investing government resources in people and communities that had been impoverished by apartheid.

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Chapter Three

In June 1996, the South African government published a macro-economic framework document entitled 'Growth, Employment and Redistribution'. GEAR rests on the tenet that poverty reduction over the long term is impossible without sustained economic growth, and that the key to economic growth is private investment. There is no doubt that sustained growth is a necessary condition for reducing poverty, but it is by no means certain that the requisite private investment to produce it will be forthcoming. Even if the GEAR strategy is successful in stimulating economic growth it is highly likely that the benefits will tend to accrue to the non-poor rather than the poor.

The reasons for this are simply that the non-poor generally live in urban areas, are better educated and are likely to have more work experience than the poor. Not only are the poor likely to benefit least from any growth based on private sector investments, but they are also likely to be adversely affected in the very process of creating the conditions which the GEAR strategy specifies as necessary. New investors are only likely to be attracted by 'new conditions' that make significant changes to the existing cost and risk profile (broadly interpreted) of the South African economy. In almost all instances this implies shifting the costs and risks that are presently borne by investors onto someone else, usually the poor, by creating greater flexibility in the labour market, creating export processing zones, meeting budget deficit targets, opening up the economy, privatising state assets or using tax incentives to stimulate investments. The most direct costs to the poor usually result from cuts in government expenditure to meet budget deficit targets. Such cuts mean there is less available to be spent on poverty alleviation programmes (Heintz and Jardine 1998:18). GEAR argues that by reprioritising government expenditure the impact on the poor can be minimised, which is true.

However, a more gradual reduction of the deficit would mean more funds would be available for investment in improving the lives and productive capacity of the poor. Reprioritisation of government expenditure should take place irrespective of the need to meet budget deficit targets. The aim should be to ensure that expenditure is not skewed towards those that are better off (as at present), but reaches those that need it most. A government which places priority on the reduction of poverty and inequality should seek to meet its budget deficit targets by raising taxes on the rich, instead of cutting back on social expenditure on the poor.

The most fundamental challenge in South Africa today is to achieve a reduction in poverty and inequality. This will require substantial changes in the distribution of incomes, wealth and economic power between men and women, between rural and urban areas,
between white and black and between capital and labour. Clearly, a dramatic restructuring of the economy needs to take place. The question is how can this be achieved? The last two and half years have seen considerable policy formulation, data collection and planning and the principle result is a strategy aimed at getting the 'macro-economic fundamentals right' in order to please foreign and domestic holders of capital. What is really needed is for the South African government to start listening to the poor's own articulation of their immediate needs and then to focus on meeting these. The processes of getting water and electricity to villages, building schools and clinics, training better teachers and helping people to enter self-employment need to be accelerated. Ordinary people need to hold the government accountable to its election promises as set out in the Reconstruction and Development Programme.

The ANC-led government demonstrated its commitment to open markets, privatisation, and a favourable investment climate with the release of its macroeconomic GEAR strategy a policy framework which includes the introduction of tax incentives to stimulate new investment in labour-intensive projects, expansion of basic infrastructure services, the restructuring and partial privatisation of state assets, continued reduction of tariffs, subsidies to promote economic efficiency, improved services to the disadvantaged, and integration into the global economy. Serious structural rigidities remain, however, including a complicated and relatively protectionist trade regime, and a highly skewed concentration of wealth and economic control. Moreover, the economic growth has not been strong enough to cut into the 30 per cent unemployment, and daunting economic problems that remain from the apartheid era, especially the problems of poverty and lack of economic empowerment among the disadvantaged groups.

Having surveyed the broad picture of poverty and inequality in South Africa, it is appropriate to turn to a comparative description of Zambia.

**Poverty Problems in Zambia**

This section and its two subsections provide a brief assessment of Zambia's present poverty situation. As shown in Chapter 1 and as we shall see later in this chapter, Zambia's present poverty situation is the result of more than two and half decades of decline in the economy, in public services, and virtually in all major indicators of human development (see Zambia Human Development Report 1998). At independence in 1964, Zambia was one of
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the richest countries in Africa. The Zambian government was able to provide free and almost universal social services to its citizenry. Today, Zambia is classified as one of the poorest countries in Africa. In fact, the transition from being one of the richest countries in Africa to one of the poorest took less than a generation. As pointed out by Andersson et al (2000:9), much of Zambia's economic decline is attributed to failed past policies that led to an unbalanced and unsustainable economic structure.

A rather recent Zambia poverty study conducted by the United Nations Children's Fund (UNICEF 1996:33) states that the immediate manifestations of poverty in Zambia have grown to such an extent that the country can be said to be experiencing a social crisis. According to the study, among the most critical symptoms of this social crisis are worsening problems of public health and life expectancy. The study adds that under these circumstances the ability for people to cope day-to-day has been drastically diminished, and many people of necessity have adopted unhealthy lifestyles that serious threaten their present and future well-being. The study also goes on to state that roughly six million people, equivalent to two-thirds of Zambia's population, are living below the poverty line. In Zambia, when a poverty line is employed as a measure of poverty, that line is constructed based on the food-basket approach. According to the Central Statistics Office (CSO), the food-basket calculates the cost of acquiring basic food items that provides a basic minimum caloric requirement for an individual per month (CSO 1997:11). Most Zambia poverty studies argue that if the poverty line is reduced to cater only for basic nutritional needs, then, 55 per cent of Zambians fall below the line (World Bank 1994:ii).

Zambia's economic decline coupled with the subsequent implementation of a vigorous structural adjustment programme (SAP) in 1991 has led to the stagnation and collapse in people's livelihoods and in available forms of social support. A general argument is that the incidences and intensity of poverty in Zambia have increased with the implementation of the structural adjustment programme. The social and economic costs of SAP are massive job losses due to massive retrenchments and redundancies in the public and private sectors, decline in real wages, increased taxation, and reduced access to economic resources. Despite some partial and half-hearted attempts at adjustment since the 1980s, the situation has worsened; the reforms were neither systematic nor sustained. Precisely, it is becoming clear that in Zambia the structural adjustment programme is not working for the majority of the people, as we experience drastic declines in school enrollments, disturbing rises in mortality and morbidity rates and so on.

A study by Bonnick (1997:48) states that a 1994 internal consultative group report noted that the deterioration in nearly every social indicator reflects Zambia's deepening poverty. A point which is also observed by Chisanga et al (1999:37) who claim that in Zambia all major indicators of human development are largely negative. In other words, the broad reform programme, which includes Zambia's poverty strategy, has not produced the desired results in the long-term, but rather it has led to the deterioration of quantity, quality and access to social services, a point we shall return to later in this chapter. Those who have been hit the hardest are the poor, both in urban and rural areas, although the living standards of the middle and high-income groups have been eroded as well.

A study conducted by the World Bank (1994) shows that in 1991 about 69 per cent of all Zambians live in households with expenditures below a level sufficient to provide basic needs. The same study maintains that poverty in rural Zambia, where the poverty prevalence stands at 76 per cent, is more pronounced than urban poverty, and is especially severe in the remote districts of provinces where people engage primarily in semi-subsistence farming. In fact, recent studies indicate that the poverty levels in Zambia have risen since 1996. The latest figures from the CSO's Living Conditions Monitoring Survey (LCMS) 1998, show the total poor in rural areas are 83 per cent, while in urban areas is 56 per cent. The study further states that there are 17 per cent of people above poverty line in rural areas, while the figure in urban areas is 44 per cent (see Table 9).

### Table 9: Incidence of Poverty by Rural/Urban

<table>
<thead>
<tr>
<th></th>
<th>Total Poor %</th>
<th>Extremely Poor %</th>
<th>Moderately Poor %</th>
<th>Above Poverty Line %</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Zambia</td>
<td>73</td>
<td>58</td>
<td>15</td>
<td>27</td>
<td>10,168,000</td>
</tr>
<tr>
<td>Rural</td>
<td>83</td>
<td>71</td>
<td>12</td>
<td>17</td>
<td>1,344,000</td>
</tr>
<tr>
<td>Urban</td>
<td>56</td>
<td>36</td>
<td>20</td>
<td>44</td>
<td>3,824,000</td>
</tr>
</tbody>
</table>

*Source: http://www.ccjp.org.zm/sap_mon23.htm*

Most urban poor live in unplanned squatter settlements (commonly known as 'shanty' compounds) on the periphery of urban centers, where their lack of legal status and provision of basic community services, for example, clean running water and electricity, constraints their productivity. Related to this is that most squatters do not possess title deeds
or houses, and hence they cannot use them as collateral. Many of the urban poor survive by engaging in the informal economy, through unregulated street vending and illicit activities. In sum, the level of poverty in Zambia, and the plight of the poor struggling to survive is vividly illustrated by the country being ranked as fourth from the poorest of 118 recently measured national economies (Chisanga et al 1999:37). We now turn to analyze some causes of poverty in Zambia. Rather than attempting to be a comprehensive analysis of causes of poverty in Zambia, the following section is intended to provide a checklist of some causes of poverty and later serve to inform the analysis and focus effort upon the key issues that need to be addressed in the next chapter.

**Analysis of some causes of Poverty in Zambia**

Some causes of poverty in Zambia such as those that focus on the lack of access to basic services are referred to in the introduction, as well as in Chapter 1. Other causes mentioned refer to public and macroeconomic polices adopted by the Zambian government during the years of prosperity, immediately after independence. We have also referred to the harsh impact of SAP on the Zambian population. Several studies on poverty in Zambia seem to agree that inappropriate policies served to undermine much of the basic social and cultural fabric of Zambia society and weakened Zambians' capacity to help themselves (see UNICEF 1996:24). For example, an important common main feature of post-independent Zambia was the belief that the state should take care of every Zambian (Graham 1994:164).54 In other words, the traditionally self-help ethos was replaced with a culture of dependence on the state.

At the time of independence, when funds were readily available, this precept did indeed lead to better living conditions and access to services for a large majority of Zambians. But when the economic started to decline and the effects of misguided government policy were finally felt, these improvements all but evaporated. Together these factors lead to a situation of overall incapacity and lack of initiative, one which Zambia is still trying to break free from. Indeed, the decades of party and government handouts have all but destroyed Zambia's tradition of self-help, with the result that grassroots movements of non-governmental organisations (NGOs), are finding it difficult to blunt the negative effects of poverty. As UNICEF (1996:24) put it, "the attainment of independence regretably

54 A humanist philosophy (discussed later in this section).
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overshadowed the need to think policies through and guard against their possible detrimental consequences." The philosophies of 'humanism' and 'nationalisation' are examples of strategies that later proved disastrous for a government that wanted to transform the country into an industrial modern economy.

Humanism became a national philosophy of Zambia. It became a basis of all policies and programmes of the ruling party and government. All the development effort during UNIP's reign was based on humanism. It is a way which emphasised the importance of 'Man' as the centre of all activity. Zambian humanism provided the moral basis for all human activities in the country whether it be political, economic or social.55 UNICEF (1996:24) notes that Zambia's humanist experiment was presented as a great venture that would remove the injustices of the colonial past, redistribute wealth, improve the welfare of the people, and rapidly transform the country into a modern industrial power. But in the absence of realistic strategies for accomplishing this, the policies led to huge consumption binge that only stopped when the country's reverses had been depleted and enormous debts had been incurred.56 By that time, Zambia was impoverished and it had become much more difficult to invest in the people and help them improve their livelihoods based on exploiting the country's resource strengths.57

To make matters worse, the Mulungushi Reforms of 1968 implemented a policy of nationalizing ownership of the economy. The mining industry together with a number of foreign owned firms active in manufacturing, transport, retail and wholesale distribution, and newspaper publishing were all nationalized (Saasa cited by Andersson et al 2000:11). Thus, the government took over the role of the economic engine (Andersson et al 2000:11). Nationalization was seen as the only way to avoid the majority of the country's productive base continuing to be owned by foreign interests. The UNICEF study notes that a common experience shows that African countries that attempted to nationalize their economies, the parastatals proved to be disastrous inept at running businesses (UNICEF 1996:25).

Under these circumstances, little attention was given to the role that the market or private sector could play in economic development. In the longer-term, this extension of Zambian control over the Zambian economy has had some considerable benefit, yet in the shorter-term, some disruption, particularly in the private sector, followed by the economic reforms have adversely affected the performance of the Zambian economy. Thus, from the beginning, political interference has indeed engendered unfavourable conditions for

55 For a detailed discussion on Zambia Humanism see William Tordoff (1974), 'Politics in Zambia'.
56 Ibid.
57 Ibid.
economic and social development endeavours in Zambia. It is argued that government’s reluctance to diversify and restructure the economy immediately after independence, and its failure to sustain the economic reform programmes has contributed to the manifestations and causes of poverty that Zambia is experiencing today.

**Poverty Assessment in Zambia**

Poverty in Zambia is wide-spread. A number of indicators mentioned in the previous section clearly illustrate the country’s far-reaching poverty problems. With GDP per capita of US $370 (1993), the country belongs to the group of the least developed countries. For the last twenty years, Zambia’s economic has drastically declined, and the government can no longer sustain the provision of social services to its population. In spite of implementing the far-reaching policy reforms, the Zambian economy has faced fluctuating levels of growth. The Zambia Human Development Report (1998:6) notes, negative growth in 1991 and 1992 was followed by positive growth 1993, followed again by negative growth in 1994 and 1995 followed by positive growth in 1996 and 1997. The report also states that the overall growth rate has been a meagre 1 per cent during the last seven years. It further notes that per capita real GDP growth has been mostly negative between 1990 and 1995 and was slightly positive only in 1996 and 1997.

Basing on these statistics, this means that between 1990 and 1997, the overall per capita growth has been negative. Kunda (1999:31) observes that the Zambian economy has been undergoing a marked recession in nearly all sectors, with several indicators pointing in the direction of negative gross domestic product. Similarly, Chisanga et al (1999:38) note that as a result of the decline in the national economy, essential commodities and services have been in short supply, and inflation has reached unprecedented levels. In spite of the socio-economic impact of structural adjustments on the population, the Zambian government’s present strategy is to continue the reform programme. The government argues that the long-term goals of the structural adjustments are to reduce inflation and stabilise the economy

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with a view to stimulate growth, reduce poverty and improve the living standards of households.\footnote{Extreme poverty in Zambia is a relatively recent phenomenon. At independence in 1964, Zambia's copper exports placed it among the relatively affluent countries of the sub-Saharan Africa. However, in the mid-1970s, when copper prices fell and production declined, Zambia became one of the poorest countries in the world, its national debt increased severely and inflation became rampant. The country is now servicing huge international debts. In fact, this was the beginning of Zambia's downturn and since then, poverty has spread rapidly.}

However, in cooperation with the IMF and the World Bank, the government of Zambia, with varying degrees of success, has attempted to halt economic recession and create a basis for economic growth as a provision for fighting poverty. As pointed out elsewhere in this study, the Zambian government is aware of the fact that poverty is a very serious problem. It has become the greatest challenge and is an area of immediate concern for the government, non-governmental organizations and civil society. For example, it is against this background that in 1992, the Zambian government, through the Ministry of National Commission for Development and Planning, together with the World Bank, embarked upon a worthwhile exercise 'Poverty Assessment in Zambia'.

The findings of the study included the following: 54 per cent of Zambian population live in absolute poverty, they cannot meet their basic needs; 14 per cent are poor, meaning they can only afford to meet their basic needs and; 32 per cent are rated as non-poor (see Zambia Association for Research and Development 1995:2). Realizing the magnitude of the problem from the study, several recommendations were made for action; a priority list was drawn to be for immediate action. The basis for selection was that those chosen had an immediate and important impact on the longer-term development plans. Since the government's major concern is to reduce poverty, the plan of action for poverty reduction included (1) to ensure pro-poor macroeconomic framework, (2) facilitating the poor's response to the reforms, (3) improving human resources and (4) improving safety net activities (we shall discuss these points later in this chapter).\footnote{For a detailed discussion on the proposed immediate action plan for the implementation of the Poverty Reduction Action Plan, the reader is referred to Chapter 10 of the study on Zambia Poverty Assessment by World Bank (1994).} These actions are said to correspond with the immediate action proposed by the poor (see Zambia Poverty Assessment 1994:218).

It is worthwhile to note that after independence the government of Zambia did not device plans to develop an economic policy that would provide adequate opportunities for the rural poor to increase their income, as well as generate employment for the fast-growing urban labour force. Instead, what the government did was to follow a strategy that relied on copper earnings and tax revenues to fund investment in import-substituting industries and to
provide resources for expanding public sector employment, government services, and consumer subsidies (World Bank 1994:i). The following section examines the experience of policies aimed at bringing about structural adjustment in Zambia from 1981 to 1991. We shall begin by examining the main problems of the Zambian economy which had emerged by the end of the 1970s.61

Zambia's Economic Strategies and the Politics of Adjustment

Zambia is an interesting case study, in that upon attaining its independence, the country inherited a relatively sound economy, albeit on account of earnings from the copper export. Indeed up to the early 1970s, the government of Zambia through its copper mining industry registered impressive growth rates and was able to accumulate modest foreign reserves. However, from the mid-1970s onwards, Zambia began to experience economic decline.62 During the period we review, the Zambian economy suffered negative per capita growth, severe current account instability, gathering inflation and unmanageable fiscal deficit. The initial reaction by the government of Zambia was to treat the setbacks of the mid-1970s as temporary. It thus responded to the crisis by making impromptu, short-term cuts in public expenditure, and by heavy borrowing. The government borrowed externally (mainly from IMF and the World Bank) to support the balance-of-payments, and internally from the banking system to fund budget deficits.

Both external and internal factors have contributed to Zambia's economic failures. The poor economic performance largely reflects the declining in copper price and output, rising import prices, frequent droughts, fluctuating policies, and delays in applying adjustment policies. Political and security factors also contributed to Zambia's economic decline. Southern Rhodesia's (now Zimbabwe) unilateral declaration of independence (UDI) caused tension between Rhodesia and Zambia. The subsequent imposition of sanctions eventually led to the regime in Rhodesia to close the border along the Zambezi River for everything but not Zambia's copper. As matter of the country's pride, in 1975, Zambia chose to impose its own sanctions on Rhodesia by re-routing its copper exports through the new Tazara railway which linked the Copper with Dar-Es-Salaam, in Tazania. Also in an effort to reduce imports form the south, the Zambian government exploited domestic coal and

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61 Some of the problems are discussed in Chapter 1; we shall only therefore refer to them where necessary.

62 Some of the causes of Zambia's economic decline are discussed in Chapter 1.
developed new hydroelectric schemes. As noted by Chakaodza (1993:33), the economic costs of the sanctions of this kind were so enormous for Zambia that they further eroded the country's external reserves.

On the positive note, Zambia achieved a moderate rate of economic growth and relative price stability largely due to these strategies, favourable international copper prices and substantial amounts of bilateral donor assistance in response to the Rhodesian situation. Both Bonnick and Jones note that between 1965 and 1973, GDP grew at an average rate of 2.4 per cent a year, with the manufacturing sector growing at 9.8 per cent (Bonnick 1997:48; Jones in van der Geest 1994:25). This prosperity was entirely dependent on income from the mining sector.63

Zambia also played host to a number of liberation movements in Southern Africa such as the African National Congress (ANC), Zimbabwe African People’s Union (ZAPU), National Union for the Total Independence of Angola (UNITA) and other political groups. Thus, Zambia's support for these liberation movements was done at a great economic cost to the country and its people. The country became an obvious target for counter-subversion by agents of white regimes in Southern Africa. On several occasions, Zambia suffered military offensives, including air raids in Lusaka in 1978 and 1979. The argument here is that some of the disruptions to Zambia's economic performance were partly as a result of political and security situations in the sub-region. However, it is important to note that the political and security factors observed here were merely the symptoms and not the underlying causes of Zambia’s economic ills. As Chakaodza (1993:33) rightly points out, they were simply contributory factors to an economic situation which had started sliding as far back as the early 1970s.

