The rise, fall, and return of development planning in Zambia

Greg Musiker

MSK GRE 002

A minor dissertation submitted in partial fulfillment of the requirements for the award of the degree of Masters of Arts in International Relations

Faculty of the Humanities

University of Cape Town

2019

COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signed by candidate

Signature:________________________ Date:________________________

Acknowledgments

I am grateful to my supervisor, Jeremy Seekings, for the constant questioning. And to my parents, Karen and Martin, who always said that I should write something.

Abstract

This dissertation presents a case study of the Zambian government's decision to reintroduce planning in 2002, after having abandoned it a decade prior. African countries, and most developing countries, share similar experiences in development planning – something Chimhowu, Hulme, and Munro refer to as the 'rise, fall, and return of planning'. The authors refer to the most recent period in the history of development planning – which became evident in most emerging countries in the late-2000s or 2010s – as the rise of the 'new' development planning. On a broad level, the catalyst for the reintroduction of planning in Zambia was an aid harmonisation process that saw multilateral and bilateral agencies attempt to streamline aid inflows into recipient countries, reduce the associated administrative costs for local officials, and generally improve aid efficacy. More specifically, the case study finds that a particular confluence of economic ideas and political interests left the government of Levy Mwanawasa favourably disposed to the reintroduction of planning. In this sense, the reintroduction of development planning formed part of Mwanawasa's attempts to shore up his legitimacy among the electorate and to build a political coalition to withstand a powerful faction within his Movement for Multiparty Democracy (MMD) led by former president Frederick Chiluba. This paper finds that Zambia's Fifth National Development Plan (FNDP) 2006-2010 – the first development plan to be implemented since planning was abandoned in 1991 – was heavily influenced by the Poverty Reduction and Strategy Paper (PRSP) that preceded it. The PRSP was completed as a condition of the multilateral debt relief programme in which Zambia was participating at the time. Significantly, the FNDP did not represent a return to the developmentalism that characterised the post-independence era of development planning. Rather, the FNDP represented a continuation of the 'neoliberal populism' introduced with the PRSP. In practice, this resulted in failed attempts to alleviate some of the costs of adjustment – such as poverty and unemployment – through increased social sector spending. In short, the rise of the 'new' development planning in Zambia was not accompanied by a corresponding return of any sort of 'new' developmentalism.

Acronyms

AfDB	African Development Bank
BWIs	Bretton Woods Institutions
CSO	Civil Society Organisation
CSPR	Civil Society for Poverty Reduction
CTGs	Coordination and Technical Groups
DAs	Development Agreements
DDC	District Development Committee
DDCC	District Development Coordinating Committee
DPU	District Planning Unit
ESAF	Enhanced Structural Adjustment Facility [IMF]
FNDP	Fifth National Development Plan
HIP	Harmonisation in Practice
HIPC	Heavily Indebted Poor Country Initiative
HIPC II	Enhanced Heavily Indebted Poor Country Initiative
I-PRSP	Interim Poverty Reduction Strategy Paper
IBRD	International Bank for Reconstruction and Development
IMF	International Monetary Fund
ISI	Import Substitution Industrialisation
JASZ	Joint Aid Strategy for Zambia
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MFDP	Ministry of Finance and Development Planning [Botswana]
MMD	Movement for Multiparty Democracy
MoF	Ministry of Finance
MoFNP	Ministry of Finance and National Planning
MPSAs	Ministries, Provinces, and other Spending Agencies
MTEF	Medium Term Economic Framework
MUZ	Mineworkers Union of Zambia
NCDP	National Commission for Development Planning
NDC	National Development Committee
NDP	National Development Plan
NERP	New Economic Recovery Programme
NSC	National Steering Committee
NTC	National Technical Committee
ODA	Overseas Development Assistance
PDC	Provincial Development Committee
PDCC	Provincial Development Coordinating Committee
PEMD	Planning and Economic Management Department
PF	Patriotic Front

PFP	Policy Framework Paper
PIPs	Public Investment Programmes
PPU	Provincial Planning Unit
PRGF	Poverty Reduction and Growth Facility [IMF]
PRSC	Poverty Reduction Strategy Credit [World Bank}
PRSP	Poverty Reduction Strategy Paper
PSRP	Public Sector Reform Programme
RAP	Rights Accumulation Programme
SAGs	Sector Advisory Groups
SAPs	Structural Adjustment and Stabilisation Programmes
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
TNDP	Transitional National Development Plan
UNCTAD	United Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNIP	United National Independence Party
UPND	United Part for National Development
WHIP	Wider Harmonisation in Practice
ZCCM	Zambia Consolidated Copper Mines
ZCTU	Zambian Congress of Trade Unions
ZNCB	Zambia National Bank

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Preface

This dissertation was completed as part of the requirements for a Master of Arts in International Relations at the University of Cape Town. Due to limited time and a lack of funds, the study relied quite heavily on secondary sources but primary resources were utilised where possible.

The National Development Plans (NDPs) themselves were an important primary resource. The foreword and introduction of all NDPs issued between 1964 and 1991 were read. In most cases this offered useful insights, such as: major objectives, key policies, and means of financing. A somewhat more in depth review of the Fifth National Development Plan (FNDP) 2006-2010 – the first NDP to be issued following the reinstatement of planning – was conducted. Particular focus was given here to intended expenditure, resource projections, resource allocation, and means of financing. The Poverty Reduction Strategy Paper (PRSP) 2002-2004 was similarly analysed in a similar manner.

The Medium-Term Economic Frameworks 2004-2006 and 2006-2008 were also reviewed. Budget speeches, particularly in the early-1990s and early-2000s, also proved useful. Unfortunately, Zambian Hansards for the periods under study are not available at the university library and could not be accessed from other universities.

Given the nature of the research question and the limited amount of time available to the researcher, it was decided that three Zambian technocrats were ideally placed to provide first-hand knowledge of the political and technical dynamics surrounding the reintroduction of planning in the early-2000s. These officials are:

- Moses Banda – Special Economic Advisor to President Mwanawasa, 2002-2007
- Ng'andu Peter Magande – Minister of Finance, 2003-2008
- Situmbeko Musokotwane – Permanent Secretary to the Treasury (in Ministry of Finance), 2003-2006; also Minister of Finance, 2008-2011

Moses Banda responded to questions from the researcher via email. He gave the researcher permission for his name and responses to be used in this study. Magande declined to be interviewed, instead referring the researcher to his autobiography.[1] Musokotwane, currently a member of parliament, could not be reached despite several attempts.

[1] Ng'andu Peter Magande, *The depth of my footprints* (Atlanta: Maleendo & Company, 2018).

Unfortunately, key figures have since passed away. These include: ex-Presidents Frederick Chiluba and Levy Mwanawasa and former Finance Ministers Emmanuel Kasonde and Ronald Penza.

Chapter One

Introduction

National development planning has enjoyed something of a revival of late. In a 2019 article, Chimhowu, Hulme, and Munro describe the re-emergence of what they call the 'new' development planning.[2] According to the authors, the number of countries with a national development plan increased from 62 in 2006 to 134 in 2018.[3] This trend is remarkable given that national development planning was considered a moribund concept during the 1980s and early 1990s by most development practitioners. The term 'development planning' appeared to have almost completely disappeared from development discourse during the same period. This was in stark contrast to the heyday of planning in the 1960s and early 1970s, when planning held pride of place in development economics.

Chimhowu et al.'s findings indicate a clear trend that they refer to as "the rise, fall, and return of national planning".[4] On the whole, the return of development planning does not seem to have garnered significant academic interest. But a few reports do seem to support the idea that governments are attempting to assert greater control over their countries' development efforts. In 2007, the World Bank published a report on what it called 'results-based national development strategies'.[5] And in 2019, the International Monetary Fund (IMF) produced a working paper on industrial policy, entitled "The Return of the Policy That Shall Not Be Named".[6]

The United Nations Economic Commission for Africa (UNECA) has issued at least three reports that support Chimhowu et al.'s findings about planning on the African continent.[7] These reports suggest that the fortunes of development planning in Africa mirror the global trend described by Chimhowu et al.

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[2] Admos O Chimhowu, David Hulme, and Lauchlan T Munro, "The 'new' national development planning and global development goals: Processes and partnerships," *World Development* 120 (2019).
[3] Ibid., 76.
[4] Ibid., 79.
[5] Janet Entwistle, "Results-Based National Development Strategies: Assessment and Challenges Ahead," (Washington, DC: World Bank 2007).
[6] Reda Cherif and Fuad Hasanov, "The Return of the Policy That Shall Not Be Named: Principles of Industrial Policy," in *Working Paper No. 19/74* (International Monetary Fund, 2019).
[7] AAG Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects," (Addis Ababa: United Nations Economic Commission for Africa, 2011); United Nations Economic Commission for Africa, "Urbanization and National Development Planning in Africa," (Addis Ababa, Ethiopia: UNECA, 2017); "Planning for Africa's development: Lessons, insights and messages from past and present experiences," (Addis Ababa: UNECA, 2016).

The rise, fall, and return of planning on the continent are part of broader shifts in the ideology and practice of development. Broadly speaking, these shifts correlate with four general periods of development:

- Post-independence national development planning – late-1950s, 1960s, and early-1970s
- Structural adjustment and stabilisation – 1980s and early-1990s
- Poverty reduction strategies – late-1990s and early-2000s
- 'New' national development planning – mid-2000s and 2010s

In the late-1950s, 1960s, and early 1970s, thirty-six newly independent African countries implemented – or at least intended to implement – national development planning.[8] At least thirty African states implemented structural adjustment and stabilisation programmes in the 1980s and early-1990s.[9] In the early-2000s, twenty-nine countries on the continent implemented Poverty Reduction and Strategy Papers (PRSPs).[10] Beginning in the mid-2000s and continuing into the following decade, at least forty African countries issued 'new' development plans.[11] (See Table 1)

Table 1: The rise, fall, and return of planning in Africa

Plan Type	**Period**	**Countries**
National development planning	Late-1950s, 1960s, early-1970s	36
Structural adjustment and stabilisation	1980s, early-1990s	30
Poverty reduction strategies	Late-1990s, early-2000s	29
'New' national development planning	Mid-2000s, 2010s	40

It is difficult to get an exact figure on the number of countries that officially abandoned or suspended development planning during the adjustment era. Nevertheless, there is reason to believe that development planning effectively ceased across the continent as countries began to roll back the state and implement the numerous economic liberal reforms required by the structural adjustment packages.

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[8] Abdelmalek Ben-Amor and Frederick Clairmonte, "Planning in Africa," *The Journal of Modern African Studies* 3, no. 4 (1965).
[9] World Bank, "Adjustment in Africa: reforms, results, and the road ahead " (Washington, D.C.: World Bank Group, 1994).
[10] International Monetary Fund, "Zambia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative," (2000).
[11] Chimhowu, Hulme, and Munro, "The 'new' national development planning and global development goals: Processes and partnerships."

For example, in a 2013 blog post by Carlos Lopez, the former head of UNECA notes that the "second phase in the evolution of planning in Africa was marked by a wholesale abandonment of planning under neoliberal Structural Adjustment Programmes (SAPs)".[12] Similarly a report published by the UNECA, for the African Union Commission observes that the "advent of SAPs, with the accompanied array of conditionalities, marked the end of post-independence attempts at development planning on the continent".[13]

What then would explain the return of development planning after roughly two to three decades of disuse? This question will be answered with respect to a case study of development planning in Zambia. Zambia is representative of the wider continental trend in planning as it officially abandoned planning in 1991, only to reinstate it in 2002.

Given the dearth of literature on development planning in recent decades, Chimhowu et al. appear to be the only researchers to explicitly attempt to explain its return. Their most convincing argument is that the PRSPs have acted as the direct antecedents of NDPs in some emerging countries. As will be explained in greater detail in the next section, the PRSPs were introduced by the World Bank at the end of the millennium and afforded a greater – but still limited – role to states in their development efforts. PRSPs became one of the key conditions of the Heavily Indebted Poor Countries (HIPC) Initiative debt-relief programme. Chimhowu et al. state that the PRSPs acted as a sort of precursor to the emergence of new development planning. As they observe, at least fifty-two of the sixty-three countries that implemented PRSPs have subsequently implemented some type of new NDP.[14]

The argument that the PRSPs marked the recent resurgence of planning does appear elsewhere. Ali, for example, states that "it is possible to trace the date of a renewed recognition of the importance of the planning approach to effecting development in the poor countries of the world to 1999."[15] 1999 was the year that the World Bank and International Monetary Fund – henceforth referred to as the Bretton Woods Institutions (BWIs) – linked PRSPs to HIPC debt relief.