Andersson et al (2000:9) note that "on the eve of the multi-party elections in 1991 real per capita income had more than halved since 1970, gross national savings represented only 6 per cent of national income, as opposed to 18 per cent in 1970, while gross investment had fallen to less than 10 per cent of the national income, down from close to 40 per cent in 1970. The economic shocks of the 1970s and 1980s, as well as economic mismanagement brought about this decline. We now turn to the politics of adjustment. We shall begin by giving a summary of some developmental plans that Zambia designed at the outset of independence to restructure and diversify the economy.

63 In Chapter 1, as well as in the preceding section, we have discussed what happened to copper mining industry, particularly how the drop in copper production and decline in copper prices from the mid-1970s onwards had a bearing on the economic development of various sectors in Zambia.
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Prior to independence a white minority dominated Zambia's political economy. Mineral exports were and continue to be important in Zambia as a result of mining and the role of the white settler population. Taking into account the capital investment techniques the mining sector uses, the new Zambian government could not rely on it to generate the employment that the country yearned for. It was inevitable that, after the neglect of the colonial era, the government had to redress its economic dependence on copper mining by diversifying the economy. It adopted a framework entitled 'Development Planning and Economic Performance'. The framework adopted was to run under four different plans namely, First National Development Plan (1966-1970), Second National Development Plan (1972-1976), Third National Development Plan (1979-1983) and Fourth National Development Plan (1989).

According to Mwanza (1992:4), the emphasis during the First National Development Plan was on the development of infrastructure, especially health, education, energy, and transport. Owing to the high prices of copper during the immediate post-independence era, the objectives of the first plan were realised. The Second and Third Development Plans were aimed at the expansion and transformation of the agricultural sector, reduction in inequalities, development of tourism, real GDP growth, increase in savings and the bridging of the export-import gap (see Mwanza 1992:4-11). Due to the economic shocks caused by the world oil crisis and the slump in copper export prices, the objectives of these plans were not realised. The Fourth Development Plan whose objectives were to strengthen the process of 'Growth From Our Own Resources' that began 1987 was never implemented because the donor agencies refused to support Zambia's New Economic Recovery Programme (NERP), which was seen as a major departure from the IMF/World Bank's structural adjustment programme.

Confronted with economic problems, strong opposition for trade unions and the business sector, the government approached the IMF and World Bank for assistance. Chakaodza (1993:35) notes, "in order to stop the decline in foreign exchange reserves as a result of falling copper prices, and to reduce demand and encourage domestic production, Zambia negotiated a 'compulsory financing facility' (CFF) with the IMF in 1971." Furthermore, a number of loan agreements were made between Zambia and IMF during the period 1973 and 1986. Also Bonnick (1997:50) states that the World Bank made two programme loans to help Zambia cope with the 1973 oil price shock and the collapse of copper prices in 1976, but in general lending continued to be spread over operations in infrastructure, energy, agriculture, education, and financial intermediation.
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The IMF imposed their conditions on the stand-by arrangements and Extended Finance Facilities (EFF). Chakaodza (1993:35) notes that the conditionality included ceilings on overall credit and credit to government, as well as a reduction in government deficit spending from 12 per cent to 7 per cent of GDP. This programme was tied to a three-year World Bank investment programme to reorient expenditure from infrastructure to agriculture and industrial products.64

In 1981, the EFF Agreement that was reached between Zambia and the IMF placed more emphasis on structural adjustment and provided at least three years for the adjustment to take place.65 From 1981-1985, Zambia attempted its first phase of reform. It adopted a medium-term adjustment programme to cover the period 1981-1983, supported by the EFF arrangement of Special Drawing Rights (SDR) 800 million (Jones in van de Geest 1994:26). However, in 1982, the agreement was discontinued after only one year because the Zambian government had failed to meet the IMF criteria (see Bonnick 1997:50; Chakaodza 1993:36).

During the 1970s there was little concerted effort at adjustment despite three IMF stand-by agreements and the World Bank programme loans (Jones in van de Geest 1994:26). Andersson et al (2000:18) note, "in 1978, Zambia received financial assistance from the IMF, what would turn out to be a long, and not recrimination free, relationship had begun." Andersson et al (2000:18) further cite Ndulo and Sakala (1987) who state that the Action Programme was to cover two years and the main objectives were to restore balance-of-payments equilibrium and to reduce the rate of inflation.

Gulhati (1989) cited by Jones (in van der Geest 1994:26) observes that major cuts in public expenditure were made under IMF stand-by's in 1976 and 1978, but these were poorly planned and impacted most heavily on recurrent costs, capital investment and senior grade salaries with debilitating effects on the capacity of the government. Jones also notes that nominal subsidies on staple foods were increased in the 1970s in an attempt to cushion the impact of the national real income loss on the urban poor.66 Zambia did not seriously undertake fiscal and exchange reforms; hence by 1982 the country had an acute financial and economic crisis.

The Zambian approach to its economic recovery was to borrow heavily to postpone economic reform, but when private sources of credit dried up the same year, the country could postpone reform no longer. In January 1983, the government formally agreed to

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64 Ibid.
65 Only after the Zambian government had accepted to need for reform and returned to the IMF in 1980 was the EFF arranged.
66 Ibid.
commit itself to comprehensive structural adjustment programme, within the framework of the IMF economic package. In this package, the conditions included a 20 per cent devaluation of the kwacha against the SDR, the decontrolling of prices, avoidance of general increases in civil service pay and employment, reduction in public expenditure, particularly subsidies and the imposition of new taxes, as well as ceiling of 10 per cent on wage incomes (see Jones in van der Geest 1994:28-29). At the same time the Zambian government took the following measures: gave retailers and wholesalers the freedom to rise prices (subject to export review) except in the case of a few essential commodities; it gave exporters preferential access to half of their foreign exchange earnings; it increased the price of maize meal by 30 per cent and of fertiliser by 70 per cent; and it introduced a 4 per cent mineral export tax (see Bonnick 1997:50). Precisely, the objectives of the 1983 programme were to strengthen incentives for production, diversify exports and promote economic growth. But Andersson et al (2000:19) argue that in practice the government embarked on policies that focused on the reduction of aggregate domestic demand.

Graham (1994:154) argues that in the 1980s the Zambian government lacked the political base and even more the will to sustain an adjustment programme. Bonnick (1997:51) talks of logistical and personal difficulties involved in implementing the new programme, including a lack of enthusiasm from second-level managers and vacillation on the part of the state President Kenneth Kaunda. When there was a popular resistance to the conditions attached to the IMF and the World Bank support, such that Kaunda perceived the political cost to himself as high, he turned away from the IMF and the World Bank. Although the Zambian government resisted opposition to its policies manifest in students' riots in February 1984, but more widespread industrial unrest in the first half of 1985 led government to relax its financial policies. Bonnick (1997:51) argues that combined with the declined in export earnings, this softening of financial polices aggravated the country's fiscal and external payments problems.

The structural adjustment programme and economic reform are not new to Zambia. As early as the 1970s, when copper prices collapsed, the Zambian government sought

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67 A major increase in government commitment to reform occurred in October 1983, following successful general and presidential elections. The government reopened negotiations with the IMF, the World Bank and bilateral donors for financial support for the previous agreed adjustment programme. The government started the ambitious process of implementing the conditions attached to various stand-by agreements and Extended Finance Facilities.

68 Both the students' riots and the industrial unrest were as a result of cuts in subsides and price decontrol on most commodities produced or marketed by public enterprises (leaving only the prices of maize, wheat flour, bread and candles to be determined by government). For example, consumer prices rose from 13 per cent in 1982 to 33 per cent in 1985. Much of the blame of this escalation is often put on the rapid depreciation of the exchange rate.
assistance from the IMF to rectify imbalances in the balance-of-payments (see Figure 1, Appendix II). Before 1985, the government demonstrated little commitment to the reforms or to the compliance with the IMF and the World Bank conditionality. As shown in the previous section, the implementation of reforms was half-hearted and opportunistic, and the programmes were repeatedly suspended whenever they were no longer politically expedient.

Notwithstanding the increasing political opposition, the Zambian government adopted an intensive reform effort in 1985. The reform programme implemented during this period focused on three main objectives: reduction of distortions in the economy by decontrolling prices; improvement of incentives for greater production and diversification; and strengthening the government's capacity for economic management (see Jones in van der Geest 1994:29). Analyzing the 1985 objectives, this programme represented an effort to revitalize the 1983 reforms. According to Jones (in van der Geest 1994:33) and Bonnick (1997:51), is the most important measure during the phase of intensive reform, was the replacement of the crawling peg exchange rate system with an auction-determined rate system, which produced a devaluation of the kwacha from K2.2 to K5.15 to the US dollar at the first auction. When the crawling peg exchange policy was introduced in 1983, it was a flexible system. The government closely monitored the pace of the exchange depreciation of the kwacha.

With the introduction of the auction system, it meant that Zambia's future was left to be decided by market forces rather than through democratic debate by Zambians themselves. Another difference was that the discretionary administrative procedures for import licensing and foreign exchange allocation, which were restrictive and inefficient, were scrapped (see Bonnick 1997:51). Basing on Zambia's tendency to tinker with its reform programme in order to satisfy responses from its local constituencies, the World Bank made its support conditional on the government successfully bringing the crisis under control, adopting effective reform measures, and diversifying the economy.

In spite of Zambia's adhering to the IMF and the World Bank conditions, as well as to the auction system, the rate of the kwacha continued to fall sharply. By June 1986, the rate reached K7.5 to US$1, and by the end of 1986 the kwacha tumbled to K19 to the US dollar. According to Bonnick (1997:51), the GDP growth in 1986 was close to zero, making the 1983-1986 adjustment period one of zero growth, inflation rose and budgetary and trade deficits widened. Moreover, the devaluation of the kwacha and the government's attempts to reduce the budget deficit by reducing food subsidies resulted in food shortages. In December
1986, food riots broke out in the Copperbelt and Lusaka after the government had raised the price of maize, which is Zambia’s staple food.

In January 1987 the rate of the kwacha was pegged at K15 to the US$, and by the end of April the same year it had reached almost K21 to the US dollar. Consequently, on May 1, 1987, concerned about the rapid devaluation of the kwacha and the rising social unrest on the Copperbelt in particular, President Kaunda announced that Zambia was abandoning its reform programme with the IMF and the World Bank, and would pursue its adjustment programme (Chakadza 1993:37; Bonnick 1997:52; Andersson et al 2000:20). The government suspended the auction system and fixed a rate of K8 to the US dollar, and to the so-called New Economic Reform Programme was introduced (NERP). The launch of the NERP implied a departure from the earlier liberalization attempts. As observed by Andersson et al (2000:20), it indicated a partial return to the ‘command economy’ approach of the 1960s and 1970s. Under the NERP, adjustment and growth were to be through the country’s own resources, (based on the slogan, ‘Growth From Our Own Resources’).

The main feature of NERP was the desire to break away from reliance on external funding and conditionality imposed by external creditors, and to reassert visible government control over key economic variables and decisions which reform programme had tended to decentralize and politicize (see Jones in van der Geest 1994:31). The NERP advocated the following policies: the reimposition of price control of some 23 ‘strategic’ commodities; the pegging of the exchange rate, which would be determined by the exchange allocation committee; fixed interest rates; and the ceiling of debt servicing to 10 per cent of export earnings (see Weeks and Mosley in Lennart 1998:180; Andersson et al 2000:20-21). In the short run, the NERP was reasonably successful in achieving its objectives, substantially aided by a fortuitous increase in world copper prices (see Mwanza 1992:28: Jones in van der Geest 1994:31: Weeks and Mosley (in Lennart 1998:180; Andersson et al 2000:21).

Zambia’s decision to suspend the structural adjustment programme and to go it alone in 1987 did not sit well with the IMF, the World Bank and other donor agencies. Though government had anticipated little foreign assistance for its new programme, the massive investment to be undertaken presupposed access to substantial financial resources (Andersson et al 2000:21). The IMF, the World Bank and the donor agencies put a halt to their programmes. However, by 1989 the balance-of-payments pressure was again intense as new loan sources dried up, and price controls began to break down as inflationary pressure grew (Jones in van der Geest 1994:32). By the end of 1988, the Zambian government

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69 Under the ‘command economy’ approach, government controlled all public and parastatal enterprises.
admitted that the NERP was not solving the country's economic problems. Bonnick (1997:52) notes that in November 1988, the kwacha was devalued by 25 per cent and pegged to the SDR. On the fiscal side, maize meal prices were tripled, and in January 1989, the Zambian government introduced a coupon scheme in a bid to eliminate food subsides altogether in the long run.

In 1989, the Zambian government decided to make a gradual return to adjustment. In August of the same year, a Policy Framework Paper (PFP) for the period 1989-1993 was agreed which formed the basis for an official 12-month trial stabilization attempt (Jones in van der Geest 1994:32). In July of the same year, the kwacha was devalued by 63 per cent, and the government decontrolled prices for all goods except for maize (Bonnick 1997:52). The liberalization of the early 1980s was reintroduced. The Zambia government recommitted itself to a comprehensive structural adjustment programme under the theme 'New Economic Programme' (NEP). The traditional instruments such as tight monetary and fiscal policies were to be used in an attempt to stabilize the economy creation (Andersson et al 2000:21). It also announced that the domestic credit creation was to be reduced, and that government would reduce subsides and improve revenue.70 The government acknowledged the need to a civil service reform and a parastatal reform, as well as carrying out some privatization.71 After some initial progress with the programme, it almost collapsed in 1991 due to pending presidential and parliamentary elections.

The Zambian government began to backtrack on the reforms agreed with the IMF, the World Bank and bilateral donors. For example, the government gave in to exorbitant wage demands by the civil service employees, it put to a halt the removal of subsides on maize and fertilizer, there was little action on privatization of the large parastatal sector, and resorted to expansionary fiscal measures, while allowing debt service to fall into arrears (Bonnick 1997:53; Andersson et al 2000:21). Consequently, most donors froze their support to the programme just before the elections in 1991.

In February 1992, the new government under the Movement for Multiparty Democracy's (MMD) reached an agreement with the IMF and the World Bank on a policy framework paper (PFP) for 1992-1994. The PFP outlined a comprehensive policy of reforms for stabilizing and restructuring of the Zambian economy and stimulating growth. The MMD's Economic Reform Programme (ERP) was in a way, a continuation of the NEP. Andersson et al (2000:22) note that the introduction of the ERP implied that the new

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70 Ibid.
71 Ibid.
government took advantage of its popular support and tried to distinguish itself from the old government that was now associated with economic control and lack of credibility in managing the reform process. The MMD's ERP focused on three sets of policies: the removal of subsidies, economic liberalization and stabilization, and the privatization of state-owned enterprises. The IMF, the World and other agencies responded by resuming their financial support to the Zambian reform programme.

Since the MMD took over the administration of Zambia in 1991, it has initiated a series of ambitious market-oriented economic reforms aimed at reducing state participation in and control of economic activity. Prices have been decontrolled and subsidies eliminated; the exchange rate and interest rates are now market determined; quantitative restrictions on imports have been eliminated; import tariffs have been reduced and their structure simplified; crop marketing has been liberalized; and parastatal monopolies have been ended. A Privatization Act was passed in July 1992, and the Zambia Privatization Agency was created to convert state-owned enterprises to private ownership. The MMD is convinced that privatization of state enterprises is key to government's efforts to raise efficiency, promote private sector development, and bolster economic growth.

Despite the impressive pace of the economic reform, its impact has been limited due to a combination of problems: continued poor performance of the copper mines, falling copper prices, a series of droughts, and aid shortfalls related to donors’ concerns about economic management and governance issues. For example, the 1992 to 1994 prolonged drought caused a rise in food imports, which diverted foreign exchange from industry inputs, so industry capacity could not be utilized (see Bonnick 1997:54). Available official statistics also show that the drought drained government's meager resources for implementing of measures such as civil service reform (CSO 1996:5). In spite of these difficulties, the MMD government had made a considerable progress with macroeconomic stabilization. A study by UNICEF (1996:91) notes that by mid-1994, inflation was being brought under control, the exchange rate was market-determined, domestic prices had been liberalized, virtually all subsidies had been removed, and the government deficit had been eliminated.

The main emphasis of SAP and the economic reform has been on promoting the role of markets in efficiently allocating national resources and reducing government intervention in the economy. In 1992, the MMD government presented a policy of rapid depreciation in its national budget. It further went on to broaden the retention market rights from 50 per cent to 100 per cent and it switched from a list of permitted imports to a less restrictive list of prohibited imports under the Open General License system (see Andersson
et al 2000:22). Finally, in September of the same year, the government introduced 'bureaux de change' to determine the market exchange rate, together with an official crawl in October 1992. Two months later, in December, the official exchange rate was unified, and since then, the 'bureaux de change' market determines the sole exchange rate. Adam et al (1993) cited by Andersson et al (2000:22) argue that this resulted in a large nominal depreciation in December, which in fact was the first real depreciation of the kwacha since 1986. UNICEF (1996:91) notes that the kwacha, which stood at an average of K180 to the US$1 in October 1991, had depreciated to around K800 to the US$1 by early 1995.

During the past decade, low inflow of donor funds and low copper production have resulted in a continued depreciation of the Zambian currency. The exchange rate in 1998 was K1892 to the US$1.72 While the depreciation of the kwacha has been favourable to exporters, it has had detrimental effects on the general living standards. As observed by UNICEF study, Zambia is highly import depended and therefore movements in the exchange rate have a major impact on the general price level (UNICEF 1996:91).

The Zambian government committed itself to privatization and parastatal reforms. Work on the privatization of public enterprises had started in 1990 under the UNIP government. For example, in 1991, the first offer for sale of seven companies was announced and an Investment Code was established to complement the privatization initiative (UNICEF 1996:93). With the enacting of the 1992 Privatization Act, significant progress has been made in implementing the privatization programme, which started 1993 with a list of about 138 companies to be privatized.73 The Zambia Privatization Agency was restructured in 1994 and approved more than 100 companies for sale during 1995. The MMD government was determined to close state-owned enterprises that were not financially viable. In 1995, two large loss-making parastatals, Zambia Airways and the United Bus Company of Zambia (UBZ) were liquidated and the public sector holding company, Zambia Industry and Mining Cooperation (ZIMCO), was dissolved (see Bonnick 1997:56).

The number of companies to be privatized was increased to 282 entities in December 1998, of which 224 have been privatized. The government was studying the privatization of companies as such Zambia Railways, the Zambia Consolidated Copper Mines (ZCCM) and other parastatals in infrastructure and energy. In the mining sector, six small copper and cobalt mines and ZCCM's Power Division were sold in 1997-98. ZCCM was finally sold in 1999. As Bonnick (1997:56) observes, this progress has not been without difficulties, as the

72 By the end of October 2000, the kwacha was pegged at average of K3450 to one US dollar.
government has often hesitated before undertaking these measures and an intense and at times tense, dialogue with the donor community has been an important factor in the progress. Above all, widespread retrenchments have accompanied privatization of public enterprises, leading to significant increases in unemployment.

**The Socio-Economic Impact of Structural Adjustments on Zambians**

In the last section an attempted was made to examine some main elements of Zambia's own economic strategy, as well as the structural adjustment programme as prescribed by the IMF and the World Bank. In the light of the above analysis, this section attempts to assess the general impact of these reforms on the Zambian population. Some advocates of structural adjustment programmes argue that the programmes are not bad in themselves and that they are essential elements in any economic recovery programme. In their view, the problem in most countries, they argue, has been the speed at which structural adjustment programmes are implemented, and the poor planning and preparation to cushion the poor from their effects. On the other hand, critics of the structural adjustments maintain that these programmes were wrong for the developing countries, Africa in particular. They argue that they have brought immense suffering to the majority of people in the countries that have implemented these radical policies. What has been Zambia's experience of structural adjustments?

There is no question that the Zambian economy had in recent years to make major structural adjustments in order to be both more efficient and more equitable. Indeed, the decline in social services, physical infrastructure and the drying up of outside investments, all are signs of the need to move away from the 'command economy', inefficient and sometimes corrupt economic management. But was the vigorous implementation of the structural adjustment programme the right approach for a country like Zambia whose economy was already adversely affected by the oil shocks and the decline in copper prices? SAP is considered as a response to an economic crisis in which government tries to make amends to what has gone wrong in the structure of the economy. As argued by advocates of the programme, the intention of its policies are good and positive but its implementation in Zambia has left numerous social problems on the actual intended beneficiaries of the programme (see Zambia Association for Research and Development 1995:3).
Zambia is by no means a stranger to structural adjustments. The country has gone through several abortive attempts to implement structural adjustment programmes since the 1970s. The policies of the 1970s created limited development for a small proportion of urban area population along the line-of-rail (see World Bank 1994:103). This is because soon after independence the Zambian government gave priority to a modern industrial economy and in doing so neglected agriculture and rural development. As a fairly urbanised country, Zambia's agricultural policies have also sought to satisfy the food requirements of urban dwellers. At the heart of this problem was the objective of ensuring that the cost of food for urban dwellers was kept low, both to reduce the costs of urban labour and, as economic conditions worsened, to contain urban discontent (UNICEF 1996:81).

Little has been done regarding the fundamental need to orient agricultural policies and support activities towards characteristics of rural development. Zambia's past neglect of agriculture and rural development has immensely contributed to the country's present economic and social problems. The result of this failure is that by 1991 some 88 per cent of the rural population were living below the poverty line, including 76 per cent core poor (UNICEF 1996:81). The core poor are defined as those whose household expenditure is less than that required for a basic food basket.\(^74\)

As earlier indicated, immediately after winning the elections, the MMD enthusiastically implemented the 1989 IMF/World Bank structural reforms, which included the removal of subsidies, price control, auction of treasury bills and the creation of the Zambia Privatisation Agency and the Stock Exchange. These were introduced at once, and had greater impact on the lower-income group people. A point reiterated by Chakaodza (1993:39) who argues that the social and economic impact of IMF and World Bank policies on different social groups in Zambia were adversely felt by women, children, peasants and the working class in general. As indicated in the previous section, the removal of subsides and the decontrolling of prices led to the skyrocketing of prices and as a result most Zambians could not cope with the high cost of living.

The devaluation of the kwacha has brought unimaginable suffering, particular amongst female-headed households. Chakaodza (1993:40) argues that the devaluation of the kwacha had a negative impact on local demand and this process had destabilising effects on income distribution. He further claims that this resulted in large black marketeering because

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\(^74\) The Jesuit Centre for Theological Reflection (JCTR) has since 1991 carried out simple surveys of prices of basic food stuffs in the Lusaka area on a monthly basis. These surveys provide a fairly accurate picture of the rising costs of living in Lusaka, by compiling what is called "An Estimated Food Basket for a Family of Six in Lusaka." See http://www.jctr.org.zm for more details of household survey.
domestic inflation rose out of proportion.\textsuperscript{75} It is worth mentioning here that a lot of households in both urban and rural Zambia are headed by women. A study by Graham (1994:168) shows that 72 per cent of those in low-paid occupation as food sales are female, and workers in low-paid occupations make up one third of all female-headed households. Thus, it is likely that a significant per cent those who have suffered heavily from the impact of structural adjustment are female-headed households.

The privatization of state-owned enterprises has caused massive job losses for many people in Zambia through retrenchments, redundancies and early retirement. Similarly, the interest rates policy the structural adjustment period made borrowing too costly, with the result that large numbers of companies went out of business, thus increasing already the high unemployment levels in the country (see Chakaodza 1993:40). For example, in 1997, the Zambia Privatization Agency states that 60,000 jobs have been lost since 1991 due to liberalization policies (SAP Monitor May/July 1997).

The agency further notes that of these job losses 6000 have been attributed to the privatization programme during the period 1992-1995. In the Letter of Intent dated March 10, 1999, which describes the policies that Zambia intends to implement in the context of its request for financial support from the IMF, the government adopted in September 1997 a comprehensive public reform programme, with a twin objective of reducing excess employment in the public sector and improving the delivery of public services by, \textit{inter alia}, eventually offering a more competitive remuneration.\textsuperscript{76}

Under this programme about 15,000 workers were retrenched between December 1997 and end of 1998. The original plan envisaged a reduction in the size of the public service to 80,000 employees by the end of 1999. With the assistance of the World Bank, the Zambian government was targeting a reduction in the number of civil servants to 112,500, by removing about 7,000 civil servants from the payroll through retrenchments, natural attrition, and the having off of public institutions. With such massive retrenchments, most Zambians have been forced to participate in an overcrowded informal sector. In her study, Graham (1994:168) noted that approximately 161,000 workers are below the poverty line, while at least 98,000 are in extreme poverty, many of whom are women.

While SAP has caused a decline in the formal employment, it has led to a surge in informal sector employment. For women in particular, the informal sector has proved valuable in providing alternative sources of income given their exclusion from mainstream

\textsuperscript{75} \textit{Ibid.}  
\textsuperscript{76} See http://www.imf.org/external/np/loi/1999/031199.htm
economic active. However, the only concern is that at present the informal sector in Zambia offers neither job security nor social protection. With so many people already in the informal sector, there may be a limit to how many workers it can absorb at a time of increased unemployment. Given the government's plan to continue to downsize the civil service, the informal sector is likely to expand in a lateral direction, and that is to say, when more low-skilled workers enter the sector, wage levels will fall.

Another impact of structural adjustment in Zambia is that basic services such as health and education have also deteriorated. Graham (1994) interviewed a small number of randomly selected urban and rural groups in Lusaka, who indicated that the lack of health services is a primary concern of the poor, followed in order of importance by the state of schools. The introduction of user-fees in hospitals and schools has had adverse effects on the poor. Many people simply do not go to the doctor, or afford to send their children to school. The health system in Zambia suffers from persistent shortage of essential drugs, inadequate staffing levels and medical equipment and dilapidated health infrastructure. In the educational sector the situation is similar to that in the health sector. Most educational institutions have inadequate teaching staff and low morale due to poor conditions of service, shortage of teaching aids and overcrowded classrooms.

On a more positive note, efforts are being made by the Zambian government to improve the socio-economic status of women and increase their participation in the social and economic development of the country. The government, non-governmental organizations and the donor community are focusing on basic needs of women. Various strategies and programmes are being implemented to provide women with access to resources, assets and social services. An increasing number of structural adjustments oriented programmes and projects concentrate on women's access to education, credit, improved maternal health, and decision-making. However, the Zambian government, the non-governmental organizations, the donor agencies and individual families all acknowledge that the structural adjustment programme free-market liberalization policy changes and that the attendant cuts in social supports have exacerbated poverty in Zambia (Chisanga et al 1999:39).

While it is true structural adjustments have helped Zambia to experience moderate rates of economic growth, this growth in and itself has not automatically translated into poverty reduction. In Zambia, adequate investment in health, education employment and food security are important prerequisites of poverty reduction. Given the Zambian experience, the structural adjustments have failed to give priority to the provision of such
prerequisites. In sum, this overview of structural adjustments shows the complexity of the adjustment process in Zambia. Although no obvious conclusion can be made at this stage, however, when structural reforms are pushed to the extreme as in Zambia, are viewed as "the cruel reflection of a destructive economic model" [Chossudovsky (1997) cited by Chisanga et al 1999:39].

Human Development Indicators in Zambia

Taking into account the major indicators of human development, Zambia is classified as one of the poorest countries in the world. According to the UNDP Human Development Report 1999, Zambia now ranks 156 out of 174 nations, having fallen consistently over the past years, from 136 in 1996, to 146 in 1998. 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 World Bank study (1994:171) indicates that since the mid-1980s, social indicators have, however, all worsened along with the overall decline in the economy. Chisanga et al (1999:39) note that with the implementation of the structural adjustment programme since 1991, some desired changes have set in, however, the negative impact on the poor and vulnerable groups has been severe and has shown little to no signs of improvement as SAP reforms have essentially incapacitated many institutions responsible for providing a safety net of social welfare services.

After independence, Zambia made impressive progress in the provision of health and education to its population. The study by the Zambia Association for Research and Development (1995:11) indicates that the in the 1980s the health sector was good, with stocks of medicine and very good services. On education, the same study states that basic education was made free for all Zambians of 7 to 16; more schools were built; capital and equipment were given to aid missionary schools. But in the mid-1980s saw a dramatic fall in

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77 Human development is defined as a process of enlarging the range of people's choices, increasing their opportunities for education, health care, income and employment, and covering the full range of human choices from a sound physical environment to economic and political freedom (also see HDI's definition in the section on General Concepts and Definition of Selected Terms). Previous concepts of development, such as development as economic growth or modernisation, have tended to view development itself as the objective and have tried to fit people to the chosen ideal of development. In contrast, human development recognises that the fundamental purpose of development must be to improve the situation of the people and therefore that development itself must be human-centred.


79 Ibid.
public expenditure on health and education and even the greater fall in funding for primary services within theses sectors (see World Bank 1994). Since then, the quality of health and education services declined badly. Most significant the share of public spending on health and education in Zambia was only about half that in most other Southern African countries (UNICEF 1996:63).

The quality of health services in Zambia continues to be low; owing to the deterioration of facilities and equipment, shortages of drugs, and a poorly staffed, inefficient, predominantly publicly owned health system.80 As with education (see below), health indicators in Zambia have suffered greatly from economic decline and the escalating HIV/AIDS epidemic. The IMF and IDA Report (2000:14) notes that nearly 13 per cent of children under 14 years are orphans—the highest percentage in the world—and child-headed households are growing in number.

A depressed economy and the escalating impact of HIV/AIDS pandemic have had a negative impact on the education system in Zambia. The net enrolment ratio at primary school level (the percentage of children of primary age enrolled in school) declined from 96 per cent in 1980 to 73 per cent 1993 and to 69 in 1996.81 The IMF and IDA Report (2000:13) states that HIV/AIDS has aggravated staff shortages and reduced the ability of households to afford education, forcing children to stay out of school to care for the sick household members or to replace lost household income.82

With the introduction of the user fees, the health and education have become less accessible for the poor and vulnerable groups (see Chisanga et al 1999:41). Of particular note, 52 per cent of the rural population live outside the perimeter of 5 kilometres to the nearest health centre.83 Although there has been some improvements in the physical conditions of schools in Zambia through rehabilitation, accessibility to education has become a serious problem among the poor both in the urban and rural areas. The withdrawals of children from schools and late enrolments have become major coping strategies among poor households.84

According to the Ministry of Education Report (1995), some 59.4 per cent of boys and 56.7 per cent of girls in first grade were not of the legal entry age of 7 years; most were between 8 and 11 years (Chisanga et al 1999:42). In 1996, the rate of enrolment in rural areas

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81 Ibid.
82 Ibid.
84 Ibid.
was only 62 per cent and in urban areas 81 per cent. The result in both urban and rural areas is increasing illiteracy. Most children who drop out of school, particularly in urban areas end up becoming street children. Chisanga et al (1999:42) note that overall, it is estimated that no less than 50 per cent of school-going age are on the streets because of the lack of family financial resources to meet the school enrolment and attendance requirements.

Food insecurity and malnutrition are also big problems in Zambia. Malnutrition contributes to the high levels of mortality, especially among infants. In 1967 to 1970, surveys showed that in children of five and below, 37 per cent of them had stunting growth, 23 per cent were underweight and 5 per cent wasting. Figures by the 1992 Zambia Demographic and Health Survey pegged these figures at 40 per cent for stunting as a result of chronic under-nutrition over a prolonged period, 25 per cent for underweight and 5 per cent for wasted (see UNICEF 1996:38). Research on food security in Zambia shows that chronic nutrition affects 41 per cent of urban core households and 47 per cent rural poor households (see Chisanga et al 1999:39). The reason behind this decline in nutritional standards is because people are not able to afford food prices. Some studies found that in Zambia the structural adjustment has affected the nutritional standards of people, specifically those in low-income. For instance, a study by the Zambia Association for Research and Development (1995:9) found that by the late 1980s families could only afford between 2 or 3 decent meals per day, but since the introduction the SAP, on average, most families have been reduced to one meal per day. In addition the quantity, quality and frequency of meals have been reduced tremendously in households.

Lack of access to adequate safe drinking water is another manifestation of poverty. Increased access to safe water is vital to the health of the population. The water sector has not been accorded high priority in Zambian public policy formulation and management, and the consequences have been devastating. Currently, about 88.4 per cent of the urban households have access to piped water, but there are serious deficiencies in peri-urban areas and informal settlements (see Chisanga et al 1999:40). About 80 per cent of the rural household use unsafe drinking water. With such statistics, it is not surprising therefore, that since the 1990s Zambia has experienced several outbreaks of waterborne diseases such as cholera, malaria and dysentery, in rural areas in particular.

Access to adequate housing and associated patterns of human development represents important determinants of human development. Although there is almost free
access to housing in Zambia, the degree of access differs by group, particularly in urban areas. For instance, poor households live in overcrowded environments without adequate water supply and sanitation. Most shanty township houses in Zambia are generally set close to each other and the standard of construction is very poor, not least because they do not have financial resources to afford some necessary materials. Because these townships are not planned they are usually located away from the main sources of employment and public services (see UNICEF 1996:73).

In sum, the Zambia's economic policies such as the liberalisation of the economy, high interest rates, removal food and agricultural subsides and decontrolling of prices have being identified as not only being the main contributing factors to low human development, but also as the main causes of poverty in Zambia.

**Strategies for Poverty Reduction in Zambia**

Zambia is one of the most urbanised countries in Africa. The Copperbelt is the most heavily populated part of the country with other concentrations being along the line of rail. There are several rail lines in Zambia. Based on the Central Statistics Office Priority Survey II, the highest population concentration is in Lusaka and the Copperbelt with 48.4 and 46.3 persons per square kilometre respectively. Presently, about 50 per cent of Zambia’s population live in urban areas, making the country the second most urbanised in sub-Saharan Africa after South Africa. The percentage of women in urban areas has tended to be lower than that of men – e.g. it was 39 per cent compared to 42 per cent for men in 1980, and 41 per cent compared to 43 per cent for men in 1992.

The rural-urban migration accelerated after independence. The Zambian government gave priority to developing a modern industrial economy, and in doing so neglected agriculture and rural development. This caused rural-urban migration, which led to the concentration of people along the main railway between Chililabombwe and Livingstone. In 1967 roughly 20 per cent of Zambia’s population lived in urban areas; it increased to 30 per cent in 1969, and 42 per cent in 1990.
A point worth mentioning is that measures to fight poverty in Zambia were started as long as soon after independence. Most of these measures were aimed at rural development such as easy credit measures, resettlement schemes, integrated rural development programmes, rural reconstruction centres and many others. Although substantial resources went into these programmes, no noticeable material change has occurred in the lives of the rural population.

Aware that substantial economic growth is necessary though an insufficient condition for poverty reduction, the Zambian government has over the years been implementing structural adjustment programmes. Zambia has made substantial progress in implementing an ambitious set of economic reforms including important efforts in the areas of privatisation, deregulation and exchange and liberalization. However, most human development indicators remain stubbornly low, and present further challenges to the government’s poverty reduction efforts. In spite of these challenges, the government has undertaken a number of institutional reforms in social sectors and has put forward poverty reduction strategies.

In May 1998, the government adopted the Poverty Reduction Strategy Framework (PRS) as the umbrella for its sector investment programmes (SIPS) and other poverty reduction policies. The PRSF outline five key strategies aimed at reducing poverty levels namely, achieving broad-based economic growth through agriculture and rural development; providing public physical infrastructure; increasing productivity of the urban micro-enterprises and the informal sector; developing human resources; and co-ordinating, monitoring and evaluating poverty reduction programmes and activities (see Zambia Economic Report 1998:87).

In November 1998, the Zambian government drafted a National Poverty Reduction Action Plan (NPRAP) that was to be used to translate the five key strategies into action and programme (Republic of Zambia Economic Report 1998:88). Through the NPRAP the government aims at reducing the overall incidence of poverty from the current 70 per cent of the population to 50 per cent by the year 2004. This plan is to be achieved through rural development, increased investment in infrastructure, the development of human resource, and targeted poverty reduction programmes. As stated in the Letter of Intent of March 1999,

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87 The monitoring and evaluation of poverty levels began with the Priority Survey of 1991 (PS I). Successive surveys to monitor have been conducted such as the Priority Survey 1993 (PS II), the Living Conditions Monitoring Survey of 1996 (LCMS I) and the Living Conditions Monitoring Survey of 1998 (LCMS II). See http://www.imf.org/external/np/prsp/2000/zmb/01/index.htm
the government tended to allocate at least 36 per cent of its domestic (excluding debt service) to social sectors in 1999 to 2001.88

Building on the PRSF, the government of Zambia has prepared an Interim Poverty Reduction Strategy Paper (I-PRSP), which would be developed in a participatory and open consultative process involving civil society. Zambia’s I-PRSP was realised in July 2000.89 This paper briefly outlines Zambia’s past efforts to fight poverty and it states how the government plans to do so in the future through a Poverty Reduction Strategy Paper (PRSP). According the I-PRSP, the PRSP will map out Zambia’s development goals and it will indicate the strategies that will be employed to attain these goals. The I-PRSP further states that poverty reduction, along the lines of the agreed United Nations International Development Goals, which include reducing extreme poverty by half by 2015, will be the central theme of the PRSP. Zambia is committed to produce a PRSP latest by May 2001. Meanwhile, the I-PRSP is serving as a transitional document for poverty reduction.

In summary, we note that the development strategies that Zambia pursued in the 1960s and 1970s were short-lived. As indicated, trouble began to set in during the mid-1970s, when world high copper prices slumped, which coincided with the rise in world oil prices. We have seen that the affluence that Zambia enjoyed immediately after independence overshadowed the need to improve agriculture production. Although the ongoing reforms have set a stage for economic and poverty reduction, they are not sufficient enough to bring about a sharp reduction of the prevalence of poverty in Zambia. Moreover, the review of indicators of human development shows that poverty in Zambia is of crisis nature and is increasing among socio-economic groups. The various social safety nets that the government has put in place are grossly inadequate to mitigate the negative effects of the structural adjustment programme. To this end therefore, the prospects for development processes and poverty reduction in Zambia needs to be more people-centred. In other words, the prospects for improvements for human conditions invariably depend upon giving poor communities and individuals more choice and responsibility over development activities that are intended to assist them (UNICEF 1996:119).