Simultaneously, in the early-2000s, bilateral agencies were beginning to focus on aid harmonisation as a means to increase aid efficiency and efficacy. These efforts led to the Paris Declaration on Aid Effectiveness in 2005, which – among

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[12] Carlos Lopes to Africa Cheetah Run: The Former Executive Secretary's Blog, 2013, https://www.uneca.org/es-blog/50-years-development-planning-africa-%E2%80%93-lessons-and-challenges.
[13] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects," 2.
[14] Chimhowu, Hulme, and Munro, "The 'new' national development planning and global development goals: Processes and partnerships," 81.
[15] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects," 9.

other things – committed to aligning development assistance with national development strategies. This is confirmed by Nakase when he claims, in 2007, that:

> *In search of aid effectiveness, it has become common in [African] countries for government agencies, donors and other aid agencies to align their activities and support to comprehensive national or sector development plans or strategies.*[16]

Similarly, James Mulungushi – the Zambian technocrat who oversaw both Zambia's PRSP and FNDP – claims that there had been:

> *[A] realization that the abolition of NCDP [Zambia's central planning body] by government was a mistake. This is evident from public statements from government itself, the donor community, civil society, the opposition and consultants engaged in restructuring government organs.*[17]

According to Mulungushi, the abolition of planning led to increased administrative costs for Zambian officials, misallocation of funds, delays in implementation, and overall project failure. This statement was echoed by President Levy Mwanawasa in the foreword to the FNDP, when he cited the following consequences of the abolition of planning in the early-1990s:

- *No planning framework to serve as a basis for cooperation with donors;*
- *Weakened capacity of the country to coordinate national development programmes.*[18]

According to Mulungushi and Mwanawasa then, the reason for the reintroduction of planning was the realisation – on the part of local technocrats and international aid agencies – that the abolition of planning had undermined the efficacy of aid coming into the country. This in turn, reportedly had negative repercussions for the country's development.

Fraser would probably agree with this assessment, as he states that by "2002 both Zambia and its donors had identified the absence of a plan as a central

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[16] Takafumi Nakase, "A Review of the FNDP, PDP and DDP Development Processes," (Tokyo: Japan International Cooperation Agency, 2007), iv.
[17] James Shamilimo Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model" (University of South Africa, 2009), 239.
[18] Government of the Republic of Zambia, "Fifth National Development Plan," (Lusaka: Ministry of Finance and National Planning 2006), i.

problem in co-ordinating their efforts".[19] Fraser is, however, more explicit in stating that the FNDP was "conceived principally as a solution to problems of aid management".[20] Zambia was still highly dependent on aid in the first half of the 2000s. Over the period 2000-2005, aid averaged 43% of the annual national budget with a 2001 peak of 53%.[21] Given Zambia's aid dependency at the time and changing sentiments regarding planning, Fraser's assessment would appear to be accurate.

Nevertheless, there is reason to believe that domestic political factors also had a role to play in the reinstatement of planning. Mwanawasa announced his intention to reinstate planning in January 2002, several weeks after winning the highly contested national polls in December 2001. Mwanawasa secured just 29% of the vote, compared to the 27% of opposition candidate Anderson Mazoka of the United Party for National Development (UPND). The numerous irregularities in the casting, collection, and collation of votes led many observers to believe that Mwanawasa's Movement for Multiparty Democracy (MMD) had used its access to state resources to interfere in the elections.[22] As a result, though Mwanawasa gained the presidency, he lacked political legitimacy.[23] This was further compounded by the fact that he was only appointed as the MMD's presidential nominee approximately four months before the 2001 elections took place. He was appointed by then-president Chiluba who had just given up a highly controversial and divisive bid to run for a third term.

Shishuwa argues that, after winning the December polls, Mwanawasa began to build a coalition at political and policy levels, so as to shore up political support.[24] At the political level, as he had little support within his own party, he appointed members of the opposition to his cabinet. Chief among these was the 2003 appointment of Ng'andu Peter Magande, the "right-hand man" of the UPND's Mazoka, as Finance Minister.[25] At the policy level, the recommendation to reintroduce planning first appeared in the UPND 2001 election manifesto.[26] The MMD's loss of popularity in the 2001 elections was in part due to the widespread disaffection with the liberalisation of the 1990s. According to

[19] A Fraser, "Zambia: Back to the future? Managing Aid Dependency Project," (Global Economic Governance Programme Working Paper 2007/30, 2007), 28.
[20] Ibid.
[21] Government of the Republic of Zambia, "Zambia: Aid Policy and Strategy " (Lusaka Ministry of Finance and National Planning 2005), 10.
[22] Peter Burnell, "Zambia's 2001 elections: the tyranny of small decisions,'non-decisions' and'not decisions'," *Third World Quarterly* 23, no. 6 (2002).
[23] Marja Hinfelaar and Justine Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018," (Effective States and Inclusive Development Working Paper No. 122, 2019).
[24] Sishuwa Sishuwa, interview with author, 11 July 2019, Cape Town
[25] Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018," 13.
[26] United Party for National Development, "Election Manifesto," (2001), 2.

Sishuwa, co-opting one of the UPND's main policies allowed Mwanawasa to establish some level of political legitimacy while simultaneously undermining the main opposition party.[27] Moses Banda, special economic advisor to Mwanawasa between 2002 and 2007, would appear to support argument when he states that:

> *In the campaigns towards the [2001] presidential elections the opposition parties took issue with economic reforms … Thus the introduction of economic planning was an intervention to address those concerns.*[28]

This argument will be continued in Chapter Three, where both the external and internal drivers of the reinstatement of planning in Zambia will be discussed in more detail. In addition, Chapter Three provides a more in-depth review of both Zambia's PRSP and FNDP.

Chapter Two explores the reasons why planning was abandoned in the context of multiparty elections and a structural adjustment programme. Essentially, the chapter argues that the abandonment of planning was collateral damage of the Chiluba administration's rapid liberal economic reforms. Like most of the reform measures of the time, the recommendation to abandon planning appears to have been a condition – albeit a relatively minor one – of the financial assistance that Zambia so desperately needed at the time.

The remainder of this chapter will flesh out the periodisation of planning in Africa in more detail.

Chapter Four concludes.

A brief history of the ideology and practice of development planning in Africa

> *We do not really know why some countries are more dynamic than others. Some countries experience phases of great activity in literature, painting, music, war or religion; and dynamism in economic affairs may spring from the same deep and uncharted sources. It is probably no easier or more difficult to plan an artistic renaissance than to plan economic development.*
> ***Arthur Lewis***[29]

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[27] Sishuwa Sishuwa, interview with author, 11 July 2019, Cape Town
[28] Moses Banda, correspondence with author, 14 June 2019
[29] Arthur W. Lewis, *Development Planning* (London and New York: Routledge, 1965), 11.

Post-colonial planning

Most newly independent African states created some sort of national development plan in the 1960s. Planning was a mainstay of development economics at the time and was based on the widely held belief amongst development economists that growth required a strong state to correct for the failures of the market. The term 'market failure' usually referred to structural rigidities in the economy that prevented either growth or equitable distribution of economic gains. Development economists at the time believed that the state was the only agent that was capable of implementing the necessary structural changes to the economy. Governments in developing countries would supposedly be able to do this by guiding the appropriate means of capital accumulation, which essentially involved directing public investment to the areas of the economy that would stimulate growth. As will be discussed later in this section, this capital allocation was always targeted at achieving some form of industrialisation.

For former colonies gaining independence after World War II, development planning became priority number one. As a 1969 report by the International Bank for Reconstruction and Development (IBRD) observed: "Today [1969], the national plan appears to have joined the national anthem and the national flag as the symbol of sovereignty and modernity".[30]

Nowhere was this more evident than on the African continent, where development planning was, arguably, adopted more strongly than in any other developing region at the time. Indeed, in the early 1960s, thirty-six independent African countries created, or at least attempted to create, a national development plan.[31]

Although it was based on the received economic thinking of the time, planning gained political significance for newly independent African states. Planning became the mechanism through which African leaders would deliver on their promises of nation building. A 1965 article co-authored by the acting chief of the planning division of the UNECA helps to explain this point:

> *Since the acquisition of independence the leit-motiv* [sic] *in all development plans has been the elimination of the colonial legacy, economic decolonisation, and the building of a new economic and social order in which growth assumes sustained dimensions and new directions.*[32]

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[30] Albert Waterston, "Development planning: Lessons of experience," (Washington, D.C.: World Bank, 1969), 28.
[31] Ben-Amor and Clairmonte, "Planning in Africa," 478.
[32] Ibid., 479.

Despite its appeal to Africa's new leaders, development planning was first practiced on the continent by the colonial authorities.[33] The British parliament passed the Colonial Development and Welfare Act of 1940. A second version of the Act, in 1945, made a total of £120 million available over a ten-year period (equivalent to roughly £5,820 million in 2018).[34] Colonial administrators were required to create ten-year plans to indicate how the allocated funds – intended for capital expenditure – would be spent. However, after the 1947 financial crisis, the Colonial Office increasingly expected colonial authorities to fund the plans themselves. These plans were usually drawn up by civil servants and, on the occasions that they were actually implemented, often focused on infrastructure investment for the large European-owned private companies operating in the colonies.

After World War II, France began to implement four-year plans in all of its territories. It would issue two sets of plans before abandoning the exercise in the middle of the third plan (1958-1962) as it began to grant independence to its colonies. These plans were largely funded through two mechanisms created in 1946 for the purpose – *Fonds d'investissement pour le developpement economique et social des territoires d'outremer* and *Caisse centrale de la france d'outremer*. Between 1947 and 1958, Paris reportedly dispersed 770,000 million French francs to its colonies, 95% of which is believed to have gone to Africa.[35]

Although planning was widespread in the 1950s and 1960s, finding a definition was problematic. As Arthur Lewis observed in 1965:

> *Since the end of Second World War most countries of Asia, Africa and Latin America have published one or more 'Development Plans'. These Plans differ so much in structure and content that the title 'Development Plan' no longer conveys a meaning.*[36]

Lewis proposed five elements that, individually or collectively, would constitute a development plan:

1) A review of the current economic climate;
2) A list of intended public investments;
3) A discussion of potential private sector development;
4) A macroeconomic projection of the economy;

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[33] Frederick Cooper, "Modernizing bureaucrats, backward Africans, and the development concept," in *International development and the social sciences: Essays on the history and politics of knowledge*, ed. Frederick Cooper and Randall M Packard (University of California Press Berkeley, 1997).
[34] Ben-Amor and Clairmonte, "Planning in Africa," 474.
[35] Ibid., 475.
[36] Lewis, *Development Planning*, 1.

5) An overview of government policies.[37]

At its most basic, development planning is about setting objectives for a country and defining the means by which these would be achieved.[38] These objectives effectively constitute the ideal type of structural economic transformation as envisioned by the leaders of a particular nation. In order to achieve the desired socio-economic transformation, plans need to allocate scarce resources towards the established development priorities. Therefore, as noted in a 2016 UNECA report, development planning can be defined as "outlining strategies and priorities aimed at ensuring the optimal allocation and use of resources".[39] A defining feature of development planning is the delineation of the investments and capital expenditure over an extended period of time that are expected to yield future economic and social gains. Development planning diverts some resources, which would have otherwise been used for current production and consumption, towards long-term investments. For many newly independent African nations, this capital expenditure increased state capacity through investments in infrastructure and in the transport, communication, health, and education sectors.

It is also worth noting that planning consists of more than producing a national document – it requires state policy-making capacity in the forms of personnel, bureaucracy, and institutions. Helleiner, therefore, offers the following clarification:

> *The planning function of achieving co-ordination and rationality in the pursuit of developmental goals must therefore not be regarded simply as a matter of plan preparation, or of the enlargement and empowering of a planning ministry. Such are important only to the extent that they contribute to the effective performance of the planning function. More fundamental are the institutions, practices, and procedures through which the daily decision-making of governments is conducted, and the tools and expertise available to the individual actors within them.*[40]

Botswana offers, arguably, the best example on the continent of a country where planning was fully integrated into the national policy-making structure. The Ministry of Development Planning, later to be combined with the Ministry of Finance as the Ministry of Finance and Development Planning (MFDP), was created in 1966. The MFDP was situated in the Office of the Vice President and

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[37] Ibid.

[38] Gerald K Helleiner, "Beyond Growth Rates and Plan Volumes–Planning for Africa in the 1970s," *The Journal of Modern African Studies* 10, no. 3 (1972): 347.

[39] United Nations Economic Commission for Africa, "Planning for Africa's development: Lessons, insights and messages from past and present experiences," 2.