CHAPTER FOUR

THE ROLE OF THE CHURCH

Introduction

In the preceding chapters, an attempt has been to review the conceptual problems of poverty and its measurement, specially the definitions of poverty and the way in which these definitions have developed and changed over time. In addition, I have also tried to analyse two classic poverty concepts namely, the absolute and relative definitions of poverty. However, I should point out that we have not discussed which concept is more productive in explaining the incidence of poverty, but rather my focus was on how various social scientists employ different principles to define and measure poverty. There is a growing consensus that no single definition of poverty is capable of serving all purposes, and that different approaches may complement each other in capturing various aspects of the same complex phenomenon. Moreover, in any set of circumstances poverty reflects a complex interplay of different causes and produces a range of different effects. At all times, however, it carries the connotation of deprivation and its effects on human welfare.

I have also discussed the economic histories of South Africa and Zambia, with a view of exploring the socio-economic and political developments of the two countries. At the outset, it should be mentioned that this exploration has been restricted to the developments that took place from the beginning of the twentieth century. In fact, the events that concern us in this study are those which, although they happened almost a century ago, continue in a way to effect the ongoing process of poverty and impoverishment in South Africa and Zambia. Firstly, there is a fact of colonialism, racism (especially apartheid in South Africa) and destabilisation, all have left in Southern Africa a legacy of wide disparities, deep economic dependence and social dislocation. Some historians argue that colonialism came to Africa at a very crucial stage of indigenous African development. It was a crucial stage in a sense that in the early mid-nineteenth century, African societies had come to the apparent limits of what is called Iron Age ways of life (see Santa Ana 1978:155). This, coupled, with long-distance trading that prevailed in many parts of Africa then, marked a period of transitional change to
new indigenous forms of history and destiny. While Africans were busy shaping their own history and destiny, the Europeans invaded and took over the history of Africa. From that time onwards, Africa was enclosed as a vast tributary region of the international capitalist economic system. As noted by de Santa Ana, this historical process has been (especially of late) understood by some African historians, political and economic analysts as 'underdeveloped Africa'.

Secondly, is the question of economic reform. Since the late 1970s and early 1980s about 30 African countries had to institute the IMF and World Bank Structural Adjustment Programmes (SAPs). SAPs as perceived by the IMF and the World Bank is a process which aims at making national economies of developing countries more efficient, more flexible and better able to use resources (Chakaodza 1993:16). As earlier argued, the major goals of structural adjustment programmes are to reduce state intervention in the economy and help a country repay its debt by earning more hard currency through increasing exports and decreasing import. In other words, they were designed to stabilise developing countries' economies.

Using Zambia's SAP experience as an example, it has become clear that at least some measures have exacerbated both poverty and inequality. The demand-reducing effects of stabilisation policies and cuts in government spending have had particularly severe consequences for both the urban and rural poor and the working class and even the middle classes, who have also suffered from cutbacks in subsides for food, transport and fuel, and a decline in the provision of public services. At the same time, some reforms including privatisation and financial-market reforms have provided new opportunities and even windfalls for upper-income groups, further skewing the distribution of income.

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90 Ibid.
92 The direct impact of SAPs has created disillusionment in developing countries, particularly in those countries where these policies have failed to improve the economic situation. In most of these countries the poor have become poorer and the economic gains made during the 1980s have been eroded. The social effects of the falling incomes are alarming. Worst of all is that SAPs have ignored the human element of development. They have been implemented at a high human costs and sacrifices. In Zambia and Zimbabwe, for example, these programmes are rending the fabric of these countries.
93 The essays by Stephan Haggard Robert R Kaufman - The Challenges of Consolidation, Adebayo Adedeji - An Alternative for Africa and Thomas Callaghy - Africa - Back to the Future in Journal of Democracy, Economic Reform and Democracy, October 1994, form part of the discussion on two grand trends that have been transforming state structures around the world: the transition to democracy and the movement toward more open, market oriented economies. The theme that resonates through the three essays is the capacity of new governments to manage the daunting political challenges of economic reform. In these essays, the authors debate both the positive and negative developments associated with the two transitions.
Meeting the challenges of Poverty and Impoverishment

Immediately after independence some countries in Southern Africa, for example Zambia, managed to support a system of social programmes that promised to uplift living standards of its population. Most significant, the government through its national development plans implemented programmes aimed addressing the inequalities caused the colonial legacy. Similarly, in South Africa, soon after the democratic elections in April 1994, the African National Congress led-government implemented the Redistribution and Development Programme (RDP) which later was supplemented by Growth, Employment and Redistribution (GEAR) in 1996 in order to redress the economic imbalances caused by the apartheid government. But sadly, for many in South Africa and Zambia today there has been a growing indifference and even hostility toward the poor.

Research in poverty both in South Africa and Zambia shows devastating statistics of how many people are living below the poverty line. These statistics do not only convey the cycle of desperation, the vacuum of hopelessness, and the despair of not being valued or included in society, but they also show how so many of the poor people are left with a sense of profound alienation. No issue sets more serious challenges to the Church than does the plight of the poor in South Africa and Zambia. We have noted with concern how the various macroeconomic policies by both South Africa and Zambia are failing to adequately address the ever-escalating levels of poverty in the two countries. We have also noted that whatever concept is employed to conceptualise or explain poverty, poverty is a problem, and something must be done about it. In the following sections we are going to examine whether churches in South Africa and Zambia are effectively and sufficiently responding to the challenges of poverty. In short, the question is, if the Church in South Africa and Zambia is there for the poor, then, what has it done, or is it doing, or should it be doing to alleviate or eradicate poverty and impoverishment in their communities?

Some church responses to poverty and inequality in South Africa

The twentieth-century economic growth of South Africa grew with, and was partly premised upon, particular forms of inequality that permitted rapid accumulation and afforded protection to a white minority against competition from the black majority.
For instance, at the turn of the century, the mining industry established a pattern of labour recruitment through contract, compound and pass systems. These became the foundation on which segregation and later apartheid was constructed. The government and mine owners of the time forced only those Africans whose labour was required into towns. These Africans were paid bachelor wages on the grounds that their families had sufficient means of subsistence in the rural 'reserves', and barricaded Africans whose labour they did not require in the 'reserves' (Moss and Obey 1987:xv). This laid the foundation of the Bantustans, which in turn provided the basis for the forced migrant labour system. One important consequence of South Africa's twentieth-century industrial revolution, combined with migrant labour as described in Chapter 1, is that, the black homelands – the 'reserves' were unable to generate from within their boundaries, a means of livelihood for their inhabitants. Wilson and Ramphele (1989:201) argue that most of the economic activity was in the cities, some was on the platteland – in the small towns and on white-owned farms, virtually none was in the 'reserves'.

Furthermore, the evidence in the previous chapters also show clearly how public expenditure in education, agricultural support, job-creation or whatever, has been used down the years to support whites far more than blacks by investing in them as people and by providing them with infrastructural resources, in both rural and urban areas, to boost their economic well-being (see Wilson and Ramphele 1989:196). In fact during the first decade of the National Party government (NP), a barrage of legislation codified and extended racial discrimination. As we shall see later in this section, most of the legislation passed from the early 1950s through to the late 1970s was an attempt on the part of the National Party government to weaken the economic, social and political base of black South Africans.

How did churches in South Africa respond to the challenges of segregation and apartheid? It is not within the scope of this study to attempt to discuss the individual histories or experiences of churches in South Africa in the period we review. The purpose of this section is to analyse some church responses to the challenges of racial and economic discrimination as promulgated by the apartheid government, which have contributed to poverty and inequalities that the majority of black South Africans are experiencing today.

Since the early 1950s through to the late 1980s, at regular intervals, churches in South Africa had been making statements and issuing reports about the evils of apartheid and racial discrimination in South Africa. Church leaders often met to deliberate on the
country's deepening crisis of racial prejudice and apartheid propaganda. They courageously and strongly declared that in the light of the gospel of Jesus Christ, the system of apartheid was intrinsically evil and a serious sin of injustice. They committed themselves to the eradication of all the effects of apartheid within the Church and its institutions. Similarly, seeing the conditions under which millions of people were subjected to in apartheid South Africa, the Church was challenged to develop strategies to end one of the most reprehensible and all-pervasive systems of oppression in the world. This raises the question, what did the Church do? One of the fundamental roles played by the Church in South Africa through its commitment to non-violence and peaceful ways was to end apartheid. The Church campaigned for sanctions and disinvestment in South Africa. It campaigned against forced removals. It challenged the South African government to withdraw its troops from Namibia and Angola.

What can be learnt from these past experiences? Under a relatively united front, churches in South Africa adopted various strategies to achieve their goal, that is, to see the end of apartheid (People's Church 1989:2-7). They helped the government to the negotiating table. It was clear in the minds of church leaders that on human, moral and political grounds change must come in South Africa. After years of struggle and sacrifice, churches in South Africa saw the crumbling of apartheid and the country's transition to democracy. However, the ending of apartheid and the eradication of the institutionalised form of apartheid did not necessarily bring changes in the lives of millions of South Africans who had been deprived and impoverished by the heinous and systematic economic distortions and the disparities created by the apartheid regime. South Africa needed a new economic system that would have to undo or overcome the social and economic effects of decades of racial and economic domination.94

"It is the distribution of wealth in the country which drastically affects the everyday lives of most South Africans. Until these imbalances are corrected we cannot build a society based on God's values of justice and equality."(People's Church 1990:7)

In apartheid South Africa, inequality was structured in a number of different ways, not least by the division of all South Africans by race. As we argued elsewhere in this study, the combined forces of racial and class discrimination, for example, have

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94 The new economic system had to address the gross inequalities and deprivation that resulted from apartheid.
marginalised black people, consigning them, in many instances, to subsistence levels, and to the most impoverished rural areas and urban settlements. Segregation was not new in South Africa, neither were the laws that entrenched white privilege. Various studies on the modern history of South Africa show that the Constitution of the Union of South African in 1910, while uniting the four provinces under a central government, ignored the voices of African leaders and little was done to establish the political and land rights of the African people as these rights legally entrenched colour discrimination (Dagut 1991:20; Hofmeyer and Pillay 1994:251).

Hofmeyer and Pillay (1994:204) conclude that "the period from the Union to apartheid may be understood as the time of high segregation, a philosophy felt to be an honourable interpretation of the supposed distinctive and separate characteristics of different races, by which the integrity of each is saved and the allegedly disastrous consequences upon each of indiscriminate mixing is avoided." The events that happened during this period are a backdrop to the major developments in the life and witness of the Church in South Africa in the first half of the twentieth century.\(^5\) This was in fact a period during which certain developments within the Church at large in South Africa were to shape its character and destiny for the rest of the century.

The very fact of cultural isolation of races from each other became a matter of public concern for the Church in South Africa. With an exception a few churches (e.g. the Dutch Reformed Churches), the Church at large felt that the policy of separate development as it was being promulgated by the government was unjust and wrong. As indicated above, the various laws promulgated by the National Party helped to entrench apartheid (see Hofmeyer and Pillay 1994:266-267). Thus, from 1948 onwards, the apartheid policy became the greatest challenge for churches as it permeated every sphere of the South African life. With each political move there was a response by some churches, although often this was left to some individual critics of apartheid to question the moral rectitude of the legislation.

One of the moments where the struggle between the Church and state took a serious turn was when the South African Council of Churches (SACC) and the Christian Institute (CI) drew up and circulated amongst the churches their message entitled 'The Message to the People of South Africa'. Balia (1989) cited by Hofmeyer and Pillay (1994:267) wrote: "the 'message' was a serious attempt to interpret what the gospel of our Lord Jesus Christ means and implies within our complex and difficult situation."

\(^5\) For details on these developments the reader is referred to J. W. Hofmeyer and G. J. Pillay (1994).
Hofmeyer and Pillay states that the key question concerning the 'message' was: Who does my first loyalty go to – a human being; an ethnic group; a tradition; a political ideology or to Christ?

In order to spell out clearly the implications of the 'message' the SACC and the CI put together six commissions of specialists study and report on the following: the church; the law; politics; economics; education and social relations. The SACC and the CI's initiative culminated into a project called 'Study project on Christianity in apartheid society' (Sprocas). According to Hofmeyer and Pillay (1994:266-277), the purpose of Sprocas was to raise the consciousness of whites rather than to liberate blacks. With Sprocas II, they state that the focus fell on the transfer of power to the oppressed, with the aid of the black consciousness movement. They further note that Sprocas II acknowledged that fundamental change had to take place through the distribution of power, land and wealth under black initiative.

The other notable events as responses to the repressive system of apartheid are: the 1974 Programme to Combat Racism (PCR), the churches' responses to the 1976 Soweto Uprising and the 1985 State of Emergency. Funded by the World Council of Churches (WCC), the PCR's emphasis was on raising the level of awareness and on strengthening the organisational capability of racially oppressed people (Hofmeyer and Pillay 1994:279). Both the SACC and the SACBC saw the 1976 Soweto uprisings as a consequence of years of frustration, oppression and an urgent cry for total liberation. It was a sign that the majority of South Africans rejected apartheid and demanded a fundamental change in the country. This was the time that churches declared apartheid a heresy. When the government declared a state of emergency in 1985 because of the escalating political instabilities, one of the ways the Church responded to it was by drawing a Kairos Document. This document was a direct result of and reaction to the intensified implementation of apartheid policy and the state of emergency.

Another response against apartheid during the mid-1980s by the SACC and SACBC was, as mentioned above, their call for disinvestment and economic sanctions in South Africa. This was a non-violent approach to fight apartheid because the SACC was convinced that violence was not a way to bring about socio-political changes in South Africa. Another non-violent approach was the programme initiated by the Convocation of Churches in May 1988 called 'Standing for the truth'. Hofmeyer and Pillay (1994:294) state that the aim of this campaign was to exert pressure on the authorities so that
apartheid would be abandoned, and negotiation towards the creation of a just, non-racial, democratic society in South Africa could commence.

When the apartheid government lifted the ban on political organisations, this development caused churches in South Africa to re-evaluate their role in this changing situation. It was in the light of this development that the SACC, together with other individuals and churches, took the initiative to organise the Rustenberg Consultation in November 1990. This 1990 National Consultation of Churches in South Africa (NCCSA) conference was extremely significant for the Church in South Africa. The emphasis of the conference was the confession of guilt of the role churches played in maintaining and condoning apartheid. The important question was what follows after a confession of guilt? With this question in mind, the greatest challenge was whether churches had a decisive word and programme of action to offer as South Africa underwent the agony and exhilaration of rebirth.

The Church was aware that it was required to wrestle with questions concerning the freeing of the poor from the structural bonds of oppression, the restoration of land, and economic reconstruction. With the prospects for the transfer of power from the apartheid political structures, the Church in South Africa had to shift its energy to embrace every opportunity to participate in the shaping of South Africa for the benefit of all its people. Given these political and socio-economic challenges, the Church in South Africa realised that its task was to ensure that it did not sit back but to equip itself for the building a new South Africa.

Despite reform and negotiations, the 'struggle' as it was affectionately known, was by no means over. The Church in South Africa was quite aware that during the apartheid regime the majority of people in South Africa were subjected to poverty, unemployment, homelessness, landlessness, illiterate and malnutrition. From 10th to 13th February 1992, the South African Council of Churches (SACC), Southern African Catholic Bishops Conference, Institute for Contextual Theology and Kagiso Trust convened a conference to address ethical principles and priorities to inform an investment framework for a post-sanction South Africa, and affirmed the following:

Our faith calls us to a prophetic and pastoral concern for the people of our country who have been disempowered and impoverished by the blatant and systematic economic distortions and the imbalances created by apartheid.96

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96 Statement of the Consultation held at Broederstroom, February 10 - 13, 1992.
The conference further pronounced that:

We understand that economics is neither an end in itself, nor does it represent an autonomous sphere with natural laws of its own. We hold that economic activity has to be judged on the basis of the extent to which it provides for all people, particularly for the poor, the marginalised and the oppressed.

In 1994, the Ecumenical Foundation of South Africa (EFSA) hosted a conference whose theme was the role of the church, NGOs and civil institutions in the national Reconstruction and Development Programme (RDP) of South Africa's government of national unity.97 This conference was important since it brought together church people and activists in an encounter with decision-makers to bring stimulation and inspiration to the task of the Church in development.98 The democratic environment in South Africa offered the Church an opportunity to work alongside government to tackle the injustices and inequalities inherited from the apartheid regime.

A number of government representatives at the EFSA conference emphasised their willingness to co-operate with church structures in the implementation of the RDP.99 The RDP document states unequivocally that the South African economy required a fundamental restructuring in order to create a strong, dynamic and balanced economy that will eliminate the poverty created by apartheid. The government of South Africa was aware that it could not solve the problems of poverty, and as well as address

97 The Third National Church and Development Conference and Fair hosted by the EFSA took place from 5-7 October 1994 in Somerset-West, near Cape Town. The conference was attended by 240 representatives from churches, church and community-based organisations, from all over Southern Africa including Kenya, Burundi, Namibia and Zimbabwe.
98 The term 'development' has been conceptualised in many often inconsistent ways in the last half of the twentieth century. It is a compelling concept of our time. It provokes painful issues about the current trend in global values, policies and so on. Questions have been raised about who determines the nature of global housekeeping, so as to realise a good society, as well as the problem of who is to determine a society's course and content. During the 1950s through to the 1960s, economists tended to dominate the debate and essentially determined its intellectual scope and mode. From this approach, development was synonymous with growth and in turn with industrialisation and productivity. In the 1970s, the humanitarians dominated the debate. Their approach was that economic growth is essential but insufficient as far as the realisation of human potential is concerned. From the 1970s through to the 1980s, appeared those who propounded the integrative perspective. From this approach, development was defined as a combination of economic growth and human potential. But Michael Todaro (1985:85) had this to say about development. "It is a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, reduction of inequality and the eradication of absolute poverty."
99 The RDP was released before the 1994 election by the Tripartite Alliance (i.e. the ANC, COSATU and the SACP) as its main policy platform. The African National Congress (ANC), Congress of South African Trade Unions (COSATU), and South African Communist Party (SACP) respectively. Its policy framework is discussed in Chapter 3.
the injustices and inequalities of the past, through the RDP alone without support from the Church, civil society and the non-governmental organisations. To this end therefore, government saw the Church as a very important sector in the society, which not only can help mobilise people, but also could play a crucial role in the implementation of the reconstruction programme, due to its vast infrastructure and human resources. In other words, the Church was challenged to play a meaningful role in the RDP.

At the Church Leaders' Forum of November 1996, the eradication of poverty was top on the agenda. At this meeting an Ecumenical Commission on Poverty (ECP) was appointed. The ECP was tasked to formulate a Christian perspective on poverty and economic justice, drawing up a profile of the faces of poverty in South Africa, clarifying the root causes of poverty, and facilitating the development of action by churches (Challenge 43 1997:21). Basing on the findings of the commission, the Church Leaders' Forum of May 1997, in solidarity with the poor, passed the following statement: "There can be little doubt that as we approach the new millennium, one of the greatest threats to social stability and the future of our planet is poverty."\(^{100}\) The immediate response by church leaders to this threat was: "The fight against poverty is essentially a fight by the poor themselves. We call upon those amongst us who have more to stand in solidarity with the poor...The creative responses of the poor need to be taken with utmost seriousness."\(^{101}\)

The magnitude of human suffering, especially the number of those living below the poverty line, challenged the forum to come up with a proposal to relieve the short-term effects of poverty. Thus, the church leaders' forum called on church members to sacrifice a meal a week to help others have a meal, and contribute whatever they normally would have spent on that meal to a trust fund or member churches could set up a local fund in their parishes, congregations or communities to feed the poor in their areas.\(^{102}\) The question is has this happened? Since, I could not find documented information relating to the above appeal, I tried to contact the SACC Development Desk for information, unfortunately nothing was passed on to me. Interested in the outcome of this appeal, I decided to contact the Church of the Province of Southern Africa (CPSA) in Cape Town. According to the Social the Development Officer in the Diocese, the

\(^{100}\) Ibid.

\(^{101}\) Ibid.

\(^{102}\) In August 1997, the Church Leaders' forum launched a campaign to fight poverty. Prior to the August campaign, the Poverty Commission organised a National Ecumenical Consultative Workshop on Poverty (this was held in June 23-25). At this workshop church representatives listened to the experts on the nature and extent of poverty before resolving to start an awareness campaign and take the give-up-a-meal-a-week campaign.
appeal was done, but due to administrative problems the money raised is yet to be used. However, he confirmed that part of the fund was used last year (2000) to help the Tornado victims in the Western Cape, as well as the flood victims in Mozambique.

The other resolutions agreed upon by the forum included an audit (see below) of the work of the church and programmes around health, church land and unemployment. The Church in South Africa is faced with as very difficult task as it looks at the issue of the use of and stewardship of its own land. The question of land also featured at the 1994 Third National Church and Development Conference and Fair, when the Minister of Land Affairs challenged the Church to use its own land in such a way that it could set an example for other landowners (South African Outlook 124, 1994:115). Explicit in this challenge are the questions: what about the land owned by churches? Do churches have any contribution to make towards resolving South Africa's land crisis? What is being done about the land owned by churches themselves?

The Land Acts of 1913 and 1936 and the Group Areas Act symbolised for many South Africans the most hurtful and the most significant elements of the apartheid system.103 As indicated in the first chapter, the Land Act denied Africans the right to choose where they wished to live and marked the permanent division of South Africa into areas allocated for white or black.104 It has been estimated that from 1960 to 1983, more than 3 million people, almost all of them black, have been subject, in terms of government policy, to forced removals from one place to another where they did not choose to go (Platsky and Walker cited by Wilson and Ramphele 1989:216). For example, the black people who were removed from farms were not allowed to go to the cities. They had to go to the homelands, to the already overcrowded labour reverses. The consequences, as we shown in Chapter 1, were devastating. The population density in the homelands rose dramatically, further impoverishing these areas.

The shameful racially determined urban and rural inequalities, the contrast between the material circumstances of black squatters and the usually very good housing of whites and a few black elites should not be underestimated. In other words, the current emotional charge of the land issue in South Africa should not be treated as a simple issue. The resolution of the land issue can help to alleviate poverty and impoverishment. Land reform can be a base, indeed is the essential base, for a new non-racial approach to government and development in South Africa. As Dagut (1991:27)

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103 In 1991 these were repealed, and land reform is now a central and open issue.
104 The 1936 Land Act made squatting illegal, although more land was allocated for African occupation.
Chapter Four

argues, land ownership is the matter on which reparation for those who were deprived in the old South Africa can most readily be made.

The South African society still suffers from intense land pressure. Marcus et al (1996) cited by May et al (2000:241) state that about 68 per cent of South African's black rural households desire farmland. Although the figures are not available for non-agricultural land, May et al assume that some of the 32 per cent who do not desire farmland do indeed want land for residential or other purposes. With unpredictable job markets, many perceive farming to be more viable, and for this reason the demand for land in South Africa is now greater. May et al (2000:241) note that most people want small amounts of land, with 48 per cent of those wanting farmland desiring one hectare or less. In most cases, land is considered as a productive asset in that it provides a mechanism of generating income. For example, in rural areas land provides the means for feeding the household and of producing goods for sale.

As it has been shown elsewhere in this study, the land question has been fundamental to the aspiration of the people. The anti-colonial and liberation struggles of the past century centred largely on the struggle for land. In some Southern African countries the question of land was a high priority in the settlement reached with the colonial governments. In other countries land reforms have been a major concern in the subsequent economic policies of the new governments, for example, in Zimbabwe. Although the ongoing demand for land by the landless people in Zimbabwe is legitimate, some analysts argue that they are now being used for political purposes, especially that the illegal land occupations happened when the country was heading towards elections.

With the end of apartheid in 1994, the ANC led-government approached the land question differently. It introduced a land reform programme. This had three components: land redistribution, land restitution and land tenure reform. The land redistribution programme aims to reallocate land to the displaced persons for residential and productive use in order to improve their livelihoods and quality of life. A land

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105 Ibid.
106 Towards the Parliamentary Elections in June 2000 Zimbabwe experienced the worst land crisis since independence when the so-called war veterans occupied more than 700 white owned farms. Political analysts argue that the Zimbabwean revolution and the negotiated settlement did not resolve the issue of common access to and ownership of the productive land. Thus, the present uprising of landless people only disguises the years of neglect by a political elite. Moyo (1998:20) notes that the absence of autonomous political will to address poverty alleviation, through changing the colonial laws that govern land and natural resource distribution, allocation, access and management is a key problem in a racially polarised countries such South Africa and Zimbabwe. Similarly, in non-settler countries such as Botswana, Malawi, Mozambique and Zambia, the unequal redistribution of land continues to grow. If this situation is not checked the region will experience the Zimbabwe situation.
restitution programme aims to restore land to those dispossessed of theirs rights in land since 1913 through racially discriminatory laws and practices. While the land tenure programme deals directly with the means through which land is owned. This programme specifically seeks to address issues pertaining to the insecurity overlapping and disputed land rights resulting from the previous systems of governance, especially in the former Bantustans (see Cliffe 2000:275).  

Lester et al (2000:265) notes that in terms of the Land Reform Pilot Programme, by 1997, 372 projects which would benefit 136,000 people and affect 2.17 million hectares had been approved. Similarly, Cliffe (2000:275) states that by June 1998 almost 250,000 people and 279 projects had received land. He also notes that in the first quarter of 1999, more than 50,000 people obtained land through the redistribution programme. Despite these progressive figures, Lester et al (2000:266) cite the Mail and Guardian, which claims that, by 1999, less 1 per cent of land in the country had been redistributed, compared the government's initial goal of 30 per cent.

One of the greatest challenges facing the Church in South Africa today is the land question. The question of an audit of church owned land, which was discussed at the 1996 Church Leaders' Forum. An agreement reached at the Church Leaders' Forum in February 1998 to conduct an audit of church and set up an ecumenical commission on church land is a clear indication that churches are ready to enter (or have already entered) less convenient, difficult, narrow pathways for the sake of restitution, redistribution, reconciliation and development (Fröchtling 1998:135). The land question is one of the key social transformation issues. As Mngxitama (in Gillan 1998:7) argues, the fact that the church is a major landowner makes it one of the key players in the process of social justice, reconciliation, peace and local economic recovery.

A theoretical question arises whether church land is the answer to poverty alleviation or eradication. As described above, performance of government policy initiatives demonstrates how limited and insufficient these programmes have been to date on the whole. In a way, this slow, almost dismal, situation places a huge challenge before the Church with respect to the land question. This challenge calls for the Church to move beyond the question of land itself, to also model progressive, integrated land development and access practices (see Mngxitama in Gillan 1998:12). Moreover, following on what we have discussed above, reconstruction and development is

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something that the government cannot do alone. As earlier argued, for example, the question of land redistribution, land restitution and land reform are very sensitive and often lead to dangerous conflicts (cf. Zimbabwean land crisis). It is for this reason that churches should start debating what it must do about their own land, which in most instances stands unproductive. They must, as the government is doing, face the question of land redistribution and restitution head on. As Seremane (Gillan 1998:94) argues, "the land issue - tenure reform, redistribution and restitution - should really be made a confessional issue by the Church."

In 1997, a coalition of organisations (i.e. the SACC, SANGOCO, Homeless People's Federation, UNDP, Department of Welfare and COSATU) signed a Declaration of War on Poverty. The Declaration describes poverty and the effects it has on the lives of the people in the following statement: "The war on poverty and inequality is South Africa's most important priority and our greatest challenge. Eradicating poverty is essential to consolidate the gains of our new democracy. It is a precondition for social justice, peace and security in our land." Based on its full declaration, members of the coalition committed themselves to:

- Focus the nation in the fight against poverty - South Africa's most important priority and greatest challenge;
- Encourage local action and develop local programmes;
- Encourage volunteers in the fight against poverty, to mobilise and organise communities;
- Co-ordinate and focus government legislation and programmes to fight poverty;
- Build partnerships and coalitions in the fight against poverty;
- Create space for civil society and grassroots responses; and
- Ensure poor people's voices are heard in the fight against poverty.

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108 Some churches and para-church organisations have become involved in trying to address the problem of access to land; for example, the Moravian Church has embarked on development projects on the land it owns. This includes a shoe factory, and an industrial glove factory, an agricultural project, a clay project etc. Also the Evangelical Lutheran Church has ensured that on the smallholdings it owns, among others, community centres and schools are built. (For details see van Donk 1994).

In June 1998, the Ecumenical Commission on Poverty of the Church Leaders' Forum organised a Poverty Summit that brought together the church, civil society, government and NGOs.\textsuperscript{110} Gathering under the banner "Beyond Poverty", the delegates met to develop strategic action plans for the eradication of poverty in South Africa. This summit had its genesis in a meeting of the National Church Leaders Forum held in December 1996. At the 1996 meeting of the NCCSA, the church leaders committed themselves to addressing the problem of poverty and inequality in South Africa in an active way. In his opening address to the summit, Archbishop Njongonkulu Ndungane said: "We have a mandate to care for others and to ensure their well-being. This obligation is not short-term. It is one that calls us to respond to the God-given imperative to care for those who are made in the image of their Creator."\textsuperscript{111}

The Summit was also a reminder to the participants of the 1997 declaration on war on poverty to which a number of sectors of society including the government, the religious community, the NGO sector, trade unions and others pledged. The theme of the summit was "Beyond Poverty". According to Archbishop Ndungane, "the choice of the slogan "Beyond Poverty", signals the ongoing process of working to eradicate this legacy of apartheid which is the greatest scourge of our time."\textsuperscript{112} The overall objective of the Poverty Summit was to ensure that a social network was created, with a fundamental objective of protecting and improving the quality of life of the poor people in South Africa. The summit also provided the first opportunity for representatives of the nationwide Speak Out on Poverty Hearings organised by the South African NGO Coalition, the Human Rights Commission (HRC) and the Commission for Gender Equality to present their findings.\textsuperscript{113}

\begin{itemize}
\item \textsuperscript{110} The other role players at the summit were the Transitional National Development Trust, UNDP, DanChurch AID, ESSET and Interfund.
\item \textsuperscript{111} Opening Address at the National Poverty Summit by the Anglican Archbishop of Cape Town, the Most Revd Njongonkulu Ndungane, 26 June 1998, Midrand.
\item \textsuperscript{112} Opening Address by Archbishop Ndungane, op. cit.
\item \textsuperscript{113} The following statement is part of the paper delivered by the President of the South African NGO Coalition (SANGOCO), Advocate Rams Ramashia, to the National Poverty Summit. "In South Africa, poverty is a national crisis. It is not the problem of the poor, and its eradication is not the exclusive responsibility of government... it is important that government and civil society organisations work together in partnership with the poor in addressing the legacy of apartheid. For this partnership to work, government must cease to be too sensitive to criticism, especially constructive criticism... Many of us raise criticism because of our quest to see government succeed. Civil society for its part should also refrain from just dishing out armchair criticism without proposing solutions to the problem of poverty... under the banner of SANGOCO decided in 1996 to wage another phase of the struggle: the struggle against poverty. Since poverty is about lack of access to resources, opportunities and power, SANGOCO felt that the second phase of our struggle must be aimed at changing these power relations and ensuring that those who have hitherto been denied access by exclusion are relieved of the burden of poverty... ."
Chapter Four

The church in South Africa has acknowledged that the South African society has found itself in wilderness of rampant crime, dehumanising poverty, disease and moral decay. In identifying the crisis in the country, the NCCSA that met at Rustenberg 1999 confessed that as part of the Christian community, it had failed to address these serious issues to the best of its ability. However, inspired by the vision of what the church did during the struggle for freedom and democracy, the Consultation declared that:

In recognising the desperate needs of the poor, the unacceptable crime levels in all sections of society and the general moral breakdown across the nation, calls Christian represented here, along with the wider Christian community, to commit themselves afresh to work for the Spiritual and moral healing of the nation (see Word and Action No. 367, 1999:9).

There are no simple ways to found solutions to eliminate poverty, but the NCCSA believes that there are many ways in which Christians can make themselves available to bring about relief to the lives of the suffering. Following the example of Jesus, the NCCSA is convinced that churches South African should, in terms of money, ministries and prayer, spend more beyond their boundaries than on themselves. This includes the obligation wealthier churches have to provide support for poorer churches. Therefore, the Consultation challenged churches from advantage communities to partner those from disadvantaged communities.

On the question of poverty, the NCCSA observed that as a result of poverty, whole communities live and die in a state of hopelessness where self-worth and human dignity become practically non-existent. The Consultation acknowledged that the widespread poverty is perhaps the greatest threat to peace and stability in South Africa. The Consultation further noted that it is imperative that the Christian community gives immediate and urgent attention to addressing the plight of the poor. As its response to poverty, NCCSA passed the following the resolutions: ¹¹⁴

- We offer ourselves as a partner with Government and all interested parties in making an all out effort to deal with this crisis in co-operation with the poor.

• We challenge the Church to commit itself to make available its resources in greater measure to help create better living conditions, equip people with life skills, and strengthen community initiatives.

• We encourage all Christians to live a simpler lifestyle in order to release more of their personal resources to alleviate the plight of the poor.

• We urge all Christians to offer one day's wage to the President's Job Creation Fund.

One of the pledges made by the religious leaders at the 1998 Poverty Summit was, in partnership with other stakeholders, to eradicate poverty in South Africa. The religious leaders made a commitment to support all efforts aimed at eradicating poverty, and particularly the plans that emanated from the Summit, and those that had been recommended in the preliminary report of the Poverty Hearings. Since the Church is committed to working with the poor, its leadership participated in the Poverty Hearings convened by the South African Human Rights Commission, the Commission for Gender Equality and the South African NGO Coalition which were held between 31 March and 19 June 1998. It was this involvement and participation that challenged the religious leaders to further pledge to form strategic alliances with other representative groups in society and engage in dialogue around poverty.

The South African government has created an enabling environment for a people-centred development, based on the need to empower for self-reliance. For example, the government's initiatives such as the RDP, Poverty and Inequality Report and the Job Summit, provide a frame work in which practical operation of all programmes and action plans gathered under the umbrella of the NCCSA and other non-government organisation can take place. One thing clear is that the Church should not only critically assess the effectiveness of government policies and discuss how best to deal with their shortcomings, but to recognise that government alone cannot solve the problem of poverty and inequality in South Africa. If this opportunity is taken, the

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115 If we analyse the religious leaders' commitment to eradicate poverty in South Africa, especially the issues they identified as needing immediate attention, we see the urgency among church leaders to move from words to action. The aims of the Speak Out on Poverty were: (1) To review to which extent apartheid policy has affected and continues to hamper access to each of the clusters of socio-economic rights. (2) To assess the adequacy or otherwise of government's programme and plans for improving the living conditions of people who are poor, vulnerable and marginalised. (3) To provide a platform for ordinary people's concerns to be heard and highlight issues of major concerns to people living in poverty. (4) To provide recommendations on how to improve government policies and practices so that they have a meaningful impact on the quality of lives of marginalised people (See Advocate Ramashia address to the National Poverty Summit, 27 June 1998).
debate regarding the appropriate economic structure for the new South Africa will begin again with renewed energy and, while it is underway and confidence is built, the economy will start to pick up speed and begin delivering the much needed goods and services.

Some church responses to the problem of Poverty in Zambia

Henriot (1992:9) states that from the time of independence until the late 1980s, the Church and state were seen more or less as friendly allies, each tending to its own sphere. Occasionally the Catholic Church did publicly criticise the party and its government on matters of public interest. One major confrontation between church and state occurred at the start of the 1980s, when Christian churches (both Catholic and Protestant) joined hands to force government to abandon the imposition of a curriculum on 'scientific socialism'.116 Despite this confrontation, however, the church remained supportive and highly visible in the various government programmes. In other words, the Christian church played a major part in bringing legitimacy to Zambia's political authorities until October 1991 when the Movement for Multiparty Democracy (MMD) defeated the United National Independence Party (UNIP) in the country's first democratic elections to form a new government.

As noted elsewhere in the study, at the time of independence, Zambia was one of the richest countries in Africa. However, today Zambia is classified among the low-income countries or least developed. The worst shift came in the mid-1980s when the UNIP led government entered into the IMF structural adjustment programmes. In order to maintain its status as a recipient of the IMF loans, the UNIP government had to comply with their stringent lending conditions. Some of the conditions that the government had to comply with were the devaluation the currency, the removing of food subsides, the retrenchment of civil servants, and curtailing on social services. As discussed in Chapter 3, when the riots broke out at the end of 1986 because of the increase in the price mealie-meal, the government withdrew from the IMF programme and attempted to steer an independent economic path for Zambia by launching the New Economic Recovery Programme (NERP). With the worsening of the economic situation, the Zambia government returned to the IMF and the structural adjustment programme

116 Zambia is a member of the non-aligned Movement. However, under the Kenneth Kaunda's presidency, the government had good working relationship with the countries of the Eastern Block.
was resumed. The government reneged again following food riots, which culminated in a coup attempt in 1990.

With the deterioration of the political and economic situation in Zambia in the early 1990s, the critical voice of the church began to be heard. Actually, in 1987 the Christian Council of Zambia (CCZ), the Evangelical Fellowship of Zambia (EFZ) and the Zambia Episcopal Conference (ZEC) issued a joint pastoral letter as a response to the worsening economic situation in the country. This ecumenical document dealt with critical economic problems of the nation, under the following themes: Christian liberation, justice and development. Precisely, the document analysed the social and economic situation in Zambia, although it did not address itself directly to UNIP and its government; it emphasised that all political authority should be ordered to the promotion of the common good. Despite the three church bodies publishing this joint statement about their concern for human development in Zambia, none of the three church bodies thought that five years later the government would subject the Zambian masses to the economic policies of the IMF and the World Bank.

Two church-owned publications, l'encelle (a Catholic Church magazine) and the National Mirror (an ecumenical newspaper), published articles and editions that were critical of the UNIP government, and spoke out in defence of the economic and political rights of the people. For example, the 1990 food riots and coup attempt made the Catholic Church Bishops respond with a strong pastoral letter entitled "Economics, Politics and Justice." In this pastoral letter, the Bishops addressed the state of national crisis, and presented an analysis which pointed to the root cause of the unrest as being the lack of "political accountability" on the part of the leaders of the country. Since the 1990 unrest, the church has become more accountable to concerns of human development in Zambia.