[40] Helleiner, "Beyond Growth Rates and Plan Volumes–Planning for Africa in the 1970s," 348.

oversaw key sectors of the economy like agriculture, health, and education. The role of the MFDP was to carry out detailed planning, identify development projects, and solicit funding from international donors. The MFDP quickly became one of the most powerful ministries in the country, second only to the presidency.[41] Situating the planning department within the finance ministry assured that the national budgeting process would align with NDPs.[42] Once the parliament of Botswana validated a plan, any government spending outside of the NDP framework was considered illegal.

Development planning can be contrasted with economic planning, which is aimed at maintaining or achieving certain economic targets in light of changes to a nation's current macroeconomic or trade environment.[43] Economic, or stabilisation planning, is carried out by developed and developing countries and is geared towards achieving short-term targets of economic performance.

So far, development planning has mostly been discussed in economic or technical terms. But, as was briefly mentioned earlier, planning also provides a certain political logic that was exploited by Africa's independence leaders. In reference to Sudan, shortly after independence, Young explains:

> *Rather than being purely decorative, the bureaucracy and its practices, particularly planning, served to structure elite conflict and bargaining. Plans were formulated over and over again, because planning and the vocabulary of economic development determined which demands upon the state were legitimate.*[44]

Development planning also came to serve as the means through which governments would assert their claim to legitimacy. Young describes how Sudan's military rulers in the late-1950s and early-1960s used the advent of national accounting (the ability to calculate an overall national income) to define the goals by which the legitimacy of their rule could be determined. This is made clear by Young's observation that:

> *... [N]ational income accounting gave the authors and the policy-makers who depended on these accounts a new social object: the nation, in whose*

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[41] Ian Taylor, "Botswana's developmental state and the politics of legitimacy," in *Global Encounters* (Springer, 2005).
[42] Government of the Republic of Botswana, "National Development Plan Seven 1991-1997," (Gaborone: Ministry of Finance and Development Planning, 1991).
[43] Helleiner, "Beyond Growth Rates and Plan Volumes–Planning for Africa in the 1970s."; United Nations Economic Commission for Africa, "Planning for Africa's development: Lessons, insights and messages from past and present experiences."
[44] Alden Young, "Measuring the Sudanese economy: a focus on national growth rates and regional inequality, 1959–1964," *Canadian Journal of Development Studies / Revue canadienne d'études du développement* 35, no. 1 (2014): 45.

> *name they could act. It was the ability of military leaders to claim that they were acting in the name of the nation that justified the abrogation of the electoral system …* [45]

Development planning gave the leaders of Sudan, a massive country of disparate communities, the means by which they could justify their control over the young state, even if they did not have the support of the majority of people in whose interests they were claiming to act.

A similar sentiment can be found in Nigeria's Second National Development Plan 1970-1974, published in January 1970 at the end of the three-year Biafran Civil War:

> *… [T]he basic issues in the country and the character of the civil war have all demonstrated the political (as well as economic) necessity that Nigeria must henceforth remain a united nation … The pursuit of a strong and united nation, as a fundamental social aim, is the very antithesis of secession or the exploitation of ethnic group, class or similar sentiments …* [46]

In order to achieve the sought-after national unity, the Second NDP:

> … [*R*]*ecognizes explicitly the possibilities of using planning as a deliberate weapon of social change by correcting defects in existing social relations in various spheres of production, distribution and exchange.* [47]

Nigeria's Federal Military Government therefore dedicated roughly 40% of public sector investment in the Second NDP to post-war reconstruction and rehabilitation projects.[48]

Not only does development planning serve two types of logic, one technical and the other political, but these logics interact with each other in important ways. Chakravarty states that in order to adequately understand development planning in India, one needs to address what he describes as the "dialectic of accumulation vs legitimation".[49] Development required growth and growth required increased levels of production, employment, and income. In addition to solving these technical problems, development planning also needed to reinforce the political power of those who uphold planning.

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[45] Ibid., 48-49.
[46] As cited in RO Ekundare, "Nigeria's second national development plan as a weapon of social change," *African affairs* 70, no. 279 (1971): 152.
[47] Ibid., 146.
[48] Ibid., 152.
[49] Sukhamoy Chakravarty, *Development planning: The Indian experience* (New York Oxford University Press, 1987).

This interaction between accumulation (or growth) and legitimation is ably described in Chatterjee's analysis of India's development planning in the first fifteen years of independence:

> *A developmental ideology, then, was a constituent part of the self-definition of the post-colonial state. The state was connected to the people-nation not simply through the procedural forms of representative government, it also acquired its representativeness by directing a programme of economic development on behalf of the nation.*[50]

A state's legitimacy was therefore determined not only through representative processes, but also by its ability to act as the custodian of the economic wellbeing of its citizens.

Similar to its African counterparts, India's new leaders saw development planning as the tool that they would use to achieve post-colonial structural transformation after independence in 1947.[51] The National Planning Commission, established by Jawaharlal Nehru in 1950, would come to be the dominant institution in economic policy-making throughout the decade.

A small disambiguation is needed here. India's approach to development planning differed from that of the majority of African countries. Development planning in India, particularly in the latter half of the 1950s, appears to have been heavily influenced by Soviet planning. The architect of the Second Five-Year Plan 1955-1960, P.C. Mahalanobis, acknowledged that he had been influenced by Soviet growth models of the 1920s.[52] Similar to Soviet planning, the Second Five-Year Plan focused on capital goods production or heavy industry. One of the factors that led Indian planners towards this strategy was the assumption of an essentially closed economy.

Most post-colonial African states, on the other hand, based their industrialisation strategies on the comparative advantage that defined their economies during colonialism – a few key primary goods export streams.[53] While some of the models and theories used may have differed, almost all African countries pursued some sort of Import Substitution Industrialisation (ISI).[54] Safeguarded by tariff and non-tariff trade barriers, infant industries were most often funded

[50] Partha Chatterjee, "Development planning and the Indian state," in *Politics and the State in India*, ed. Zoya Hasan (New Delhi: SAGE Publications India, 2000).
[51] Medha Kudaisya, "'A Mighty Adventure': Institutionalising the Idea of Planning in Post-colonial India, 1947–60," *Modern Asian Studies* 43, no. 4 (2009).
[52] Chakravarty, *Development planning: The Indian experience*.
[53] Thandika Mkandawire and Chukwuma C. Soludo, *Our continent, our future: African perspectives on structural adjustment* (Trenton Africa World Press, Inc., 1999), 35.
[54] Lester Bowles Pearson, *Partners in Development: Report of the Commission on International Development* (New York: Praeger Publisher, 1969), 270.

by the state through primary product exports – either agricultural commodities or natural resources. The ISI adopted by most African countries was premised on an open economy that was fully integrated into world markets. The clearest exceptions here are Mozambique, Angola, and Cape Verde after independence in 1975.[55]

Indian planning in the 1950s was obviously not identical to Soviet planning in the 1920s. Chakravarty notes that the Second Five-Year Plan envisioned the state-run capital goods sector existing side-by-side with private agriculture and private consumer goods manufacturing.[56] And Kudaisya observes that, starting in the late 1950s, the Ministry of Finance began to play an increasingly important role in economic policy-making relative to the National Planning Commission.[57]

The increased dependence on commodities for their export earnings further exposed the revenues of most African states to the volatility of international commodities market. This proved beneficial in the first decade or so after independence, as growth in industrialised countries provided expanding markets for African primary products. The result is that growth for the continent averaged 2.6% per year from 1965 to 1974.[58] Most African governments used the increased resources to fund the infrastructure and social services that were largely absent in the colonial era. The period saw a rapid rise in roads, schools, universities, hospitals, and clinics across the continent. This expansion in services was also marked by the proliferation of state-owned entities in almost all sectors of the economy. While welcome, the modest growth in the 1960s and early 1970s was fragile. This was made readily apparent by the oil crises of the 1970s.

Structural adjustment and stabilisation programmes

The decision by oil-producing countries to throttle production and increase prices in 1973 triggered a global recession that saw reduced demand for African commodities and increased interest rates for African debt.[59] African leaders on the whole, responded to the resulting decline in terms of trade by increasing borrowing – often with the express support of the BWIs – to finance ongoing expenditure. Most African countries had accrued unmanageable current account

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[55] Peter Meyns, "Liberation ideology and national development strategy in Mozambique," *Review of African Political Economy* 8, no. 22 (1981); Tom Young, "The politics of development in Angola and Mozambique," *African Affairs* 87, no. 347 (1988).
[56] Chakravarty, *Development planning: The Indian experience*, 15.
[57] Kudaisya, "'A Mighty Adventure': Institutionalising the Idea of Planning in Post-colonial India, 1947–60."
[58] Mkandawire and Soludo, *Our continent, our future: African perspectives on structural adjustment*, 6.
[59] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects," 5.

deficits by the end of the 1970s, which were accompanied by a widespread drop in per capita income.[60]

Many development economists interpreted Africa's declining fortune primarily as a result of the failure of planning. For example, in an article intended to explain the so-called "crisis in planning", Killick claimed that there would "probably be little disagreement today [1976] that the practice of planning has generally failed to bring many of the benefits expected from it".[61] Several reasons were given for the apparent failure of planning, including administrative failings, resource constraints, and plan deficiencies. Although legitimate, Killick claimed that these explanations "do not get to the source of the problem, which is the naivety of the implicit model of governmental decision-making incorporated in the planning literature".[62]

Kilick's reasoning is indicative of a wider ideological shift that was taking place in the development community at the time. This shift began with the rise of the so-called "second generation of development economists" in the mid-1970s.[63] Meier explains the fundamental ideological difference between the two generations:

> *If the first generation of development economists was visionary and dedicated to grand theories and general strategies, the second generation was almost moralistic, dedicated to a somber realism grounded on fundamental principles of neoclassical economics.*[64]

This new development ideology came to dominate the BWIs by the end of the 1970s. The advice that these organisations gave to recipient countries likewise changed. Meier captures this quite succinctly:

> *Governments were admonished not only to remove price distortions but also to "get all policies right." Not differences in initial conditions but differences in policies were now thought to explain the disparate performances of developing countries. A country was not poor because of the vicious circle of poverty but because of poor policies. Markets, prices, and incentives should be of central concern in policymaking.*[65]

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[60] Mkandawire and Soludo, *Our continent, our future: African perspectives on structural adjustment*.
[61] Tony Killick, "The possibilities of development planning," *Oxford Economic Papers* 28, no. 2 (1976): 162-63.
[62] Ibid., 161.
[63] Gerald M Meier, "The old generation of development economists and the new," in *Frontiers of development economics: the future in perspective*, ed. Gerald M Meier and Joseph E Stiglitz (Oxford: The World Bank and Oxford University Press, 2000).
[64] Ibid., 17.
[65] Ibid.

The above quote could also serve as a summary of the World Bank's Berg Report issued in 1981.[66] The Berg Report would serve as the theoretical justification for the SAPs that would dominate the Bank's and the Fund's lending to African countries in the 1980s and early-1990s. Adjustment thereafter formed the basis of the multilateral and bilateral agencies' thinking about development.[67]

Moreover, the rise of SAPs signalled the end of the post-independence planning era for the continent.[68] This is not to say that SAPs cannot be thought of as plans in a general sense, as they certainly outlined a state's economic goals for the (near) future and the policies that were thought to achieve them. SAPs can, however, be contrasted with development planning in the sense that they denied the state any substantive role in the development of the economy, or at least attempted to keep the role of the state in economic development to an absolute minimum. SAPs presented a markedly different view of what the state could and should do. As Mkandawire observes: "The state, once the cornerstone of development, became the millstone around otherwise efficient markets".[69]

A sizeable literature – most of it quite critical – has amassed concerning Africa's experience of structural adjustment.[70] Therefore a brief summary of the relevant points will be presented here.[71] The ideology behind SAPs is often referred to as the Washington Consensus, although this term only came into use in 1989.[72] The Washington Consensus emphasised internal (i.e. domestic) explanations of the poor economic performance of many developing countries. The African economic crisis that began in the 1970s was considered to be the result of policy failure and excessive government intervention. Developing countries were advised to reign in the state as much as possible, leaving just enough capacity to provide the institutions necessary for the functioning a free market. Sometimes referred to as market fundamentalism, this was accompanied by an emphasis on macroeconomic stability and fiscal responsibility (or perhaps more accurately, conservatism).