When the newly elected MMD government took office, they promised that they would transform the deteriorating economy of Zambia into a strong self-sustaining one. The MMD government immediately renewed compliance with the SAP requirements, and forthwith the international donor community pledged its financial support to Zambia. The removal of subsides, devaluation of the Zambia kwacha, steps towards privatisation, retrenchments and other measures, all occurred at a rapid rate. The MMD government repeatedly told the nation that SAP would mean, "short-term pain but long-term gain". With the excitement of the new democracy, the people of Zambia were ready for anything, and many of them (the majority of whom were poor) did not realise to
what extent they would have to sacrifice. Within a short space of time, Zambia experienced a rapid devaluation of its currency (see Chapter 3). The country also experienced increasing inflation, which stood at 125 per cent in 1991 and 205 per cent in 1992. Consequently, this led to the deterioration in the social infrastructures of health and education (with imposition of fees in schools and hospitals), as well as housing maintenance, water and sanitation.

But as the economic situation deteriorated, and with pressure from ordinary citizens, the church in Zambia could no longer afford to remain silent. In 1991, when the Catholic Church celebrated its centenary, the Bishops issued a pastoral new letter entitled, "You Shall Be My Witnesses". This pastoral letter presented an outline of the principles of the church's social teaching which should be applied to any government, principles which include human rights, an option of the poor, the common good, economic justice, and full political participation. Furthermore, the letter called for a close monitoring of the SAP, to show special concern for the harsh effects on the poor.

Since the new government was faced with a mammoth task of rebuilding the shattered Zambian economy, the Church in Zambia was also faced with the challenge of contributing substantially to the economic development of the country. In March 1992, the Bishops released a pastoral letter, "The Future is Ours", which was addressed to the Zambian people and the leaders of the new government. The letter emphasised that the rebuilding of the shattered Zambian economy was not only the responsibility of the government but also the duty of hard work by all citizens. In conclusion the Bishops presented key principles of the church's social teaching which should be used to evaluate the SAP. The consequences of the structural adjustment programme pushed the Church in Zambia to become a prominent force in speaking out on the economic situation in Zambia.

The structural adjustment programme, which the Zambian government had considered as a major aspect in its poverty eradication programme (with emphasis placed primarily on achieving the expected broad-based and sustained economic growth), did not actually translate into poverty reduction (see Chisanga et al 1999:39). In response to the impact of SAP, in July 1993, the Bishops released another pastoral letter, "Hear the Cry of the Poor". In this document, the church leaders were not questioning the introduction of the economic reforms Zambia, but they drew attention to several important questions that were widely asked about the government's implementation of the structural adjustment programme.
The first question was about timing. Why was there such a rapid removal of subsides, especially before any effective programme to cushion the effects on the most vulnerable in the country were put in place? The second one was about content. Why were there so many elements essential to integral human development lacking in the programme, for example, human capital improvement (education and health), employment generation, promotion of small-scale entrepreneurship, regional cooperation? The final question was about direction. Was there a discredited "trickle-down" approach to economic growth being promoted, one that only benefited a privileged few in hopes that it will later reach the general public? These questions clearly cautioned the Zambian government to acknowledge that there were substantial and legitimate challenges about the operation of the structural adjustment programme.

As the economic situation deteriorated further, the three national church councils, the Christian Council of Zambia (CCZ), the Evangelical Fellowship of Zambia (EFZ) and the Zambia Episcopal Conference (ZEC) issued a joint pastoral statement declaring 1995 as a "Year of Political Responsibility". They acknowledged that the peace Zambia was enjoying, and a measure of progress under the new democracy over the past four years (i.e. 1991 to 1994). However, they drew attention to the need to support the poor under structural adjustment. The following was the statement made by the three national councils in their joint pastoral of 1995 concerning SAP:

The Structural Adjustment Programme (SAP) has brought some economic stability and opened up the possibilities for future growth. Its measures and implementation have caused great hardships for the poor who constitute the majority of our people. We therefore feel that SAP must be continually evaluated and reformed in terms of its effects on social justice and national well-being.

In brief, the Church in Zambia acknowledged that the SAP free-market economic liberalisation policy changes and the attendant cuts in social supports had exacerbated the problem of poverty in Zambia. Despite the government's emphasis on short-term pain and long-term gain, the church felt that the structural adjustment had otherwise created a frightening situation of the survival of the fittest in the nation. In other words, the church attested on the contrary that there was short-term pain, suffered especially by the poor majority. In their 1993 pastoral letter, the Catholic Church Bishops wrote:
In looking at the operation of the structural adjustment programme, both in earlier stages during the Second Republic and in its full extent in the Third Republic, we must acknowledge that we neither see the promised benefits to date nor do we see convincing evidence that the promised will be forthcoming in the near future. If SAP is in fact such a good programme for economic recovery, can the government tell us more specifically what are the visible signs of improvement in the lives of our people? We frequently hear from government officials about improvement in economic indicators such as budget expenditure and new investments. But what about social indicators that tell us what is happening in people's lives?\footnote{117}

The levels of hunger in the country have been rising ever since the introduction of the economic reforms (SAP Monitor 21, 1999). The levels of hunger were exacerbated by the low food production, especially maize production which fell by 32.4% between the 1996/97 and 1997/98 agriculture seasons. Most Zambians earn very little as compared to their monthly needs. The cost of the April 1999 food basket was K252, 740 yet incomes for most are about K100, 000 or less.\footnote{118} Health reforms whose principle is that the bottom (grassroots) should participate more and have a say in how these reforms should be organised have concentrated capacities and finances at the top level and they have not involved people at the bottom enough. There has been a consistent shortage of drugs and essential requisites. There has been also endemic cholera country wide because of poor water and sanitation facilities. In 1994, Zambia spent thirty times more on debt servicing than it did on education.\footnote{119} As earlier mentioned, the church puts the blame on the government's compliance with the IMF structural adjustment programme. The Catholic Church SAP Monitor\footnote{120} argues if we look at some macroeconomic indicators since the implementation of the neo-liberal reforms, there does not seem to be much progress.

According to the SAP Monitor, the overall economic growth rate has been merely 1% during the past 7 years. Overall per capita growth in the last 7 years has been negative. However, as noted elsewhere in this study, it is not fair enough to judge a

\footnote{117}{The Second Republic refers to the time when UNIP was in government, the period between 1973 and 1991, while the Third Republic refers to the time Zambia reverted back to multiparty democracy. It is worthwhile to mention that from independence in 1964 to 1972, Zambia was a multiparty state until end 1972 when UNIP declared the country a one party state.}

\footnote{118}{Ibid.}

\footnote{119}{AACC Women's Desk 1997.}

\footnote{120}{The task of the SAP Monitor is to monitor the impact of SAP on the poor in Zambia. The Catholic Commission on Justice and Peace draws upon the experiences related to them by the work throughout the country of the local justice and peace committees and local development committees. These committees are participants in the SAP Monitoring Project.}
country's economic performance only from macro-economic indicators. As earlier indicated, the SAP policies (referred to by the SAP Monitor as neo-liberal economic policies), have often given paramount importance to macro-economic indicators, and paid little attention to income distribution, job security, food security and people's rights or justice. Not surprisingly Zambia has performed poorly in some of these latter areas. It has one of the highest Infant Mortality Rates in Southern Africa (SAP Monitor 1999). This stands at 103.9 per 1000 whilst Under Five Mortality is 196.6 per 1000 (SAP Monitor 1999).

Through the SAP Monitor (sponsored by Justice and Peace Department of the ZEC), the Catholic Church in Zambia has continuously monitored the government policies towards poverty alleviation. Since the mid-1990s, the SAP Monitor Team has conducted poverty-related studies including poverty and employment, poverty and education, poverty and health, and as well as the Zambia's debt. One area in which the Catholic Church CCJP has fared very well is its involvement in the monitoring of the national budget. It has been critical to the government's emphasis on achieving economic growth as the means to promote human development in Zambia. In its opinion, the central challenge facing Zambia today is not resources but priorities. For example, in October 1997, it issued a statement entitled "What are our Priorities?" In this pre-statement on the 1998 Budget, the CCJP argued that an emphasis on economic growth without definition of qualification does not tell whether or nor human life is being improved. It acknowledges that economic growth is necessary but not sufficient condition for development.

As its contribution to the preparation of the 1998 Budget, the CCJP's statement focused on the social dimensions of the 1998 Budget. What provoked the CCJP to get involved in the public policy processes was Zambia's poverty situation as expressed in the 1996 report circulated by the Minister of Finance and Economic Development entitled "Prospects for Sustainable Human Development in Zambia: More Choices for Our People". The document reflects a collective interpretation of the problems facing Zambia today, including economic decline, high unemployment, food insecurity, environmental degradation, gender inequality, low access to quality education and high

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121 (CCJP Statement of October 1997).
122 This document was a culmination of a process of research and consensus building among government institutions, the private sector, non-governmental and community-based organisations, academia and the donor community based in Zambia.
levels of malnutrition Government of Zambia and United Nations 1996:1). The document notes that the manifestation of poverty had grown to such an extent that Zambia can be said to be experiencing a social crisis. In view of this crisis, the CCJP urged the government of Zambia (in particular the Ministry of Finance and Economic Development) to ensure that the 1998 Budget is placed within the larger context of development plans of Zambia.

The CCZ on its part believes that for any development effort to be meaningful and ultimately beneficial to the people, it must be initiated and managed by the community in which it is based. As an umbrella organisation, the response to the poverty situation in Zambia is to create and provide a conducive environment that will enhance the economic development process in the churches and community. It is against this background that the council through the Projects Department, Women's Department and Youth and Chaplaincy Department works to improve the capacity building of member churches and communities in project selection and formulation. It is the church's belief that it can play a role in promoting, stimulating, and encouraging educational and developmental management skills that enable Christians and communities to nurture and use entrepreneurial talents.

The Council has held a number of workshops and seminars for member churches and communities to empower them with skills to initiate, manage and own projects in the following: starting a business, project management and crop production and flower arrangement. As an umbrella organisation CCZ has sought to play the role of a facilitator in all the projects that are initiated by the member churches and organisations. In this it has responded to an identified need in a community where a member church may be situated. Owing to the poverty situation in the country member churches and community have requested for economic empowerment. The projects have been in a form of income generating ventures such as agriculture, gardening, poultry farming, tie and die, and batik. The Council also provides community based projects such as the supply of safe potable drinking water in communities that have difficulties in getting water within reasonable walking distance.

123 This report was circulated to various sectors of society explicitly inviting reflection on what could be done to promote human development in Zambia. The CCJP took up the Minister's invitation and offered remarks and recommendations relevant to the 1998 Budget. The CCJP addressed four priority areas it saw as problems, namely, health care, education, anti-poverty strategies and agriculture. For details on the discussions and recommendation see "What are Our Priorities? Statement of the Catholic Commission on Justice and Peace (CCJP). On the 1998 Budget of the Government of the Republic of Zambia. Lusaka, Zambia, 14 October 1997.
124 Ibid., p. 3.
In 1992, the government in partnership with the church and other non-governmental organisations had to respond to the worst living memories of the majority of the population caused by the 1991-1992 drought. Because of the drought, the country had a poor maize harvest. Maize is the staple food in Zambia. The effects of the drought led the church in Zambia to become more concerned with the plight of the poor in Zambia. The church became involved in the relief distribution of foodstuffs and inputs to some affected provinces in the country. For example, under the drought response system project, the CCZ's aim was to help in cushioning the socio-economic effects of the drought. Similarly, during the 1996-1997 farming season, most communities that were affected by the drought had suffered losses in terms of agricultural inputs, death of livestock and the lack of safe drinking water. The CCZ under the post drought recovery programme distributed inputs, the construction and rehabilitation of storage sheds and dams.

The other problem that the ecumenical church in Zambia has focused on, as part of its response to the problem of poverty and impoverishment in the country is the question of debt. Why does the church see debt as a problem for Zambia? A large portion of the money that comes into Zambia goes back in debt servicing, and more money is spent on debt repayments than on anything else. For example, between 1990 and 1993, the government of Zambia spent US$37 million on primary school education, over the same period, the government spent US$1.3 billion on debt repayment. In 1996, Zambia spent K177 billion on debt servicing, and on health and education sectors the government only spent K90.8 billion.

The Church in Zambia claims that debt servicing has been taken as the first priority in government budgeting. The church goes on to argue that in the face of diminishing revenues, this has meant that over the years there been a real decline in government expenditure on social services such as health and education. According to the SAP Monitor (1999), debt relief is essential to poverty eradication and ultimately to development. The Monitor argues that debt reduces progress in the expansion of human choices. If we were to apply Todaro's definition of development in this study (see footnote 120), then development entails people having adequate access to social services

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126 CCJP 1998.
128 Jubilee 2000, Joint Pastoral Letter.
such as health, education, water, sanitation, nutrition and housing. These all depend on resources. But sufficient resources in a poor country like Zambia are scarce, and their scarcity is aggravated when large portions go into debt servicing.

**Summary**

Summing up this section on some churches' responses to the challenges of poverty and impoverishment in South Africa and Zambia, we must remind ourselves that poverty is an all-embracing phenomenon, and that its tentacles reaches into all areas of our society. It reflects hunger, starvation, malnutrition, poor health and education, joblessness, homelessness, deprivation to knowledge and communication, inability to exercise human and political rights and absence of dignity, confidence and self-respect. These are some of the elements that deny individuals and ultimately communities the ability to be human.

I assume that in the presence of a moral will of wanting to do something about the problem of poverty we would expect the church to seek creative responses to the challenge of poverty. For example, churches should participate in community initiatives such as feeding (soup kitchens) and clothing the poor. Churches can offer their premises for fundraising ventures and administrative support to self-help group projects and adult literacy courses. As argued in this study, an attempt to alleviate by purely focusing on income supply, housing and health services missies the point. Certainly these are essential elements in as far human development is concerned, but we need to understand that these measures do not necessarily lead to sustained poverty alleviation and can lead to dependency. Without the development of increased capacity to take decisions, access information, share and even create knowledge, make judgements and reflect, poverty alleviation is likely to be limited. Education is a key to long-term investment.
Recapturing the Forgotten Vision

Jubilee 2000

What is Jubilee 2000? Jubilee 2000 is a global campaign calling for the cancellation of debts of the world’s poorest countries by the end of 2000. The campaign originated from northern nations. It was started by a number of individuals in the United Kingdom, who believed that radical action was needed to address the devastating impact of debt. This campaign built on the experience of active campaigning against the debt by different organisations around the world. The Jubilee 2000 campaign has focused on calling for a one-off remission of debt along the lines of the Jubilee year described in Leviticus. In Africa, the Jubilee 2000 was launched in Accra, Ghana, 16th to 18th April 1998. Since the Accra Conference, a number of National Coalitions have been launched in Ghana, Kenya, Mali, Nigeria, South Africa, Uganda and Zambia. The Jubilee 2000 Afrika Campaign was held under the theme “UHURU Resurgence: Against Debt Bondage for total Afrikan Redemption”. Both South Africa and Zambia launched their own Jubilee campaigns in November and August 1998 respectively.

The Jubilee 2000 Coalition agrees that there is no simple answer to how much debt should be cancelled and what it would cost. It argues that the amount and mechanism of debt cancellation cannot be imposed by creditors, but must be negotiated between creditor and debtor through a fair and transparent process. However, at three international conferences in Accra, Rome and Tegucigalpa, the international members of Jubilee 2000 Coalition set out very clearly demands on what kind and levels of debt must be cancelled. The following are the three declarations: (1) The Accra Declaration, which calls for the cancellation of African debt. (2) The Tegucigalpa Declaration, which for calls for the cancellation of illegitimate and immoral debt. (3) The Rome declaration, which call for cancellation of debt which cannot be serviced without placing the burden on the poor; debt which in real terms has effectively already been paid (because of changing terms of trade or rising interest rates); debt for improperly designed projects; odious debt, apartheid and apartheid-caused debt, and debt incurred by repressive regimes; and the debt of countries affected by Hurricane Mitch.

The biblical concept of the Jubilee raises a question: how relevant is this vision today? Is it right to claim that the debt poor countries owe Western governments and the international western-controlled institutions is a form of slavery? Those who are
advocating a call for Jubilee convinced that the current debt crisis is a form of enslavement. Kessler (1998:179) cites the Policy Reference Committee of the World Council of Churches (WCC) which concludes “debt bondage by the poorest countries to the Western governments and creditors is today’s new slavery.”

The Committee goes on to argue that “the accelerating concentration of wealth for a few in the richest countries and the devastating decline in living standards in the poorest countries call for correction along the lines of the ancient sabbath and jubilee cycles” (Kessler 1998:179). In other words, the current call for jubilee, just as in biblical times, stands in a radical judgement over idolatry, condemning every economic system that results in slavery and indebtedness. There is a very strong belief within the ranks of Jubilee 2000 Coalition that throughout centuries, when people have joined forces to change society, they have often, against all odds, succeeded. The closest parallel to debt crisis cited by Jubilee 2000 Coalition in this regard, which brought people together, is the Atlantic slave trade in the nineteenth century.

Through the sabbath-jubilee tradition, the Hebrew and Christian scriptures offer a critical mandate for a periodical overcoming of structural injustice and poverty and for restoring right relationships. In the earliest Hebrew sabbath traditions, consumption and exploitation of the land were limited by the sabbath and the sabbath year (WCC 1998:178). People and animals were to rest every seventh day and the land every seventh year (Exodus 23:10-12). During the sabbath year, there was to be release from debts and slavery, and during the jubilee year (every 50th year) a restoration of all family lands (Leviticus.25). These commandments are taken up in “the year of the Lord’s favour” (Isaiah. 61:1-2a) and described in Isaiah 65:17-25 as “new heaven and a new earth” (WCC 1998:178). In other words, justice brings peace for all God’s creation (WCC 1998:178). In the New Testament, Jesus extends the jubilee vision by proclaiming good news to the poor, release of captives, sight to the blind and liberation to the oppressed. In the Lord’s prayer, Jesus taught his disciples to pray for the forgiveness of debts, “and forgive us our debts, as we forgive our debtors” (Luke 11:4). Pentecost was characterised by the voluntary sharing of possessions, so that “there was not a needy person among them” (Acts 4:34, cf. Deuteronomy 15:4, WCC 1998:178).

A number studies on debt argue that unpayable debt is debt that cannot be serviced without placing a burden on impoverished people. Informed by the teaching of Jubilee, churches in South Africa and Zambia should continue to seek solutions to address the debt problem, whether it be internal or external. As argued in this study, debt
and structural adjustments programmes both conspire to erode the ability of persons to satisfy their basic human needs. We have discussed in Chapter 3 how the structural adjustment programme in Zambia has made it increasingly difficult for the majority of Zambian to have a truly adequate livelihood.

Jubilee must be viewed within the context of human beings created in the image of God. The responsibility given to humanity as stewards and custodians of this earth and all that is in it is set on the perspective of a creation declared by God the 'Creator' as good, free from exploitation and oppressive culture. Precisely, Jubilee is about community; it is being our brothers and sisters keepers; 'I am because you are'. Unlike the current global economic and political practices that perpetuate instability and disorder, the Jubilee campaign presents exhilaration and optimism.

To this end therefore, the concept of Jubilee should inspire churches to act more pro-actively, courageously and prophetically, especially in regard to the question of land. Both in South Africa and Zambia, the majority of the people's livelihood depends on having access to land. The Jubilee call for the redistribution of land is therefore a way of ensuring adequate livelihood. Given the unpredictability of job markets, we cannot define issues affecting livelihood in terms of having a job. In fact in both South Africa and Zambia, as argued in Chapter 3, many people are unemployed, and land is the only sources of their livelihood.

The Jubilee law also recognises the injustices of human social and economic systems. It recognises how human made policies allow some members of society to become so poor so that they have to sell labour power in order to survive. This calls into question whether the Church can ever be comfortable in a world where there are huge disparities between the rich and the poor. It is in such instances that the Church cannot let go its prophetic role. The Church, in its own way and tradition should assist greatly in ensuring that the rights of the most vulnerable groups in society are not abused by those with power and wealth. The Church should continue to be looked at as the place of refuge for the poor, downtrodden and the marginalised people in society. The Church should continue to plead for those who are denied justice, the needy and the poor, the desolate and disadvantaged.
CONCLUSION

This study has attempted to outline a general picture of poverty and impoverishment in South Africa and Zambia. It is within this scope that we tried to examine how churches in these two countries are responding to the challenges of poverty and impoverishment. The study is not meant to provide a set of concrete answers to the extent and nature of poverty in South Africa and Zambia, or blueprints for churches to follow in their role to eradicate poverty. The scope of this study leaves room for further debate and discussion, especially that the whole study relied on documentary review. Moreover, there is not the space in the extent of a limited study like this to deal with every aspect of poverty and impoverishment as documented in the selected documents reviewed for this study. Nevertheless, it is hoped that the ideas suggested here can help create a framework of thinking for churches in South Africa and Zambia in addressing the problem of poverty and impoverishment.

South Africa may be classified as a middle-income developing country with an abundant supply of natural resources, well-developed financial institutions, a modern infrastructure, and a stock exchange which ranks amongst the largest in the world (Department of Welfare 2000:12). But as shown in this study, the extent of poverty and inequality, amongst its population shows that income has not been invested equitably in human development. The research findings captured in the Poverty and Inequality study by May (2000) indicate that many households still have unsatisfactory access to clean water, energy, health care and education. The challenges that South Africa faces are to create a strong and balanced economy in order to alleviate, eliminate or eradicate poverty, develop a dynamic human resource capacity, facilitate the creation of a prosperous southern African region and engage the world economy in sustainable manner (Department of Welfare 2000:12).

As established in this study, after the democratic elections in 1994, the South African government adopted the RDP as its macroeconomic policy, and later supplemented it with GEAR in 1996. As stated in Chapter 3, GEAR is premised on the understanding that economic growth and the creation of employment are essential for reducing poverty and inequality. Has GEAR as a tool that the South African government aims to achieve its macroeconomic stability and as an economic reform programme meant its desired goals? Has GEAR generated sufficient jobs? Has it helped in the redistribution of income and opportunities in favour of the poor? Have its policies
Conclusion

ensured that health, education and other social services are available to all? As indicated in this study, some analysts claim that GEAR has not lived up to the government's expectations. Lester et al (2000:256) argue although GEAR has helped to ensure macroeconomic stability and thus enhanced the government's international status, it has done little to address internal problems of rocketing unemployment and limited economic growth.

During the first decade of Zambia's independence, development strategies were based on copper earnings. As indicated in Chapter 3, the aim was to use the earnings to create a manufacturing sector that would produce import substitutes in a highly protected environment. As shown in this study, by the mid-1970s Zambia's development strategies were affected by the fall of the world's copper prices, high oil prices and inappropriate domestic macroeconomic polices.

In an effort to restore economic prosperity, the government adopted the IMF/World Bank structural adjustment programme (SAP). The Zambian government instituted SAP with the intention of creating macroeconomic stability in the economy that would later help to reduce poverty. However, under this programme, the government adopted the strategy of 'disengagement' regarding the provision of social services. As we have shown, this is manifested through policy measures such as cost-sharing (user fees), reduction in budgetary allocation for social services in real terms, cash budget system of public finance and decontrolling pricing regime.

On the basis of several surveys on SAP in Zambia, there can be little doubt that its effects on the country have led to worsened conditions. Poverty has increased. The quality of life has decreased as prices have risen, infrastructures have crumbled, as services have deteriorated, and employment opportunities have been reduced. Almost everyone in Zambia has suffered, but rural peasants, urban shanty dwellers, female-headed households and the children of the poor have felt the negative effects of structural adjustments most severely. As this study has indicated, major human development indicators show that poverty in Zambia is of a crisis nature and is increasing across socio-economic groups. As argued, the various safety nets the government put in place are grossly inadequate to ease the negative impact of SAP.

Poverty, inequality, debt, unemployment, lack of access to basic services and human development are some of the issues discussed in the study. We have also attempted to approach the whole question of poverty and impoverishment in South Africa and Zambia by taking into account the economic histories of these two countries.
As we have seen in this study, racial and spatial factors (especially in South Africa) impact strongly on the occurrence of poverty and inequality. Within the context poverty and even of the greater economic and social inequalities in which the majority of South Africans and Zambians live, churches have the responsibility to pursue for a just, participatory and sustainable society.

Certainly, churches in South Africa and Zambia do not have all the answers to the economic and social problems being experienced by the majority of the population in their respective countries. It is neither the church's competence nor prerogative to prescribe economic policies that can help the governments of South Africa and Zambia to eliminate the problem of poverty and impoverishment. But in the light of the foregoing discussion, churches have a sacred duty to the voice of the poor and the marginalised, especially when it is blatantly clear that the current macroeconomic policies being pursued by these two countries have failed to provide hope for the masses of their population. In my view, it such failures that should enable churches to understand just how Christianity fits into this economic world. In fact it has become clear that the economic systems of today are not God, they are human and therefore imperfect.

As we have established this study, poverty is a multidimensional phenomenon, encompassing the inability to satisfy basic needs, lack of resources, lack of education and skills, poor health, malnutrition, lack of shelter, poor access to water and sanitation. To understand what poverty is, to effectively and sufficiently challenge and respond to it, churches in South Africa and Zambia must look at what happens to poverty, they must look at a number of indicators, and they must also listen to the voices of the poor. Similarly, to know what helps to alleviate poverty, what works and what does not, what changes over time, poverty has to be defined, measured, and studied, and even lived. In short, these are some of the issues that churches in South Africa and Zambia have to understand if they are to do something about the problem of poverty.

It is important to realise that the situation of poverty and impoverishment in South Africa and Zambia calls for more than just giving handouts to the poor. Basing on the definitions of poverty and human development as shown in this study, poverty is a situation that concerns humanity, hence its existence and development calls churches to action. If churches in South Africa and Zambia are to deal with the challenges of poverty and impoverishment, then they must ensure that they begin a process of ensuring that the economic and social freedom of the poor and the marginalised become the core of their theological responsibilities. As Villa-Vicencio (1992:31) argues:
If the theological ideals are not to be translated into programmes of action which, although not immediately realising all that is theologically envisaged, convincingly affirm the immediate and reasonably demand of the poor which constitute a proleptic ingredient of the greater ideals, then religion is no more than the opium of the poor.

The church, Cochrane (1999:124) argues, is in need of a prophetic vision that goes beyond protest and is prepared to be constructive. Churches in our societies must set out a vision of what or how they would wish or desire society to become. Their prophetic vision for the future must arise from and be constituted by the experiences of those people who are often relegated to the periphery of their own societies. Therefore, when discussing issues such as poverty, inequality and economic injustices, churches should not simply criticise government policies, but rather engage or collaborate with government to help secure the type of society where the poor and marginalised will play a role in the construction of their future. This is imperative.

Indeed, as stated in this study, economic growth alone is not enough to alleviate poverty. The provision of quality education, health care and other social services are essential if poverty is to be alleviated or eliminated. In the context where the government in South Africa is calling for close co-operation with churches in the fight against poverty (a similar call has made by the Zambian government), it seems obvious that the areas in which churches can assist is in the provision of education and health care. In spite of their many limitations and failures, churches have had a remarkable track record down the centuries of creating and nurturing organisations aimed at serving and harnessing the energies of people in need. Rather than churches abdicating their responsibility toward the poor to the government, instead they should co-operate with government, and together help the poor to access education and health care. If the Christian faith has to mean anything in Southern Africa, the Church must take a position for and with the poor, and thus affirm its calling as a Church of and for the poor.

Another point to consider is the role of churches in responding to the national budget. Many churches are not clear why they should have anything to do with the national budget. Most churches are silent, and above all they see the budget being the sole competence of economists and as a technical instrument used by the government to pursue its financial policies. To this effect, the budget, which is open to public review, is seldom scrutinised from an ethical perspective, or from a moral value system. An
important question to ask is: "Whose asset is the national budget?" If it is national asset, then it belongs to the people.

The ministry of the church remains incomplete and insensitive if it does engage in matters of the national wealth, the distribution of resources and economic justice (Challenge 59, 2000:18). True Christian faith entails commitment to the struggle against human exploitation and misery. Churches know that their task is to uphold human values as presented in the gospel which include, among others, concern for the poor, justice for the oppressed and marginalised. To this end therefore, engaging in budgetary process offers churches an opportunity to express its values. If they remain silent, they abdicate their responsibility to stand up for what they are called to, that is, to advance the cause of the poor and the disadvantaged.

In summary, churches in South Africa and Zambia cannot remain unresponsive in the face of the enormous social and economic injustices that exist in their countries, which continue to push the majority of their population into a depressing economic situation. These situations have in many cases become inhuman wretchedness. Against this background, it is necessary to re-emphasise strongly that churches should engage with government to work toward fulfilling the requirements of justice and equity, and by so doing making every effort possible in putting to an end the economic inequalities which exist in these two countries.
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APPENDIX I

SOUTH AFRICAN AND ZAMBIAN TRENDS

Table 10: Macroeconomic Indicators (Zambia)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth rate (%)</td>
<td>-0.4</td>
<td>-1.7</td>
<td>6.8</td>
<td>-8.6</td>
<td>-4.3</td>
<td>6.4</td>
<td>3.5</td>
<td>-2.0</td>
</tr>
<tr>
<td>Inflation rate (%)</td>
<td>93</td>
<td>197.4</td>
<td>189.0</td>
<td>55.6</td>
<td>34.9</td>
<td>43.5</td>
<td>24.8</td>
<td>30.6</td>
</tr>
<tr>
<td>Budget deficit as % of GDP</td>
<td>6.1</td>
<td>3.5</td>
<td>2.5</td>
<td></td>
<td>-1</td>
<td>-1.2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Exchange rate Kg per US$</td>
<td>64.63</td>
<td>172.2</td>
<td>452.7</td>
<td>670</td>
<td>864.6</td>
<td>1213.6</td>
<td>1321.1</td>
<td>2200</td>
</tr>
</tbody>
</table>

Source: SAP Monitor Issue No. 21 March/April 1999

Table 11: Incidence of poverty amongst selected groups, poverty measure (1995 data)*

<table>
<thead>
<tr>
<th></th>
<th>% Africans in poverty</th>
<th>% Coloureds in poverty</th>
<th>Incidence of rural poverty</th>
<th>Incidence of rural poverty</th>
<th>Incidence of poverty amongst female headed households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita consumption</td>
<td>53.6</td>
<td>35.8</td>
<td>60.6</td>
<td>24.1</td>
<td>52.2</td>
</tr>
<tr>
<td>Total household consumption</td>
<td>52.1</td>
<td>36.0</td>
<td>59.2</td>
<td>25.2</td>
<td>52.2</td>
</tr>
<tr>
<td>Per capita income</td>
<td>53.4</td>
<td>36.2</td>
<td>59.1</td>
<td>25.3</td>
<td>53.0</td>
</tr>
<tr>
<td>Per capita food expenditure</td>
<td>53.2</td>
<td>33.3</td>
<td>56.7</td>
<td>27.2</td>
<td>48.8</td>
</tr>
<tr>
<td>Food ration</td>
<td>49.0</td>
<td>45.3</td>
<td>54.4</td>
<td>28.9</td>
<td>53.0</td>
</tr>
<tr>
<td>Avg. adult education</td>
<td>50.8</td>
<td>46.6</td>
<td>59.3</td>
<td>25.2</td>
<td>44.0</td>
</tr>
</tbody>
</table>

Source: IES & OHS, SSA 1995. (See Woolard and Leibbrandt 1999)
*assuming that the poorest 40% of households are poor
Table 12: South African Population and Urbanisation Trends

<table>
<thead>
<tr>
<th></th>
<th>Blacks</th>
<th></th>
<th>Whites</th>
<th></th>
<th>Coloureds</th>
<th></th>
<th>Asians</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>% Urban</td>
<td>Number</td>
<td>% Urban</td>
<td>Number</td>
<td>% Urban</td>
<td>Number</td>
<td>% Urban</td>
<td>Number</td>
<td>% Urban</td>
</tr>
<tr>
<td>1960</td>
<td>10 928</td>
<td>31.8</td>
<td>3 088</td>
<td>83.6</td>
<td>1 509</td>
<td>68.3</td>
<td>477</td>
<td>83.2</td>
<td>16 002</td>
<td>46.7</td>
</tr>
<tr>
<td>1970</td>
<td>15 340</td>
<td>33.1</td>
<td>3 773</td>
<td>86.8</td>
<td>2 051</td>
<td>74.1</td>
<td>630</td>
<td>86.8</td>
<td>21 794</td>
<td>47.8</td>
</tr>
<tr>
<td>1980</td>
<td>20 800</td>
<td>33.4</td>
<td>4 528</td>
<td>88.8</td>
<td>2 686</td>
<td>77.2</td>
<td>821</td>
<td>88.3</td>
<td>28 835</td>
<td>53.1</td>
</tr>
<tr>
<td>1990</td>
<td>28 244</td>
<td>56.4</td>
<td>4 972</td>
<td>88.7</td>
<td>3 189</td>
<td>78.0</td>
<td>972</td>
<td>90.1</td>
<td>37 377</td>
<td>63.4</td>
</tr>
<tr>
<td>2000</td>
<td>37 048</td>
<td>66.7</td>
<td>5 283</td>
<td>89.5</td>
<td>3 732</td>
<td>81.2</td>
<td>1 111</td>
<td>91.4</td>
<td>41 174</td>
<td>71.0</td>
</tr>
<tr>
<td>2010</td>
<td>47 596</td>
<td>74.0</td>
<td>5 516</td>
<td>90.1</td>
<td>4 166</td>
<td>83.1</td>
<td>1 225</td>
<td>92.2</td>
<td>58 503</td>
<td>76.6</td>
</tr>
<tr>
<td>2020</td>
<td>59 195</td>
<td>79.0</td>
<td>5 658</td>
<td>90.4</td>
<td>4 583</td>
<td>84.7</td>
<td>1 329</td>
<td>92.8</td>
<td>70 765</td>
<td>80.6</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Statistics</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>43,426,386 Million (July 1999 est.)</td>
</tr>
<tr>
<td>Population growth rate</td>
<td>1.32% (1999 est.)</td>
</tr>
<tr>
<td>Life expectancy at birth</td>
<td>54.68 years (52.68 male/56.9 women, 1999 est.)</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>51.99 deaths/1,000 (1999 est.)</td>
</tr>
<tr>
<td>Birth rate</td>
<td>25.94 births/1,000 (1999 est.)</td>
</tr>
<tr>
<td>Net migration rate</td>
<td>0.08 migrants/1000 population (1999 est.)</td>
</tr>
<tr>
<td>Literacy</td>
<td>81.8% (81.9% male/ 81.7 female, 1995 est.)</td>
</tr>
<tr>
<td>Ethnic groups</td>
<td>black 75.2%, Whites 13.6%, Coloured 8.6%, Indian 2.6%</td>
</tr>
</tbody>
</table>

Source: World Bank 1999

Table 14: Correlation of alternative definitions of poverty with per capita consumption definition (1995 data) (South Africa)

<table>
<thead>
<tr>
<th>Definition</th>
<th>Percentage of population &quot;correctly&quot; identifies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
</tr>
<tr>
<td>Household consumption</td>
<td>75.8</td>
</tr>
<tr>
<td>Per capita income</td>
<td>90.8</td>
</tr>
<tr>
<td>Per capita food expenditure</td>
<td>79.3</td>
</tr>
<tr>
<td>Food ration</td>
<td>69.0</td>
</tr>
<tr>
<td>Adult school attainment</td>
<td>64.8</td>
</tr>
</tbody>
</table>

Source: Saldru, 1993. (See Woolard and Leibbrandt 1999)
Table 15: Unemployment rates* above and below the poverty line in South Africa

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Non-poor</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>56.9</td>
<td>19.5</td>
<td>35.6</td>
</tr>
<tr>
<td>Male</td>
<td>53.9</td>
<td>10.4</td>
<td>25.9</td>
</tr>
<tr>
<td>Rural</td>
<td>55.5</td>
<td>16.3</td>
<td>40.2</td>
</tr>
<tr>
<td>Urban</td>
<td>55.2</td>
<td>13.6</td>
<td>23.4</td>
</tr>
<tr>
<td>All</td>
<td>55.4</td>
<td>14.3</td>
<td>30.3</td>
</tr>
</tbody>
</table>

* The unemployment rate is calculated by dividing the number of people aged 16-64 who are not working but would like to work (and are either actively seeking work or are too discouraged to continue looking) by the number of people in the labour force.

Source: Statistics South Africa. The unemployment rate is derived from October Household surveys (OHS)

Table 16: Official Unemployment Rate in South Africa, 1994 – 1998

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment measured by OHS (Official definition)</td>
<td>1,988m</td>
<td>1,644m</td>
<td>2,019m</td>
<td>2,238m</td>
</tr>
<tr>
<td>Economic active</td>
<td>9,959m</td>
<td>9,713m</td>
<td>9,609m</td>
<td>9,787m</td>
</tr>
<tr>
<td>Not economic active*</td>
<td>10,907m</td>
<td>11,612m</td>
<td>12,206m</td>
<td>12,507m</td>
</tr>
<tr>
<td>Official unemployment Rate</td>
<td>20%</td>
<td>16.9%</td>
<td>21.0%</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

* The ‘Not Economically Active’ include pensioners, full-time students, the disabled and full-time homemakers.