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[66] World Bank, "Adjustment in Africa: reforms, results, and the road ahead ".
[67] Erik Thorbecke, "The evolution of the development doctrine, 1950–2005," in *Advancing development* (Springer, 2007), 18.
[68] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects," 2.
[69] Thandika Mkandawire, "Thinking about developmental states in Africa," *Cambridge journal of economics* 25, no. 3 (2001): 293.
[70] Sayre P Schatz, "Structural adjustment in Africa: A failing grade so far," *The Journal of Modern African Studies* 32, no. 4 (1994); Structural Adjustment Participatory Review International Network, *Structural adjustment: the SAPRI report; the policy roots of economic crisis, poverty, and inequality*, A report on a Joint Participatory Investigation by Civil Society and the World Bank of the impact of structural adjustment policies (London: Zed Books, 2004); Mkandawire and Soludo, *Our continent, our future: African perspectives on structural adjustment*.
[71] For a general (not Africa-specific) discussion, see Stephan Haggard and Robert R Kaufman, *The politics of economic adjustment: international constraints, distributive conflicts, and the state* (Princeton, New Jersey: Princeton University Press, 1992).
[72] John Williamson, "Democracy and the "Washington consensus"," *World development* 21, no. 8 (1993).

Due to sizeable debt, shrinking foreign exchange earnings, and growing fiscal deficits, African leaders were not in a strong negotiating position to resist the BWIs' insistence on "getting the policies right". The World Bank's policy recommendations usually consisted of three areas of reform.[73] The first focused on trade liberalisation. The second concerned macroeconomic policies to decrease fiscal deficits, reduce inflation, and ensure competitive exchange rates. The third area of reforms concerned opening up the domestic economy through deregulation, including the removal of price controls and liberalisation of the labour market.

A 1994 World Bank study noted that at least thirty African countries had implemented SAPs between the mid-1980s and early-1990s.[74] The World Bank study excluded small and island nations and those that were experiencing conflict at the time. Indeed, Loxley states that just fewer than forty African countries received stabilisation and/or adjustment loans from the IMF and/or World Bank in the 1980s.[75]

The economic crisis that preceded SAPs was certainly severe. As Callaghy observes: "By the early 1980s, the situation had become catastrophic. For much of the continent output per head was lower than in 1960"[76]. SAPs were intended to halt the economic decline and facilitate growth in the short-term. Callaghy goes on to say that "such adjustment, planned or unplanned, imposed or voluntary, is a dramatic, difficult, and unsettling phenomenon".[77] Nevertheless – and although some form of adjustment was likely required in most African economies – SAPs would prove to be particularly unsettling.

In a 1994 report entitled *Adjustment in Africa*, the World Bank asked "Is adjustment paying off in Sub-Saharan Africa?"[78] To which it claims that the "answer is a qualified yes". The report claimed that the six – out of twenty-nine countries studied – that had improved macroeconomic policy-making had seen a corresponding increase in growth. The report then concludes that "adjustment policies work when implemented properly".[79] This report has, however, been heavily criticised. Schatz, for example, finds fault with the methods used. Schatz

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[73] Richard Peet and Elaine Hartwick, *Theories of development: Contentions, arguments, alternatives* (New York: Guilford Publications, 2015), 104.
[74] World Bank, "Adjustment in Africa: reforms, results, and the road ahead " 36.
[75] John Loxley, "Structural adjustment in Africa: reflections on Ghana and Zambia," *Review of African Political Economy* 17, no. 47 (1990): 8.
[76] Thomas M Callaghy, "Debt and structural adjustment in Africa: Realities and possibilities," *African Issues* 16, no. 2 (1988): 11.
[77] Ibid., 13.
[78] World Bank, "Adjustment in Africa: reforms, results, and the road ahead " 131.
[79] Ibid., 4.

finds that the evidence presented by the World Bank, in fact, suggests that structural adjustment may have impeded growth on the continent.[80]

A 1996 article, Lal similarly questions the findings in *Adjustment in Africa*.[81] Lal conducted a study of forty-five African countries – sixteen of which did not undergo adjustment – using data from the World Bank and African Development Bank. Countries were grouped using the same classifications as *Adjustment in Africa* into those with improved and those with deteriorating policies. Lal found that countries with improved macroeconomic policies experienced higher growth rates than those with deteriorating policies or those that were not implementing adjustment. The difference in growth rates was, however, not statistically significant. Lal therefore concludes that, while macro-economic policies are important for growth, the performance difference between groups was likely caused by other factors.

Apart from criticising the results of SAPs, several observers questioned the logic of SAPs as a precursor to some type of beneficial development outcome. Writing in 1992, Hellleiner argued that by focusing solely on short-term economic performance, SAPs undermined the continent's long-term development prospects.[82] Most countries that had implemented SAPs saw a subsequent increase in poverty and income inequality.[83] Disaffection with adjustment was growing across the continent. As a 2002 report by the United Nations Conference on Trade and Development (UNCTAD) observed:

> *Africa has seen the most intense and recurrent application of structural adjustment programmes over the past two decades without making much progress in either poverty alleviation or development.*[84]

The Poverty Reduction Strategy

Eventually, the World Bank appeared to acknowledge that the Washington Consensus needed to be amended, when it released the Comprehensive Development Framework in 1999.[85] The framework explicitly adopted poverty reduction as an end goal of development. It also laid the foundation for the programme that would define the BWIs' relationship with the developing

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[80] Schatz, "Structural adjustment in Africa: A failing grade so far," 691.
[81] Sanjaya Lall, "Structural adjustment and African industry," *World development* 23, no. 12 (1995).
[82] Gerald K Helleiner, "The IMF, the World Bank and Africa's adjustment and external debt problems: An unofficial view," *World Development* 20, no. 6 (1992).
[83] Mkandawire and Soludo, *Our continent, our future: African perspectives on structural adjustment*.
[84] UNCTAD, "Economic Development in Africa: From Adjustment to Poverty Reduction: What is New?," (Geneva United Nations, 2002), 5.
[85] World Bank, "The comprehensive development framework : a multi-partner review " (Washington, D.C.: World Bank, 2003).

countries in the new millennium – the Poverty Reduction Strategy. The thinking behind this is sometimes referred to as the Post-Washington Consensus.[86]

The World Bank and IMF established the HIPC Initiative in 1996 with the aim of helping poor countries manage their debt burden, sometimes through the provision of debt relief. After a review of the programme, an Enhanced HIPC (referred to as HIPC II) was launched in December 1999. HIPC II included several changes to the initiative, the main one being the introduction of PRSPs as a condition of debt relief. Twenty-nine African countries completed the HIPC II qualification process and therefore completed PRSPs in the early-2000s.[87]

The introduction of PRSPs seemed to display recognition by the BWIs that development would require a certain amount of government intervention.[88] Towards the end of the 1990s, phrases like 'pro-poor growth' and 'inclusive development' began to enter the multilaterals' lexicon. This change in thinking can be seen in how the BWIs described what they perceived as the key elements of a PRSP:

- The process for creating a PRSP should be country-led;
- A PRSP should be results-or-outcome orientated;
- The scope of issues and sectors covered in a PRSP should be comprehensive;
- The relationship between the recipient countries and the BWIs should be take the form of a partnership;
- A PRSP should be designed as a medium-to-long-term strategy.[89]

It is important to note that, despite a new emphasis on poverty reduction, the underlying policy assumptions of the PRSP differed little from those of structural adjustment. As a UNCTAD report notes, there are effectively two main differences.[90] First, the PRSP places greater emphasis on the provision of social services as it recognises that the poor would not automatically feel the benefits of poverty-reducing growth. Second, it includes provision for targeted spending programmes – 'safety nets' – to mitigate the effects of austerity measures. The underlying liberal economic thinking however has not changed: poverty can only be tackled by growth, which can only come about from macroeconomic stability and structural reforms.

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[86] Richard Sandbrook, "Africa's Great Transformation?," *Journal of Development Studies* 41, no. 6 (2005).
[87] International Monetary Fund, "Zambia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative."
[88] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects."
[89] David Booth, "Introduction and Overview," *Development Policy Review* 21, no. 2 (2003).
[90] UNCTAD, "Economic Development in Africa: From Adjustment to Poverty Reduction: What is New?."

Therefore, despite the new approach, the BWIs' end-goal had not changed. A 2002 report by Bwalya et al. makes this clear:

> *[PRSPs were] considered … instrumental towards achieving basically the same policy outcomes – albeit more broadly and with some modification – that the SAPs had failed to achieve.*[91]

Underlining this new approach to multilateral lending was the realisation that policy conditionality – making aid disbursement dependent on certain policy outcomes – had failed to bring about the desired outcomes.[92] The PRSPs were, therefore, informed by the BWIs' increasing use of process conditionality.[93] This shift was motivated by a realisation that politics affects policy outcomes; that policies transplanted from abroad are unlikely to gain much traction. This would explain why 'national ownership' could probably be described as the most popular catchphrase of the PRSP process. The BWIs switched from dictating policy outcomes to dictating the processes by which these policies would be made. It was believed that the new approach would engender greater reform commitment in recipient countries.

After their introduction, PRSPs would gain in importance for two main reasons.[94] First, they replaced the previous Policy Framework Papers (PFPs), as the founding agreements on which adjustment programmes would be based. This is important because almost all bilateral agencies began to alter their funding to conform to the priorities laid out in the PRSPs. Secondly; they accompanied a substantive change in the BWIs' lending practices. Both the Fund and Bank changed their lending instruments in line with the new PRSP focus. The IMF replaced its Enhanced Structural Adjustment Facility (ESAF) with the Poverty Reduction and Growth Facility (PRGF). And the Bank introduced a new line of concessional credit called the Poverty Reduction Strategy Credit (PRSC).

The rise of the new national planning followed in the wake of the HIPC II Initiative and the PRSPs. It is useful to briefly note the main differences between PRSPs and NDPs. Some observers refer to the PRSP as 'quasi-planning', where government takes on a limited role to achieve a narrowly defined goal in a relatively short timeframe.[95]

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91 Edgar Bwalya et al., "Poverty reduction strategy processes in Malawi and Zambia," (2004): 3.
92 A Geske Dijkstra, "The effectiveness of policy conditionality: Eight country experiences," *Development and change* 33, no. 2 (2002).
93 Booth, "Introduction and Overview."
94 Mick Foster et al., "Linking HIPC II debt relief with poverty reduction and wider aid issues: some reflections and suggestions," *Paper for DFID, London* (1999).
95 Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects."

PRSPs are, at their core, still structural adjustment programmes but with provisions for targeted spending programmes to ease the cost of adjustment borne by society's most vulnerable. In contrast the new NDPs adopt a longer time frame and include more ambitious growth targets and wider social objectives. Many of the new NDPs are meant, at least in theory, to achieve some level of structural transformation, often in line with a national long-term vision document. They attempt to do so by stipulating national policies that are intended to guide spending priorities and resource allocation over the NDP period. Despite their difference, the PRSPs did act as precursors to NDPs in many countries and as such influenced the policy-making process and the content of the new plans in important ways. This will be discussed in more detail in Chapter Three.

New development planning

Chimhowu et al. note several characteristics shared by new development plans around the world.[96] Often referred to as medium-term plans, they span between four and six years, with the majority spanning five years. They are often, but not always, accompanied by long-term national vision documents. These visions usually span between twenty and thirty years, and define broad societal goals or aspirations. National development plans are presented as the means of operationalising the national vision and achieving more concrete and measurable medium-term targets. In Zambia's case, the FNDP was launched alongside Vision 2030, which detailed the country's ambition to be a middle-income country by 2030.[97] The content of the FNDP and the planning process behind it will be explored in greater detail in Chapter Three.

The main differences between the new NDPs and those of the immediate post-independence era was the perceived role of the state (See Table 2 for an overview of the planning periods since independence). Most NDPs in the 1960s and early 1970s envisaged a central role for the state in driving economic growth, as witnessed by the prevalence of ISI and the growth in state-owned enterprises at the time. The new NDPs of the 2000s, in contrast, framed a more reduced role for state. Public investment is seen as necessary only to the extent that it facilitates private investment and provides essential social services to the poor.

Another important difference between the new African NDPs and their post-colonial predecessors is the extent to which the former have strongly adopted

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96 Chimhowu, Hulme, and Munro, "The 'new' national development planning and global development goals: Processes and partnerships."
97 Government of the Republic of Zambia, "Fifth National Development Plan."; "Vision 2030," (Lusaka Ministry of Finance and National Planning, 2006).

macroeconomic orthodoxy.[98] The new NDPs will, for the most part, still outline intended public expenditure but only to the extent that key macroeconomic objectives are not violated. Such objectives can be seen in Zambia's FNDP, for example:

1. Inflation and interest rate reduction;
2. Transparent debt contraction and management;
3. Effective public expenditure and revenue management;
4. Sound economic governance and transparency;
5. A stable and competitive exchange rate.[99]

Table 2: Overview of planning periods since independence[100]

	Post-colonial NDPs	**SAPs**	**PRSPs**	**New NDPs**
Objectives	Growth Increase employment Infrastructure investment Nation building – establish state capacity i.e. civil service, social services, etc.	Restore conditions for growth Macroeconomic stability and fiscal responsibility A free, open, and competitive domestic market	Growth Poverty reduction	Growth Reduction in poverty and unemployment Human resources development (health and education) Infrastructure investment
Main policies	Import substitution industrialisation	Trade, currency, and capital market liberalisation Roll back the state – deregulation, privatisation Control public expenditure, reduce inflation, and contain fiscal deficits	Similar to adjustment but with more spending on social services and targeted spending programmes to alleviate effects of austerity	Indicative spending to incentivise private sector Capital allocation for public investment Targeted social sector spending

[98] Chimhowu, Hulme, and Munro, "The 'new' national development planning and global development goals: Processes and partnerships," 83.
[99] Government of the Republic of Zambia, "Fifth National Development Plan," 26.
[100] Source: author

	Post-colonial NDPs	SAPs	PRSPs	New NDPs
Timeframe	Medium-term (5-6 years)	Short-term (1-3 years)	Short-to-medium-term (2-3 years)	Medium-term (±5 years)
Funding	Domestic revenue (mostly primary goods exports) Technical assistance from bilateral and multilateral agencies In some instances, grants from former colonial rulers	BWI lending agreements Bilateral aid agencies loans and grants	Multilateral and bilateral agencies loans and grants	Domestic Revenue HIPC and MDRI debt relief (indirectly) Multilateral and bilateral agencies loans and grants To a lesser extent, domestic and external debt

Chapter Two – Abandoning development planning in 1991

Introduction

Multiparty elections in 1991 sent a signal to the world that profound political and economic changes were underway in Zambia. The MMD's Frederick Chiluba secured a convincing win over the long-serving former president Kenneth Kaunda's United National Independence Party (UNIP). The MMD's widespread support was largely due to the economic collapse the country experienced under Kaunda's twenty-seven-year rule.

When the MMD came to power, the economy was devastated. The economic decline begun in the 1970s had continued unabated. For the first decade after independence, annual growth averaged 2.4%.[101] For the next fifteen years leading up to 1990, annual growth averaged 0.7%.[102] Real earnings in the formal sector reached a peak in 1970 and by 1975 began to decline sharply. By 1991, average real earnings were at 30% of the 1975 level.[103] Similarly, gains made since independence in social indicators like school enrolment, malnourishment, and infant mortality were reversed between 1976 and 1991.[104] At the time of the elections, Zambia had the highest public debt per capita of any country in the world, inflation had reached 100%, and foreign exchange stock had been virtually eliminated.[105] Total debt had risen from $3,80 billion in 1983 – when government signed a one-year stand-by agreement with the IMF – to $7,22 billion in 1990.[106] Over this period, government had been using between 60% and 66% of its export income to service its debt.[107]

As with many new African governments in the 1990s, the Chiluba administration endorsed classical liberal economic orthodoxy. In order to resuscitate what was effectively a moribund economy, Chiluba's MMD implemented an extensive and rapid liberal economic reform programme. International lenders and bilateral aid agencies welcomed Zambia's new democratic dispensation led by committed reformers. International finance – grants and loans – that had been frozen in the

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[101] World Bank, "Zambia – Prospects for sustainable and equitable growth," (Washington, D.C.: World Bank 1993), 1.
[102] Ibid., 2.
[103] Ibid., 12.
[104] Neil A McCulloch, Bob Baulch, and Milasoa Cherel-Robson, "Poverty, Inequality and Growth in Zambia during the 1990s, WIDER Discussion Paper, No. 2001/123," (Helsinki: The United Nations University World Institute for Development Economics Research (UNU-WIDER), 2000), 3.
[105] Austin M Chakaodza, *Structural adjustment in Zambia and Zimbabwe: reconstructive or destructive?* (Harare: Third World Publishing, 1993), 42.
[106] Matthew Martin, "Neither Phoenix nor Icarus: Negotiating Economic Reform in Ghana and Zambia, 1983-1992," in *Hemmed in: responses to Africa's economic decline*, ed. Thomas M Callaghy and John Ravenhill (New York: Columbia University, 1993), 152.
[107] Ibid.

latter years of the Kaunda administration began to flow again. On taking office, the new MMD government abandoned development planning in favour of expenditure control and improved budget management.

This chapter will argue that national development planning was a victim of the thorough and rapid economic liberalisation of the early-1990s. Perceived as an instrument of state intervention, planning had no place in the market-friendly economy that Chiluba's MMD was implementing with the help of its international financiers.

This first section of the chapter will provide the historical context for the abandonment of planning. It will do so by providing a brief history of development planning in Zambia from the colonial planning era in the 1940s and 1950s to post-independence planning from the 1960s to the late-1980s. Following that, the rise of opposition to Kaunda's rule and economic mismanagement in the 1980s will be discussed. This is relevant in that it provides insight into the players and interest groups that would come to form the MMD.

The second part of the chapter will focus on the seminal political and economic developments of the 1990s. This provides a valuable frame of reference for understanding the reintroduction of planning by president Mwanawasa in the early-2000s that will be discussed in Chapter Three.

The third section of this chapter will describe important elements of Zambia's political system since the 1991 elections. It will be argued that Zambia's political system in the first two decades of multiparty rule was essentially that of a dominant party system. The chapter will conclude with a review of the economic liberalisation of the 1990s – its economic and social consequences and its effect on the influence (or lack thereof) of traditional interest groups on economic policy-making.

A brief history of planning in Zambia

As in other African countries, development planning in Zambia began long before independence.[108] Beginning in 1945, this mostly consisted of ten-year agricultural plans designed by colonial officials. Some of the policies included: the introduction of cash crops, the introduction of permanent farming systems, and apparent attempts at forced villagisation in the late-1950s and early-1960s.

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[108] SM Makings, "Agricultural Change in Northern Rhodesia/Zambia: 1945-1965," *Food Research Institute Studies* 6, no. 1387-2016-116182 (1966).

After independence in 1964, Zambia's new leaders enthusiastically adopted development planning. For the new government, planning was a means to ensure that newly created policies resulted in tangible development outcomes (see Table 3 for a timeline of planning since independence). A National Development Committee (NDC) – headed by the vice president – was established at independence in the cabinet to oversee the preparation and implementation of national planning.[109] A Department of Development Planning within the Ministry of Finance (MoF) provided technical assistance to the NDC. In 1966, an Office of National Development Planning was established in the Vice President's office to integrate programmes from the ministries and provinces and make submissions to the NDC.

Table 3: A timeline of planning in Zambia

1959	Ministry of Finance (MoF) created
October 1964	Independence
1964	National Development Committee (NDC) situated in cabinet
1964	MoF houses Department of Development Planning
1965	Transitional National Development Plan period commences
1966	Provincial Development Committees (PDCs), District Development Committees (DDCs) created
June 1966	Transitional NDP period ends
July 1966	Office of National Development Planning established in VP's office
July 1966	First NDP period begins
1970	Development planning moved back to MoF
December 1970	First NDP period ends (although projects concluded one year later)
January 1972	Second NDP period begins
1972	Ministry of Development Planning and National Guidance created
1974	Ministry eliminated. Development planning placed in MoF again
December 1975	Separate Ministry of Development Planning established
1976	Second NDP period ends
May 1977	National Commission for Development Planning (NCDP) established in Prime Minister's office
1979	NCDP moved to president office
1980	Local Administration Act – PDCs and DDCs replaced with Provincial Planning Units (PPU) and District Planning Units (DPUs)
January 1980	Third NDP period begins
April 1983	One-year stand-by agreement signed with IMF. Third NDP abandoned
July 1987	Interim NDP/NERP period begins
December 1988	Interim NDP/NERP period ends

[109] Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model."

January 1989	Fourth NDP period begins, though it is soon to be abandoned
August 1989	Policy Framework Paper 1989-1993 announced
February 1990	Preliminary agreement signed with both Bank and Fund
October 1991	MMD comes to power
1991	Centralised development planning ceases
1992	NCDP merged with Directorate of Public Investment Programmes (PIP)
March 1993	Public Sector Reform Programme launched
1994	NCDP dissolved
1995	Provincial Development Coordinating Committees (PDCC) and District Development Coordinating Committees (DDCC) replace PPUs and DPUs
March 2000	MoF begins preparation of Interim Poverty Reduction Strategy Paper (I-PRSP)
June 2000	I-PRSP submitted to and accepted by World Bank
July 2000	Draft PRSP process begins
December 2001	Mwanawasa takes offices
January 2002	Development planning resumes. MoF becomes Ministry of Finance and National Planning (MoFNP)
2002	Department of Planning and Economic Management (DPEM) established within MoFNP. PPUs re-established
April 2002	Draft PRSP approved by cabinet
May 2002	Draft PRSP approved by boards of Fund and Bank
October 2002	TNDP period begins
December 2005	TNDP period ends
December 2006	Fifth NDP period begins
2010	Fifth NDP period ends

The Transitional, First, and Second National Development Plans were created using this relatively centralised and top-down process.[110] In the first decade after independence, the economy grew at an average of 2.3% mainly due to strong copper prices on the international market and subsequent capital investment.[111] Government used the revenue to finance large infrastructure projects in the health, education, transport, housing, and energy sectors. Indeed, while the first NDP 1966-1970 did provide estimates for expected recurrent expenditure over the plan period, its overwhelming focus was on capital investment.

The first NDP was essentially a detailed list of the numerous investments that were intended to be carried out during the plan period and were expected to

[110] Ibid.; Bwalya et al., "Poverty reduction strategy processes in Malawi and Zambia."
[111] Government of the Republic of Zambia, "First National Development Plan 1966-1970," (Lusaka: Office of National Development Planning 1966), 11.

amount to £429 million pounds.[112] Of this total, government would provide £282 million and the private sector would be expected to contribute £147 million.[113] Of the government's £282 million, aid would contribute £5 million; external loans £58 million; and domestic resources £217 million.[114]

Despite overall growth and infrastructural improvement, plan implementation was generally weak, as planning bodies had no authority over the ministries who would in theory be executing the plans. Additionally, the planning and budgeting processes were carried out separately; with the result that the national budget was often spent on projects not included in the plans.[115]

In response to the weaknesses in the planning system, an independent National Commission for Development Planning (NCDP) was established in 1977 under the deputy secretary of the cabinet before being moved to the president's office in 1979. Placing the NCDP in the presidency was intended to strengthen the planning process and it subsequently became the most important body in the planning structure. It was responsible for the preparation and implementation of plans. Planning under the NCDP was slightly more consultative than previously (at least, within government itself). The president, ministries, provincial councils, cabinet, and UNIP's National Council were all involved. The attempt to improve the capacity of planning bodies in the late 1970s was nevertheless not met with an improvement in efficacy of the NDPs themselves. The Second NDP, 1972-1976, coincided with the beginning of the global recession that would trigger the contraction of the international copper market. One of the main assumptions of the Second NDP was that copper prices would level out and mining income would see a slight increase over the period.[116] None of the Second NDP's assumptions would hold true and most of the plan's major objectives were therefore not met.[117]

The Third NDP, 1979-1983, was similarly ineffectual as it suffered from insufficient finances. Additionally, there was a shortage of civil servants with the requisite capabilities to assist with the plan's preparation and the variety of activities required by its implementation.[118] In the face of falling mining revenue, government spending was increasingly financed by borrowing. By the end of

[112] Nakase, "A Review of the FNDP, PDP and DDP Development Processes," 5.
[113] Government of the Republic of Zambia, "First National Development Plan 1966-1970," 11.
[114] Ibid.
[115] Nakase, "A Review of the FNDP, PDP and DDP Development Processes."
[116] Government of the Republic of Zambia, "Second National Development Plan 1972-1976," (Ministry of Development Planning and National Guidance, 1972).
[117] A. M. Mwanza, N. Mwamba, and E. Kakuwa, "The structural adjustment programme in Zambia: Lessons from experience," in *Structural adjustment programmes in SADC: experiences and lessons from Malawi, Tanzania, Zambia and Zimbabwe*, ed. Allast M Mwanza (Sapes Books, 1992), 121.
[118] Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model," 235.

1982, Zambia's total external debt was approximately $4,5 billion. [119] In 1983, debt-servicing costs were estimated at $550 million, equivalent to 52% of export earnings at the time.[120] In April 1983, Kaunda agreed to a one-year stand-by agreement with the IMF. In that same month, government abandoned the third development plan and suspended planning activities.