Source: Statistics South Africa. The unemployment rate is derived from October Household surveys (OHS)
Table 17: Unemployment, participation, and sectoral employment by race, gender and location (%) in South Africa

<table>
<thead>
<tr>
<th>(Broad) unemployment rates by Race</th>
<th>Ultra-poor</th>
<th>Poor</th>
<th>Non-poor</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>59.4</td>
<td>52.7</td>
<td>24.5</td>
<td>36.9</td>
</tr>
<tr>
<td>Coloured</td>
<td>46.1</td>
<td>36.7</td>
<td>17.0</td>
<td>21.8</td>
</tr>
<tr>
<td>Indian</td>
<td>67.5</td>
<td>12.8</td>
<td></td>
<td>13.7</td>
</tr>
<tr>
<td>White</td>
<td>75.0</td>
<td>4.5</td>
<td></td>
<td>4.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>65.9</td>
<td>59.1</td>
<td>25.3</td>
<td>37.4</td>
</tr>
<tr>
<td>Male</td>
<td>51.6</td>
<td>44.0</td>
<td>12.9</td>
<td>22.4</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>56.3</td>
<td>48.8</td>
<td>22.4</td>
<td>36.7</td>
</tr>
<tr>
<td>Urban</td>
<td>65.7</td>
<td>57.5</td>
<td>16.8</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Total broad unemployment rate  
Total narrow unemployment rate
Labour force participation rate
Share of adults 16-64 working

Source: IES & OHS, SSA 1995 (See Woolard and Leibbrandt 1999)

Table 18: Poverty and Gender in South Africa

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Poverty rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female-headed</td>
<td>60.3%</td>
</tr>
<tr>
<td>Male headed</td>
<td>31.3%</td>
</tr>
</tbody>
</table>

Source: IES & OHS, SSA 1995

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>9 Million</td>
</tr>
<tr>
<td>Population Annual Growth</td>
<td>2.8%</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>45 years</td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>112 per 1,000 live births</td>
</tr>
<tr>
<td>Under Five Mortality</td>
<td>202 per 1,000 live births</td>
</tr>
<tr>
<td>GNP Per Capita</td>
<td>$380</td>
</tr>
<tr>
<td>Percentage Adults literate</td>
<td>81%/66% Male/Female</td>
</tr>
<tr>
<td>Percentage Population with Access To Safe Water</td>
<td>43%</td>
</tr>
</tbody>
</table>

Source: World Bank 1999

Table 20: Zambia's External Debt Servicing 1994-1997 (In US$ Millions)

| Source: Macro Economic Indicators 1997, Ministry of Finance and Economic Development |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| IBRD/IDA                        | 63.4 | 49.8 | 10.6 | 8.6 |
| ADB/ADF                         | 83.6 | 83.6 | 70.1 | 60.1 |
| Other                           | 40.6 | 40.2 | 43.9 | 32.4 |
| Sub total                       | 13.2 | 8.9  | 5.5  | 12.1 |
| Paris                           | 200.8| 182.5| 130.1| 113.2|
| Non Paris                       | 127.1| 139.4| 40.0 | 33.8 |
| Financial Institution           | 6.7  | 5.1  | 4.5  | 4.8 |
| BOZ Short term                  | 32.6 | 14.5 | 28.1 | 14.6 |
| Total                           | 374.0| 344.9| 203.2| 176.0|

Table 21: Trends in Infant, Child and Under Five Mortality in Zambia. Rates - (Deaths per 1,000 live births) 1987-1996

<table>
<thead>
<tr>
<th>Year</th>
<th>Infant Mortality</th>
<th>Child Mortality</th>
<th>Under Five Mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-81</td>
<td>79.5</td>
<td>78.8</td>
<td>151.9</td>
</tr>
<tr>
<td>1982-86</td>
<td>87.6</td>
<td>81.7</td>
<td>162.2</td>
</tr>
<tr>
<td>1987-91</td>
<td>107.2</td>
<td>93.6</td>
<td>190.7</td>
</tr>
<tr>
<td>1992-96</td>
<td>109.0</td>
<td>98.4</td>
<td>197.0</td>
</tr>
</tbody>
</table>

Source: Zambia Demographic and Heath Survey 1992 and 1996
Table 22: Gross Enrolment Rates (%) in Zambia

<table>
<thead>
<tr>
<th>Grades 1-7</th>
<th>Boys</th>
<th>Girls</th>
<th>Both Sexes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Country</td>
<td>87.1</td>
<td>78.4</td>
<td>82.7</td>
</tr>
<tr>
<td>Rural Zambia</td>
<td>74.3</td>
<td>64.2</td>
<td>69.3</td>
</tr>
<tr>
<td>Urban Zambia</td>
<td>104.8</td>
<td>97.1</td>
<td>100.8</td>
</tr>
</tbody>
</table>

Source: Below the Poverty in Education: A situation of Girl Child Education in Zambia

Table 23: Trends in the Distribution of Poverty by Province in Zambia, 1991-1996

<table>
<thead>
<tr>
<th>Province</th>
<th>Distribution of Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1991</td>
</tr>
<tr>
<td>Central</td>
<td>9.1</td>
</tr>
<tr>
<td>Copperbelt</td>
<td>14.6</td>
</tr>
<tr>
<td>Eastern</td>
<td>15.1</td>
</tr>
<tr>
<td>Luapula</td>
<td>11.1</td>
</tr>
<tr>
<td>Lusaka</td>
<td>6.9</td>
</tr>
<tr>
<td>Northern</td>
<td>15.2</td>
</tr>
<tr>
<td>North Western</td>
<td>5.4</td>
</tr>
<tr>
<td>Southern</td>
<td>13.5</td>
</tr>
<tr>
<td>Western</td>
<td>9.1</td>
</tr>
<tr>
<td>All Zambia</td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


Figure 1: Chronology of Adjustment Programme of Zambia, 1973-1991

<table>
<thead>
<tr>
<th>Year</th>
<th>Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>One-year stand-by agreement with the IMF for SDR 19 million</td>
</tr>
<tr>
<td>1976</td>
<td>One-year stand-by agreement with the IMF for SDR 19 million</td>
</tr>
<tr>
<td>1978</td>
<td>Two-year stand-by agreement with the IMF for SDR 250 million</td>
</tr>
<tr>
<td>1981</td>
<td>The IMF offers help with preconditions: three-year Extended Fund Facility for 800 Million</td>
</tr>
<tr>
<td>1982</td>
<td>IMF plan cancelled because objectives are not met.</td>
</tr>
<tr>
<td>1983</td>
<td>Return to the IMF after failure to find alternative sources of funds; one-year stand-by agreement with IMF for 250 million</td>
</tr>
<tr>
<td>1984</td>
<td>Twenty-one stand-by agreement for DSR 225.</td>
</tr>
<tr>
<td>April 1985</td>
<td>IMF agreement suspended for non-compliance.</td>
</tr>
<tr>
<td>February 1986</td>
<td>&quot;Shadow program&quot; transformed into twenty-four month stand-by agreement with IMF for 229 SDR million</td>
</tr>
<tr>
<td>January 1987</td>
<td>Kenneth Kaunda backs away from reform measures; the IMF and World Bank programs are suspended.</td>
</tr>
<tr>
<td>March-May 1987</td>
<td>Discussions with IMF to get program back on track.</td>
</tr>
<tr>
<td>May 1987</td>
<td>Kaunda announces suspension of IMF reform effort.</td>
</tr>
<tr>
<td>1988</td>
<td>Informal talk with IMF and World Bank.</td>
</tr>
<tr>
<td>February 1990</td>
<td>Zambia reaches preliminary agreement with the IMF and World Bank.</td>
</tr>
<tr>
<td>September 1991</td>
<td>The IMF and World Bank suspend agreement in response to Zambia's failure to make payments in July.</td>
</tr>
</tbody>
</table>

Source: Joan M. Nelson (see Graham 1994:150)
Figure 2: The Reconstruction and Development Programme (RDP)

What does the RDP mean?

Two visions of growth and poverty alleviation

'Piecemeal market reform'

- Rigid labour markets
- Slow economic growth

- Higher wages for people with jobs
- Few jobs created

- Rising unemployment

Big government RDP commitments

- Government revenues weak, but spending soars

Huge pressures on RDP eventually fails


NB: This information was used during a Block Seminar for the Church, Theology and Public Life Honours and Masters Coursework Degree Programme at the University of Cape Town (First Semester 1998).
Figure 3: Growth for All Strategy

'Standard for All'

More flexible labour markets

Faster economic growth

Wages tight for people with jobs

Many jobs created

Falling unemployment

Modest government RDP commitments

'Strong emphasis on social safety net'

Spending steady money available

RDP delivers:
more jobs, poverty falls


NB: This information was used during a Block Seminar for the Church, Theology and Public Life Honours and Masters Coursework Degree Programme at the University of Cape Town (First Semester 1998).
Figure 4: Causes of Poverty in Zambia

A conceptual framework

<table>
<thead>
<tr>
<th>Manifestations</th>
<th>Lack of choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malnutrition</td>
<td>Low human capital</td>
</tr>
<tr>
<td></td>
<td>Children in especially difficult circumstances</td>
</tr>
<tr>
<td></td>
<td>Vulnerability to AIDS</td>
</tr>
</tbody>
</table>

Underlying causes

<table>
<thead>
<tr>
<th>Structural Economic Imbalances</th>
<th>Decayed institutional capacity</th>
<th>Gender insensitivity and bias</th>
<th>inappropriately choice of technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban bias and rural neglect</td>
<td>Culture of dependency on the state</td>
<td>Gender insensitivity and bias</td>
<td>inappropriately choice of technology</td>
</tr>
</tbody>
</table>

Fundamental causes

<table>
<thead>
<tr>
<th>Past National policies</th>
<th>National resource base</th>
<th>External economic shocks</th>
</tr>
</thead>
</table>

## APPENDIX II

### SOUTHERN AFRICAN TRENDS

Table 24: Human Poverty Index in the SADC Region

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>HUMAN POVERTY INDEX VALUE (PERCENT)</th>
<th>HUMAN POVERTY INDEX RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>13</td>
<td>12.5</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>17</td>
<td>17.3</td>
</tr>
<tr>
<td>Botswana</td>
<td>29</td>
<td>22.9</td>
</tr>
<tr>
<td>Lesotho</td>
<td>35</td>
<td>27.5</td>
</tr>
<tr>
<td>Zambia</td>
<td>45</td>
<td>35.1</td>
</tr>
<tr>
<td>Tanzania</td>
<td>50</td>
<td>39.7</td>
</tr>
<tr>
<td>Namibia</td>
<td>59</td>
<td>45.1</td>
</tr>
<tr>
<td>Malawi</td>
<td>60</td>
<td>45.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>72</td>
<td>50.1</td>
</tr>
</tbody>
</table>

### Table 25: HDI Ranking for Developing Countries (SADC Member States)

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI Value</th>
<th>Per capita HDI Rank</th>
<th>Real GDP Per capita (PPPUS$) 1994</th>
<th>HDI Rank minus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>0.831</td>
<td>61</td>
<td>13.172</td>
<td>-30</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.716</td>
<td>90</td>
<td>4.291</td>
<td>-10</td>
</tr>
<tr>
<td>Botswana</td>
<td>0.673</td>
<td>97</td>
<td>5.367</td>
<td>-30</td>
</tr>
<tr>
<td>Swaziland</td>
<td>0.589</td>
<td>114</td>
<td>2.821</td>
<td>-10</td>
</tr>
<tr>
<td>Namibia</td>
<td>0.570</td>
<td>118</td>
<td>4.027</td>
<td>-35</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>0.513</td>
<td>129</td>
<td>2.196</td>
<td>-10</td>
</tr>
<tr>
<td>Lesotho</td>
<td>0.457</td>
<td>137</td>
<td>1.109</td>
<td>14</td>
</tr>
<tr>
<td>Democratic Rep. Congo</td>
<td>0.381</td>
<td>142</td>
<td>429</td>
<td>31</td>
</tr>
<tr>
<td>Zambia</td>
<td>0.369</td>
<td>143</td>
<td>962</td>
<td>15</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.357</td>
<td>149</td>
<td>656</td>
<td>21</td>
</tr>
<tr>
<td>Angola</td>
<td>0.335</td>
<td>157</td>
<td>1.600</td>
<td>-24</td>
</tr>
<tr>
<td>Malawi</td>
<td>0.320</td>
<td>161</td>
<td>694</td>
<td>7</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0.281</td>
<td>166</td>
<td>986</td>
<td>-9</td>
</tr>
</tbody>
</table>

Source: Extracted from the HDR (1997)

### Table 26: Population Growth Rates in Southern Africa (Annual Averages)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>1.50</td>
<td>2.27</td>
<td>2.77</td>
<td>3.58</td>
<td>3.05</td>
<td>2.86</td>
<td>2.60</td>
</tr>
<tr>
<td>Botswana</td>
<td>2.62</td>
<td>3.77</td>
<td>3.22</td>
<td>2.91</td>
<td>2.62</td>
<td>2.10</td>
<td>1.64</td>
</tr>
<tr>
<td>Congo DR</td>
<td>2.83</td>
<td>2.91</td>
<td>3.31</td>
<td>3.15</td>
<td>3.01</td>
<td>2.93</td>
<td>2.68</td>
</tr>
<tr>
<td>Lesotho</td>
<td>2.03</td>
<td>2.33</td>
<td>2.70</td>
<td>2.49</td>
<td>2.37</td>
<td>2.07</td>
<td>1.78</td>
</tr>
<tr>
<td>Malawi</td>
<td>2.50</td>
<td>3.19</td>
<td>4.48</td>
<td>2.79</td>
<td>2.70</td>
<td>2.90</td>
<td>2.62</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2.33</td>
<td>2.56</td>
<td>2.62</td>
<td>3.19</td>
<td>2.72</td>
<td>2.47</td>
<td>2.27</td>
</tr>
<tr>
<td>Namibia</td>
<td>2.50</td>
<td>2.78</td>
<td>3.05</td>
<td>3.16</td>
<td>2.88</td>
<td>2.57</td>
<td>2.21</td>
</tr>
<tr>
<td>South Africa</td>
<td>2.59</td>
<td>2.78</td>
<td>2.54</td>
<td>2.36</td>
<td>2.01</td>
<td>1.62</td>
<td>1.30</td>
</tr>
<tr>
<td>Swaziland</td>
<td>2.54</td>
<td>3.04</td>
<td>2.89</td>
<td>2.74</td>
<td>2.58</td>
<td>2.22</td>
<td>1.91</td>
</tr>
<tr>
<td>Zambia</td>
<td>2.92</td>
<td>3.20</td>
<td>3.56</td>
<td>2.73</td>
<td>2.67</td>
<td>2.86</td>
<td>2.65</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>3.27</td>
<td>3.08</td>
<td>3.39</td>
<td>2.87</td>
<td>2.45</td>
<td>2.22</td>
<td>1.81</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>2.58</td>
<td>2.82</td>
<td>2.93</td>
<td>2.88</td>
<td>2.61</td>
<td>2.42</td>
<td>2.20</td>
</tr>
<tr>
<td>Africa</td>
<td>2.64</td>
<td>2.81</td>
<td>2.97</td>
<td>2.91</td>
<td>2.69</td>
<td>2.37</td>
<td>2.18</td>
</tr>
<tr>
<td>World</td>
<td>2.05</td>
<td>1.86</td>
<td>1.76</td>
<td>1.69</td>
<td>1.39</td>
<td>1.17</td>
<td>1.03</td>
</tr>
</tbody>
</table>

### Table 27: Southern Africa - GDP at Current Prices, 1995-1998 (US $ Million)***

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>6,870</td>
<td>6,187</td>
<td>6,960</td>
<td>7,830</td>
<td>8,674</td>
</tr>
<tr>
<td>Botswana</td>
<td>4,011</td>
<td>4,318</td>
<td>5,315</td>
<td>5,713</td>
<td>6,113</td>
</tr>
<tr>
<td>Congo (DR)</td>
<td>5,829</td>
<td>6,140</td>
<td>19,437</td>
<td>11,730</td>
<td>11,249</td>
</tr>
<tr>
<td>Lesotho</td>
<td>766</td>
<td>841</td>
<td>958</td>
<td>1,054</td>
<td>1,159</td>
</tr>
<tr>
<td>Malawi</td>
<td>1,283</td>
<td>1,465</td>
<td>1,636</td>
<td>1,721</td>
<td>1,807</td>
</tr>
<tr>
<td>Mauritius</td>
<td>3,514</td>
<td>3,940</td>
<td>4,292</td>
<td>4,506</td>
<td>4,798</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1,433</td>
<td>1,462</td>
<td>1,636</td>
<td>1,721</td>
<td>1,807</td>
</tr>
<tr>
<td>Namibia</td>
<td>2,926</td>
<td>3,162</td>
<td>3,026</td>
<td>3,150</td>
<td>3,307</td>
</tr>
<tr>
<td>Seychelles</td>
<td>488</td>
<td>518</td>
<td>515</td>
<td>530</td>
<td>546</td>
</tr>
<tr>
<td>South Africa</td>
<td>121,619</td>
<td>133,927</td>
<td>137,275</td>
<td>140,020</td>
<td>143,520</td>
</tr>
<tr>
<td>Swaziland</td>
<td>988</td>
<td>1,073</td>
<td>1,069</td>
<td>1,101</td>
<td>1,107</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3,378</td>
<td>4,192</td>
<td>4,389</td>
<td>4,542</td>
<td>4,678</td>
</tr>
<tr>
<td>Zambia</td>
<td>3,262</td>
<td>3,412</td>
<td>3,252</td>
<td>3,913</td>
<td>3,150</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>5,819</td>
<td>6,606</td>
<td>7,509</td>
<td>7,884</td>
<td>8,357</td>
</tr>
</tbody>
</table>

**Growth Rate %** 2.5 2.5 3.0 2.4 3.0


*SRDC – Estimate*

**Estimates by the Central Statistics Office, Lusaka.***

***Table adapted from Republic of Zambia, Economic Report 1998, p. 13***
Table 28: Poverty Reduction Policies and Programmes in Southern Africa, Congruence and Divergence

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy Framework</th>
<th>Capacity Building (Institutional Framework)</th>
<th>Direct Assistance Programmes</th>
<th>Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>National Policy in Women in Development</td>
<td>Women's Unit</td>
<td>Income supplementation, food transfers</td>
<td>Skills Training, micro credit, employment generation through private sector development</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Social Policy Framework and Action Plan in Place</td>
<td>Civil service reform, decentralisation, effective planning &amp; budgeting, households surveys partnerships with NGOs &amp; donors, merging fragmented Units, transparency in use of Development Fund</td>
<td>'Through Social Safety Net (i) lower price of food (ii) expand labour intensive private works &amp; provide food supplements</td>
<td>Human resource Development (education &amp; Health), private sector development</td>
</tr>
<tr>
<td>Malawi</td>
<td>Employment Policy</td>
<td>Poverty Monitoring by National Economic Council</td>
<td>Poverty Alleviation Programme, Trust Fund, Public Works Programme</td>
<td>Private sector and enterprise Development, skills Training &amp; micro credit delivery</td>
</tr>
<tr>
<td>Namibia</td>
<td>National Long term Perspective Study</td>
<td>Inter-institutional National Committee on Poverty Reduction</td>
<td>Social Security Development Fund, National Medical Aid Fund and National Pension Fund</td>
<td>Affirmative Action Programme, private sector development</td>
</tr>
<tr>
<td>Swaziland</td>
<td>National Development Strategy</td>
<td>Improving community based structures</td>
<td>Social Security</td>
<td>Labour intensive technologies, Promoting self-employment and informal sector, private Sector development</td>
</tr>
<tr>
<td>South Africa</td>
<td>Social Welfare Policy</td>
<td>Reconstruction and Development Committee, Decentralisation</td>
<td>Public Works Programme Social security</td>
<td>Skills training and enterprise Development</td>
</tr>
<tr>
<td>Zambia</td>
<td>National Poverty Reduction Strategic Framework</td>
<td>National Social Safety Net Co-ordinating Committee</td>
<td>Public Welfare Assistance</td>
<td>Micro credit for enterprise development, agriculture &amp; rural development, Human resource development</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Revision of Social Dimensions of Structural Adjustment into poverty policy with Action Plan</td>
<td></td>
<td>Welfare grants</td>
<td>Land resettlement, reforms, micro credit delivery</td>
</tr>
</tbody>
</table>