Government's growing engagement with the BWIs was paralleled by increasing domestic opposition to IMF-mandated structural adjustment. Widespread rioting in December 1986 forced Kaunda to reinstate recently removed food subsidies. Within Kaunda's own administration, there was strong opposition to liberal economic reform.[121] In 1986, several key proponents of structural adjustment – including the finance minister, central bank governor, and presidential economic advisor – were replaced by IMF critics.[122] In July 1987, the Kaunda government reinstituted planning with the launch of an interim NDP, known as the New Economic Recovery Programme (NERP). The NERP was intended to lead to a fully formed NDP by 1989 and can be summed up by its slogan: "Growth from our own resources". Some of the key policy changes introduced by the NERP were the re-introduction of import controls and a 10% cap on debt service payments. [123] In September 1987, after Zambia refused to pay debt-servicing costs at the required rate, the IMF declared it ineligible for future support and ceased disbursements. Virtually all other multilateral lenders and bilateral funders followed suit.[124]

Under the NERP, the economy recorded a short-lived spurt of 6.2% growth in 1988.[125] Despite this, the funding restrictions soon began to bite. By August 1989, Kaunda's government was compelled to implement liberal economic reforms under a Policy Framework Paper. By 1990, Zambia had reached a preliminary agreement with both the Fund and the Bank.[126] Years of economic decline had created a critical dependence on multilateral and bilateral funding that government proved unable to break – multilaterals had provided

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[119] World Bank, "Zambia – Country economic memorandum: issues and options for economic diversifications," (Washington, DC: World Bank, 1984), 5.

[120] Ibid., 8.

[121] Arne Bigsten and Steve Kayizzi-Mugerwa, "The political economy of policy failure in Zambia," (2000): 6; Robert H Bates and Paul Collier, "The politics and economics of policy reform in Zambia," *Journal of African Economies* 4, no. 1 (1995): 126.

[122] Martin, "Neither Phoenix nor Icarus: Negotiating Economic Reform in Ghana and Zambia, 1983-1992," 137.

[123] Government of the Republic of Zambia, "Interim National Development Plan 1987-1989: New Economic Recovery Plan " (Lusaka: National Commission for Development Planning, 1987).

[124] Oliver S Saasa and Jerker Carlsson, *Aid and poverty reduction in Zambia: mission unaccomplished* (Nordic Africa Institute, 2002).

[125] Neo Simutanyi, "The politics of structural adjustment in Zambia," *Third World Quarterly* 17, no. 4 (1996).

[126] Lise Rakner, Nicolas van de Walle, and Dominic Mulaisho, "Aid and Reform: Zambia," in *Aid and Reform in Africa: Lessons from Ten Case Studies*, ed. Shantayanan Devarajan, David R. Dollar, and Torgny Holmgren (Washington, DC: The World Bank, 1999).

approximately 70% of Zambia's foreign exchange in the 1980s.[127] As Fraser notes:

> *Within eighteen months of the launch of the NERP, the donor freeze had successfully made the point it aimed to: Zambia was incapable of growing through its own resources, and the price of growing with donor support would be compliance with donor priorities and timelines for implementation.*[128]

By 1989 the Kaunda administration once again suspended development planning in favour of structural adjustment and macroeconomic stabilisation. Put another way, SAPs radically changed government's approach to planning. SAPs acknowledged that government would still be required to plan for the future but planning here should be understood in the most limited sense of the word. It is fundamentally different from the post-colonial development planning described earlier. Planning under SAPs was not intended to be very forward-looking or to be particularly concerned with capital expenditure. Government's planning activities under SAPs would be similar to that of a company's management team setting the firm's annual budget. Planning in the era of structural adjustment was therefore primarily focused on ensuring that expenditure was executed with appropriate discipline.

This is made clear in a 1987 World Bank Public Expenditure Review. Under the heading "Planning and budgeting", the report notes:

> *The government has initiated a new system of annual planning to guide budget preparation … In order to conserve on scarce planning personnel, NCDP needs to use the annual plan as the primary instrument for guiding public expenditure policy and deemphasize five-year and provincial planning.*[129]

To put it another way, rather than being concerned with the long-term structural change of the economy, planning in the late-1980s and early 1990s had two short-term goals: minimise the budget deficit and rationalise current expenditure.

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[127] Martin, "Neither Phoenix nor Icarus: Negotiating Economic Reform in Ghana and Zambia, 1983-1992," 151.
[128] Fraser, "Zambia: Back to the future? Managing Aid Dependency Project," 19.
[129] World Bank, "Zambia - Public expenditure review: Executive summary " (Washington, D.C. : World Bank, 1987), ii.

The Fund and Bank would again suspend their agreements with Zambia in September 1991, due to the UNIP government's failure to service its debt since July of that year.

When the MMD came to power in October 1991, it made the decision to abandon centralised development planning entirely in favour of wide-ranging liberal economic reforms.[130] Planning was associated with Kaunda's supposedly statist and socialist economic policies. In line with World Bank recommendations, planning was reduced to budgetary control and expenditure management.

In 1992, the NCDP was merged with the Directorate of Public Investment Programmes (PIPs) in the MoF. As with most liberal economic reforms adopted by the new government, the abandonment of central planning was an explicit recommendation of the BWIs. The World Bank issued a 1992 Public Expenditure Review based on a mission to Zambia between September and October 1991 in which it assisted the Ministry of Finance with the preparation of the 1992 budget.[131] The draft report was then apparently discussed with government officials in April 1992 and then again between September and October 1992. The report considered it vital to restructure public expenditure, so as to "restore economic stability and growth".[132] The report's strategy for achieving these objectives consisted of three pillars:

1. Sharp expenditure reductions;
2. Significant reallocations to support priority sectors and programmes;
3. Strengthening management of public expenditure for effective implementation of the allocative decisions.[133]

The report commends the finance ministry on its efforts to improve the budget process. But it notes:

> *There is a lack of integration of budgeting and planning not only at a macro-level, but also within each ministry. The ambiguity surrounding the role of the other main policy player (i.e. the NCDP) and the resulting lack of communication between this agency and the key economic ministries has weakened the budget process.*[134]

The Public Expenditure Review therefore came to the following conclusion:

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130 Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model," 235.
131 World Bank, "Zambia – Public expenditure review (Vol. 1): Main report (English)," (Washington, D.C.: World Bank, 1992).
132 Ibid., i.
133 Ibid.
134 Ibid., 5.

We recommend that Government end the current ambiguity surrounding the role of the NCDP in long-term development planning and its relationship to the Ministry of Finance. NCDP's function should be shifted from its current focus on ambitious five-year plans to strategic planning for the public investment program, long-term policy planning in areas such as land and manpower development, analyzing and reviewing macro-economic policy issues.[135]

The NCDP was subsequently abolished in 1994, along with provincial, district, and sector-level planning units.

It is notable that development planning had been suspended before the MMD came to power. However, suspending the activities of the NCDP in 1983 and then again in 1989 implied that Kaunda possibly believed that long-term development planning could be returned to once the economic crisis had been resolved. In contrast, the MMD's decision to abandon planning – and later to dismantle the NCDP – represents a substantive shift in Zambia's economic policy-making history. It speaks to the MMD government's adoption of the Washington Consensus as the paradigm within which economic policy decisions were made. One of the keys tenets of this paradigm is the exhortation to 'roll back the state'.[136] The MMD's abandonment of planning once in power speaks to the intention of some within the MMD to do just that – to reduce the state to the minimum level necessary to allow for the unimpeded operation a free and competitive market.

Economic decline and the rise of the opposition in the 1980s

The MMD ended Kenneth Kaunda's 27-year rule in a resounding victory in the October 1991 elections. The MMD blamed Kaunda's state-run economy, and the patronage politics it engendered, for the country's precipitous economic decline since independence. At independence in 1964, Zambia was the world's third largest producer of copper and accounted for approximately one-third of the world's supply.[137] It was one of the most industrialised and urbanised countries on the African continent at the time, with one of Sub-Saharan Africa's highest per capita incomes and an economy twice the size of South Korea.[138] After the price of copper collapsed in the mid-1970s, the economy began to shrink and debt

[135] Ibid.
[136] Mkandawire, "Thinking about developmental states in Africa," 306.
[137] Christopher Adam, Paul Collier, and Michael Gondwe, *Zambia: Building prosperity from resource wealth* (OUP Oxford, 2014).
[138] Lise Rakner, *Political and economic liberalisation in Zambia 1991-2001* (Nordic Africa Institute, 2003).

began to rise. The economy began a relentless decline that led the World Bank to declare it one the world's least developed countries in the early 1990s.[139]

The collapse of the economy in the mid-1970s forced Kaunda's UNIP government to engage with the BWIs for the first time. Zambia's relationship with the BWIs began in 1973, one year after Kaunda had outlawed all political parties beside his own. The government made use of a standby agreement with the IMF in 1973 and then again in 1976. By 1978, Zambia had come to rely on the IMF for its foreign exchange.[140] During this time (the late-1970s) the BWIs called on government to implement liberal economic reforms but did not get involved in policy-making. The 1980s marked the beginning of a new approach to BWI lending, marked by an increase in both lending and conditions.[141] Since then, conditionality would come to play an integral part in Zambian politics.[142] The policy conditions were the usual Washington Consensus fare: end currency controls, slash public spending, cap civil service wages, remove barriers to trade and investment, and eliminate subsidies and price controls.[143]

Adjustment lending effectively dominated Zambia's development financing during the 1980s. For example, adjustment lending constituted 80% of the Bank's loans to the country by the mid-1980s.[144] Moreover, from 1985 onwards, structural adjustment programme financing accounted for a larger proportion of disbursements made to Zambia than to any other Sub-Saharan African country.[145] Government signed seven stabilisation agreements between 1975 and 1986, though none of them saw completion.

Structural adjustment prompted intense domestic opposition spearheaded by the Zambian Congress of Trade Unions (ZCTU).[146] The ZCTU was created in 1965 in an attempt to bring unions into government and to contain the potential political threat that they posed to the UNIP administration.[147] Contrary to Kaunda's intentions, unions were able to use the structure provided by the ZCTU to maintain their independence throughout the 1960s and 1970s. A series of conflicts between government and the unions in the early 1980s would confirm ZCTU as the most significant opposition force at the time. ZCTU chairman

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139 Saasa and Carlsson, *Aid and poverty reduction in Zambia: mission unaccomplished*, 24.
140 Rakner, *Political and economic liberalisation in Zambia 1991-2001*.
141 Gladstone G Bonnick, *Zambia country assistance review: turning an economy around* (Washington, DC: World Bank Publications, 1997).
142 Lennart Wohlgemuth and Oliver Saasa, "Discussion Paper No. 83: Changing aid relations in Zambia," (Maastricht: ECDPM, 2008).
143 Fraser, "Zambia: Back to the future? Managing Aid Dependency Project."
144 Bonnick, *Zambia country assistance review: turning an economy around*.
145 Rakner, van de Walle, and Mulaisho, "Aid and Reform: Zambia."
146 Carolyn Baylies and Morris Szeftel, "The fall and rise of multi-party politics in Zambia," *Review of African Political Economy* 19, no. 54 (1992).
147 David MC Bartlett, "Civil society and democracy: A Zambian case study," *Journal of Southern African Studies* 26, no. 3 (2000).

Frederick Chiluba and secretary general Newstead Zimba were expelled from UNIP's Central Committee, along with fifteen other union leaders, in January 1981 for their involvement in protests against the recently implemented Local Administration Act of 1980. Chiluba and Zimba were arrested and detained shortly thereafter following several related strikes (all labour activity had effectively been outlawed with the 1971 Industrial Relations Act).

Further, the ZCTU strongly opposed the creation of the state-owned behemoth Zambia Copper Consolidated Mines (ZCCM) in the 1980s, which they saw as providing UNIP with greater access to mining revenue. The Mineworkers Union of Zambia (MUZ) in particular opposed the increased involvement of the state in mining firms, which they associated with declining working and living conditions. The MUZ – which had roughly 50 000 members at the time – began to believe that removing the state from mining was the only way to cease their economic hardships.[148] Between 1975 and 1988, official employment had fallen by ten percent and wages declined by 66% over the same period.[149] Furthermore, national poverty had increased from 35% in 1985 to 55% in 1987.[150] Towards the middle of the decade, living standards had declined and state involvement in mining had increased despite significant labour activity. This gave rise to the belief among unions that their economic demands could only be addressed by political change.[151]

In addition to opposing state involvement in the economy, the ZCTU was vocal in its opposition of structural adjustment.[152] In the early 1980s, the unions demanded compensatory pay for inflation caused by the removal of price controls and caps placed on wages. In 1985, inflation increased dramatically after the exchange rate was liberalised and several price controls were removed. Chiluba condemned the IMF for pitting government against its people and the ZCTU called for a wage increase to be fixed against the US dollar.[153]

Government's scrapping of the subsidy for the staple 'breakfast' mielie meal in December 1986 caused a 100% price increase overnight. The resulting panic buying led to widespread shortages and eventually to looting and rioting. Authorities' attempts to control the unrest resulted in fifteen deaths. Kaunda was quick to backtrack and soon re-implemented food subsidies, although protests

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148 Miles Larmer, "'The Hour Has Come at the Pit': The Mineworkers' Union of Zambia and the Movement for Multi-Party Democracy, 1982–1991," ibid.32, no. 2 (2006): 302.
149 Peter Gibbon, "Structural adjustment and multipartyism in Sub-Saharan Africa," in *Authoritarianism, democracy, and adjustment: the politics of economic reform in Africa*, ed. Peter Gibbon, Yusuf Bangura, and Arve Ofstad (Sweden: Nordic Africa Institute, 1992), 153.
150 Ibid.
151 Bartlett, "Civil society and democracy: A Zambian case study," 7.
152 Ibid.
153 Larmer, "'The Hour Has Come at the Pit': The Mineworkers' Union of Zambia and the Movement for Multi-Party Democracy, 1982–1991," 298.

would continue against the IMF and the liberal economic policies that government was implementing.

When government removed maize meal subsidies in June 1990, the subsequent doubling of prices led to widespread riots that saw twenty-seven people killed.[154] Unlike the 1986 riots, where the IMF was blamed for the increasing food prices, the public's anger in 1990 was directed at Kaunda's one-party state and the country's persistent economic decline.[155] Later that same month, thousands celebrated in the streets when army lieutenant, Mwambe Luchembe, announced on government radio that a coup had taken place. UNIP was quick to dispel the rumours and Luchembe was arrested shortly after the announcement (he would be released by August of that year).[156]

Meanwhile, the move towards multiparty democracy was gaining momentum as opposition forces began to collaborate. A conference held on 20 and 21 July 1990 at a Lusaka hotel saw the establishment of the National Interim Committee for Multi-Party Democracy (NICMD).[157] The new organisation was chaired by Arthur Wina, the country's first finance minister, and Chiluba sat on the six-person committee. Kaunda signed the Constitutional Amendment Act in December 1990 that repealed the ban on opposition parties. Subsequently, in January 1991, the NICMD registered as a political party under the name the Movement for Multiparty Democracy.

The MMD's National Convention, held between February and March 1991, saw a highly contested and highly controversial leadership battle in which Wina and Chiluba emerged as the front-runners. The opposition groups that came together to form the MMD constituted four main factions: businessmen (of which Wina was the chief representative), labour, churches, and academics. Of these factions, business and labour appear to have been the most powerful. Private businessmen allegedly funded MMD to the tune of roughly $10 million.[158] The ZCTU provided a national administrative structure and the critical popular support that gave the MMD legitimacy as a political party.

At the convention, Chiluba was voted president with 683 out of 1200 delegate votes and Levy Mwanawasa was voted vice-president, although the voting was not without controversy.[159] Delegates complained of irregular practices such as backroom deals and block voting. The party's National Council was constituted primarily by businessmen, many of whom were former UNIP members or had

[154] Michael Bratton, "Zambia starts over," *Journal of Democracy* 3, no. 2 (1992): 86.
[155] Rakner, *Political and economic liberalisation in Zambia 1991-2001*.
[156] Jane Perlez, "Failed Zambia Coup Weakens Leader," *The New York Times* 1990.
[157] Bartlett, "Civil society and democracy: A Zambian case study," 433.
[158] Ibid., 437.
[159] Ibid.

benefitted from UNIP's patronage. In fact, at least 36 MMD candidates for parliament in the 1991 elections – including 20 former MPs and 12 cabinet members – were UNIP defectors.[160]

Indeed, as Baylies and Szeftel explain:

> *What most significantly distinguished MMD from UNIP electoral candidates was less their age, education and experience in high office, than their disgruntlement with UNIP and its policies; personal affront may have been as significant as ideological bent.*[161]

In other words, much like UNIP at independence, the MMD was a broad coalition of individuals and organisations with nothing in common apart from opposition to Kaunda's rule. The two dominant factions, business and labour, seemed to agree that the best means of erasing Kaunda's effect on the economy was the re-introduction of structural adjustment backed by international funding. The business community believed that their business interests were best served by the introduction of market friendly policies and the reduction of state involvement in their operations. ZCTU was not overtly committed to any particular ideology per se, but the unions had actively opposed UNIP since the early 1980s and it seemed to follow that the private sector would be a better employer than the state had been. In September 1990, the ZCTU declared that it was no longer opposed in principle to structural adjustment. And in May 1991 Chiluba publicly stated his support for adjustment and privatisation.[162]

At a November 1990 meeting with the World Bank, Arthur Wina assured officials that an MMD government would honour Zambia's debts. In a 1991 interview, he argued that Chiluba's career in labour uniquely positioned him to avoid trade union opposition as the party implemented structural adjustment.[163]

The BWIs shared the MMD's view that Zambia's economic collapse lay solely at the feet of UNIP – there was increasing tacit approval among donor countries and multilateral institutions of the growing unrest and opposition to Kaunda's rule.[164] The lenders were certainly unsympathetic to the fact that stringent conditionality as part of a 1991 structural adjustment programme would undermine UNIP's support ahead of the elections. A request by Kaunda to temporarily suspend conditions in the run-up to the election was flatly denied by

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[160] Baylies and Szeftel, "The fall and rise of multi-party politics in Zambia," 83.
[161] Ibid.
[162] Larmer, "'The Hour Has Come at the Pit': The Mineworkers' Union of Zambia and the Movement for Multi-Party Democracy, 1982–1991," 306.
[163] Ibid.
[164] Baylies and Szeftel, "The fall and rise of multi-party politics in Zambia."

the BWIs. Instead, Kaunda was told that he "should divorce the economic programme from politics".[165]

The MMD won the October 1991 election with 76% of the vote, acquiring 125 out of 150 seats in parliament.[166] Of the 24 members in the MMD's first cabinet, 13 were business owners or businessmen and two were union members.[167]

From a one-party to a dominant-party system

The 1991 elections were hailed internationally as a peaceful and orderly transition from one-party rule to a multi-party political system. Nevertheless, despite the apparent opening up of political competition, the political system ushered in in the 1990s retained several of the legacies of its predecessor. One of the key features here is the dominance accorded to the ruling party and the almost authoritarian powers available to the president.[168] As Cheeseman and Hinfelaar point out, this is the reason why the MMD was able to win the five presidential elections between 1991 and 2008.[169]

The political system introduced with multi-party elections can be described as a dominant party system.[170] During UNIP's rule, lines between the state and the ruling part were increasingly blurred. In addition, Kaunda was able to centralise power in the presidency. The MMD therefore inherited the powers of incumbency leading Hinfelaar and Achberger to claim in 2018 that "Zambia is de facto still characterised by imperial or executive presidentialism".[171]

Additionally, parliament is institutionally weak with little oversight over government. The cabinet is appointed by the president – and is thus accountable to him – and is not constitutionally obliged to act on parliamentary recommendations. Although annual budgets must be approved by parliament, members of parliament cannot amend ministry allocations or the budget total itself. Moreover, there are numerous ways in which cabinet members can disperse funds without parliament's prior approval. As Rakner and Svasand

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[165] As cited in ibid., 81.
[166] Bratton, "Zambia starts over," 81.
[167] Bartlett, "Civil society and democracy: A Zambian case study," 447.
[168] Marja Hinfelaar and Jessica Achberger, "The politics of natural resource extraction in Zambia," in *Governing extractive industries: Politics, histories, ideas*, ed. Anthony Bebbington, Abdul-Gafaru Abdulai, Denise Humphreys Bebbington, Marja Hinfelaar, Cynthia Sanborn (Oxford University Press, 2018), 130.
[169] Nic Cheeseman and Marja Hinfelaar, "Parties, platforms, and political mobilization: The Zambian presidential election of 2008," *African Affairs* 109, no. 434 (2010).
[170] Ibid.
[171] Lise Rakner and Lars Svasand, "From dominant to competitive party system: The Zambian experience 1991–2001," *Party Politics* 10, no. 1 (2004); Hinfelaar and Achberger, "The politics of natural resource extraction in Zambia," 130.

argue, “this makes Zambia more of a presidential system than a president-parliamentary or semi-parliamentary regime”.[172]

The 2001 national elections were much more closely contested than either of the previous two and marked a shift to a more competitive political system.[173] The MMD retained power through heavy-handed election interference, leading some observers to claim that the political system maintained built-in tendencies to a dominant party system.[174]

During its twenty years in office between 1991 and 2011, the MMD witnessed major internal contests for control of the party. This is consistent with other dominant party systems where transfers of power tend to occur within parties, rather than between parties.[175]

Factionalism and fragmentation have been persistent themes of the MMD’s time in office.[176] Paget for example describes four periods of faction formation within the MMD between 1991 and 2009:

- 1991-1995 – the departure or expulsion of the so-called intellectuals or radicals, such as: Akashambatwa Mbikusita-Lewanika, Mbita Chitala, and Arthur Wina;
- 2000-2001 – internal conflict caused by Chiluba’s third-term bid;
- 2002-2003 – power struggle between Chiluba as the president of the MMD and Levy Mwanawasa as the newly appointed national president;
- 2008 – contest for MMD presidency between Rupiah Banda and Peter Magande following the death of Mwanawasa.[177]

These factions formed along strategic lines to contest power in the party. The contestations usually took the form of leadership battles for the presidency of the party and ordinarily occurred either in the run up to the party’s convention held every five years (where the party president is chosen) or around national elections. Despite the president’s unrivalled power within the MMD, there was considerable power distributed amongst individuals and institutions (such as the National Executive Committee) within the party by virtue of its organisational structure. As a result, the president’s ability to exercise his authority was, to some extent, dependent on certain individuals or institutions

[172] Rakner and Svasand, "From dominant to competitive party system: The Zambian experience 1991–2001," 62.
[173] Ibid.
[174] Gero Erdmann and Neo Simutanyi, *Transition in Zambia: The Hybridisation of the Third Republic* (Konrad-Adenauer-Stiftung, 2003).
[175] Cheeseman and Hinfelaar, "Parties, platforms, and political mobilization: The Zambian presidential election of 2008."
[176] Dan Paget, "Internal Politics of the MMD, Zambia (Unpublished MSc Dissertation)" (University of Oxford, 2010).
[177] Ibid., 31-39.

within the party. The president is central to any coalition but is, therefore, also requires the support of a coalition influential party members.

Ethnicity and regional representation do affect faction formation.[178] For example, the MMD had strong support among Bemba-speaking communities of the Copperbelt, Northern, and Luapula provinces. Nevertheless, ethnicity is often not the determining factor of coalitions. Personal relationships, ideology, and strategic considerations also play important roles in shaping how and in what form factions are created. The context within which these factions are formed also has an important effect on the nature of coalitions, the relationships between them, and the outcomes of a factional contest.[179] Contextual factors may include matters of principle or matters of contingency. The context of factional battles for power often creates "perverse incentives", where individuals value the success of their faction over success of their party.[180] This may result in situations where victory for one faction entails the weakening of the party as a whole. As will be shown in Chapter Three, this was the case in the leadership contest between Chiluba and Mwanawasa after the 2001 elections. Factions are not stable in Zambian politics – they form when contestation of power is possible and break up if they lose power.

The structure of the economy has important implications for how and to whom state resources are distributed. Mkandawire describes Zambia's economy as that of a "rentier state".[181] A rentier state is one that depends on an enclave economy with a strong export sector that has few productive linkages to the domestic economy. Production is usually carried out by international firms in a state-controlled sector. Mkandawire classifies a rentier state as one where at least thirty-five percent of state revenue depends on the export of one commodity. Over the FNDP period, 2006-2010, copper contributed an annual average of seventy-seven percent to the country's export income.[182]

An important facet of an African rentier state is that the owners of the productive sectors of the enclave economy are ordinarily not domestic. Therefore, negotiations on taxation occur between the state and multinational firms. The amount of revenue is therefore, according to Mkandawire, "depoliticised" and is largely determined by the state's negotiating capability.[183] The dispersal of

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178 Erdmann and Simutanyi, *Transition in Zambia: The Hybridisation of the Third Republic*.
179 Paget, "Internal Politics of the MMD, Zambia (Unpublished MSc Dissertation)."
180 Ibid., 45.
181 Thandika Mkandawire, "State Capacity, History, Structure, and Political Contestation in Africa," in *States in the developing world*, ed. Miguel A Centeno, et al. (New York: Cambridge University Press, 2017), 190-91.
182 Government of the Republic of Zambia, "Sixth National Development Plan 2011-2015," (Lusaka: Ministry of Finance and National Planning, 2011), 2.
183 Mkandawire, "State Capacity, History, Structure, and Political Contestation in Africa," 195.

revenue is, however, very much open to “political contestation”.[184] Political interests and arrangements, therefore, can affect state expenditure in important ways. One of the ways in which state expenditure is mediated, according to Mkandawire, is the presence or absence of a strong society.

However, economic and political reforms have had the effect of substantially weakening traditional non-state interest groups in Zambia – labour, business, and farmers – while simultaneously affirming the dominant political position of government.[185] This will be expanded upon in the following section.

Economic liberalisation in the 1990s

Development planning was a victim of the rapid and widespread economic reforms implemented by the MMD in the early-1990s. As a party, the MMD laid out its economic policies in its 1990 manifesto, which promised that a MMD government would restrict itself to rehabilitating and rebuilding economic infrastructure “with a small public sector in the midst of a basically private enterprise economy”.[186] Once in government it issued the Economic and Financial Policy Framework 1992-1994. Some of the policies mentioned in the Framework include: a commitment to monetary and fiscal stabilisation, the removal of price controls and subsidies, exchange and interest rate liberalisation, the removal or reduction of both tariffs and non-tariff trade barriers, civil service cuts, and the privatisation of state-owned entities.[187]

Finance Minister Emmanuel Kasonde’s first budget speech in 1992 is illustrative of this reform commitment and is worth quoting at some length:

> *… [T]he primary objective of macroeconomic policy in 1992 is to begin the process of turning around the protracted decline of the economy into sustained positive real growth, coupled with lower inflation and consequent improvement in living standards and the quality life of our people. This will entail, among other things, continuing to liberalise and stabilise the economy so as to enhance economic efficiency.*
>
> *To achieve this we need to steadfastly continue with economic policy reforms. There is also the need to implement such reforms more diligently*

[184] Ibid., 194.
[185] Lise Rakner, "The pluralist paradox: the decline of economic interest groups in Zambia in the 1990s," *Development and change* 32, no. 3 (2001).
[186] As cited in Bigsten and Kayizzi-Mugerwa, "The political economy of policy failure in Zambia," 6.
[187] Saasa and Carlsson, *Aid and poverty reduction in Zambia: mission unaccomplished*.

and in a more timely and consistent fashion than has been the case under the last government.[188]

In the same speech, the finance minister reaffirmed the MMD's commitment to reducing the size of government by halting recruitment, cracking down on wasteful spending, and dismissing civil servants faced with disciplinary charges.[189]

The multilateral and bilateral agencies were enthusiastic about Zambia's new reform-minded government. Due to its democratic transition and unequivocal support of structural adjustment, the MMD government enjoyed extraordinary levels of international support in the wake of the 1991 election. Aid began to flow into the country again and significant debt write-offs followed. Overseas Development Assistance (ODA) reached its peak in 1992 when Zambia received almost $1.5 billion.[190]

Also in 1992, Zambia agreed to a Rights Accumulation Programme (RAP) with the IMF. The RAP allows willing governments with significant arrears to accrue Special Drawing Rights (SDR) through the completion of an IMF-mandated reform process. The country would then be able to access financing on completion of the process. The RAP also suspended repayments for three years of the $1 billion in arrears that Zambia owed the IMF.[191]

In December 1991, one month after taking office, president Chiluba held a meeting at State House for the country's most significant donors. He used the meeting to reaffirm his intention to adhere to the economic policy conditions stipulated by the BWIs. He assured donors at the meeting that he intended to re-establish the county's creditworthiness.[192] Chiluba also made numerous public speeches about the importance of multilateral and bilateral funding to the growth of the economy. Given the state of the economy and government's significant arrears, multilateral and bilateral financing was the only source of foreign exchange available to Chiluba's new administration. It's worth noting that most of the economic policies implemented in the first two years of the MMD's rule were the policy conditions of the 1992 IMF agreement. As Rakner et al. note: "the singular focus on meeting the conditionality benchmarks made the Zambian government a *receiver* of policy rather than an initiator" [italics in original].[193]

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[188] Government of the Republic of Zambia, "1992 Budget Address," (Lusaka: Ministry of Finance, 1992), 7-8.
[189] As cited in Baylies and Szeftel, "The fall and rise of multi-party politics in Zambia."
[190] Bigsten and Kayizzi-Mugerwa, "The political economy of policy failure in Zambia," 6.
[191] Rakner, *Political and economic liberalisation in Zambia 1991-2001*, 137.
[192] Ibid.
[193] Rakner, van de Walle, and Mulaisho, "Aid and Reform: Zambia," 8.

Indeed, Mkandawire would refer to Zambia – at least between 1991 and 1993 – as a "choiceless democracy", a developing country whose policy choices were limited by conditionality, the strength and prevalence of neoliberal ideology, and the presence of economic constraints (such as high debt and limited foreign reserves).[194]

In a 1996 interview with Lise Rakner, finance minister Emmanuel Kasonde (1991-1993) indicated that government fully intended to take advantage of its post-election "honeymoon period" to implement unpopular but supposedly necessary reforms.[195] Government scrapped the subsidy for staple food mealie-meal in December 1991, resulting in a 700% price increase by October 1992.[196] By the end of 1992, the exchange rate had been fully liberalised and in 1993 the country's financial markets had been opened to overseas banks, investors, and insurance companies. By 1994, Zambia's foreign exchange regulations were among the most liberal in Sub-Saharan Africa.[197] The new government began removing numerous tariff and non-tariff barriers to trade, leading to an influx of consumer goods over its first five years in office.

In addition to fiscal and trade reform, privatisation was one of key tenets of the new government's economic policy. The Privatisation Act of July 1992 created the Zambian Privatisation Authority, the organisation responsible for divesting the country's parastatals. Zambia's rapid and extensive privatisation process was described by the World Bank as "the most successful" such programme on the continent.[198] In 1995, government announced that it would liquidate ZIMCO (the large holding company where all parastatals were housed). By March 2000, government had divested 113 out of a portfolio of 144 state-owned enterprises.[199]

In the early years of the privatisation programme the majority of the parastatals that were sold off were small or medium firms such as hotels, stores, and manufacturing firms. The privatisation of the larger and more strategic service firms (such as the power and water utilities) and ZCCM was much slower. ZCCM would only be sold off in early 2000 after a lengthy and controversial process in which international pressure appeared to force the MMD to accept an offer that

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[194] Thandika Mkandawire, "Disempowering new democracies and the persistence of poverty," in *Globalisation, poverty and conflict* (Springer, 2004), 21.
[195] Rakner, *Political and economic liberalisation in Zambia 1991-2001*, 81.
[196] Rakner, van de Walle, and Mulaisho, "Aid and Reform: Zambia," 24.
[197] Bigsten and Kayizzi-Mugerwa, "The political economy of policy failure in Zambia," 7.
[198] Olive Campbell White and Anita Bhatia, *Privatization in Africa* (Washington DC: World Bank, 1998), 111.
[199] John Craig, "Evaluating privatisation in Zambia: a tale of two processes," *Review of African Political Economy* 27, no. 85 (2000): 358.

many Zambians considered to be unfair.[200] Further, the process was marred by widespread allegations of corruption – MMD ministers were accused of using the programme as a means to access state assets.[201]

Zambia completed the RAP in 1995 due predominantly to the rapid implementation of fiscal and monetary reforms in late-1991 and 1992.[202] The IMF therefore approved a loan worth SDR 830 million, the majority of which was dispersed through the Fund's three-year Enhanced Structural Adjustment Facility (ESAF).[203] The multilaterals viewed the completion of the RAP as a milestone indicating the Chiluba administration's commitment to economic reform, as it was the first adjustment programme that Zambia had completed.

Despite this apparent achievement, Chiluba's first administration garnered significant criticism, both internally and externally, for several reasons. Within the first two years of the Chiluba's rule, factionalism and in-fighting had increased dramatically.[204] Kasonde was unexpectedly fired in April 1993. He was in Paris at the time, negotiating with donors. Also fired were Humphrey Mulemba (Minister of Mines and Mineral Development), Guy Scott (Minister of Agriculture, Food, and Fisheries), and Arthur Wina. Mulemba and Wina had been Chiluba's two main rivals at the MMD's National Convention at the beginning of 1991. The four former ministers were seen as some of the key reform proponents and their firing suggested that Chiluba might have been moving away from the democratic principles that the MMD had initially committed to.

Ronald Penza replaced Kasonde and would be finance minister from 1993 to 1998. Penza was a firm believer in structural adjustment and under his rule the Ministry of Finance was the key player in driving liberal economic reform, although support for structural adjustment was starting to wane outside of the presidency and the MoF.

Labour, in particular, was becoming increasingly disaffected with the rapid and thorough economic liberal reforms. Cuts to the civil service led to the loss of approximately 11 000 jobs in 1992.[205] In total, a shrinking public sector resulted in the loss of 60 000 jobs between 1991 and 1995.[206] GDP contracted by 2.8% in

[200] Brian Levy, "Seeking the elusive developmental knife edge: Zambia and Mozambique–A tale of two countries," in *Politics, economics, and the problems of development in the shadow of violence*, ed. Douglass C North, et al. (Cambridge University Press: Cambridge, 2013).
[201] Craig, "Evaluating privatisation in Zambia: a tale of two processes," 361.
[202] Rakner, *Political and economic liberalisation in Zambia 1991-2001*.
[203] Saasa and Carlsson, *Aid and poverty reduction in Zambia: mission unaccomplished*.
[204] Julius O. Ihonvbere, "From Movement to Government: The Movement for Multi-party Democracy and the Crisis of Democratic Consolidation in Zambia," *Canadian Journal of African Studies / Revue canadienne des études africaines* 29, no. 1 (1995).
[205] Ibid., 9.
[206] Simutanyi, "The politics of structural adjustment in Zambia," 837.

1992. This was in part due to a drought that decimated the agricultural sector, but also to a significant debt burden, worsening terms of trade, and increasing inflation.[207] By the middle of 1993, inflation was above 180%.[208] Deteriorating living conditions, increasing inflation, and a freeze on salary increases led to a large public sector strike in the Copperbelt in early 1993. In June of that year, a teachers' strike in Kitwe soon spread to almost all government departments across the country.

Nevertheless, labour's ability to influence government diminished radically in the 1990s. The creation of the MMD had subsumed the ZCTU's leadership, its organisational structures, and to some extent its members. Additionally, liberalisation and privatisation strategies of the 1990s had resulted in an increase in unemployment and a resulting decrease in ZCTU membership. This weakened ZCTU politically and financially (as a result of a reduction in membership dues).

On the whole, liberalisation was not beneficial for local businesses either. While some businesses welcomed deregulation, others were unable to compete in an open economy. In addition, obstacles such as a lack of access to finance and the high cost of fuel and electricity weakened many small-to-medium-businesses and, by extension, weakened business associations.[209] The result of liberalisation was the creation a business environment that was not conducive to private sector development, which consequently accounted for less than one-fifth of formal sector employment.[210] Accordingly, as Rakner observes, business "constituted neither an electoral threat nor a useful political ally for the MMD".[211]

Nor were economic reforms beneficial for Zambia's agriculture industry. Agricultural liberalisation implemented concurrently with macroeconomic stabilisation created an extremely tough economic environment for producers in the 1990s.[212] Some of the key reforms in the agricultural sector included the removal of fertilizer subsidies for small-scale farmers, the removal of producer price controls, and the privatisation of agricultural marketing. As a result, rural and small-scale producers were hardest hit by the agricultural reforms.

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[207] Ihonvbere, "From Movement to Government: The Movement for Multi-party Democracy and the Crisis of Democratic Consolidation in Zambia," 8.

[208] Ibid., 7.

[209] Rakner, "The pluralist paradox: the decline of economic interest groups in Zambia in the 1990s."

[210] Antoinette Handley, *Business and the State in Africa; Economic policy-making in the neoliberal era* (Cambridge University Press, 2008), 234.

[211] Rakner, "The pluralist paradox: the decline of economic interest groups in Zambia in the 1990s," 536.

[212] McCulloch, Baulch, and Cherel-Robson, "Poverty, Inequality and Growth in Zambia during the 1990s, WIDER Discussion Paper, No. 2001/123."

Commercial farmers, who initially supported liberalisation, began to show mixed reactions to liberalisation after interest rates began to rise in 1993.[213] Nevertheless, the main commercial farmers union had only 350 members and was therefore not taken seriously by government.[214]

By the end of the 1990s, the Chiluba administration had managed to sideline all main interest groups and opposition groups. This further entrenched the president's unrivalled influence in economic-policymaking.

Conclusion

The abolition of national development planning was a watershed moment in Zambia's history. It represented a decisive break from the developmental state that Kaunda had overseen during the First and most of the Second Republic. In its place, the Chiluba administration implemented a radically different state – one where fiscal prudence and conservative macroeconomic management replaced developmentalism as the guiding principles of government policy-making. In other words, the MMD oversaw a transition from the post-independence developmental state to the regulatory state of the Washington Consensus era.

Mkandawire has argued that many African states could be described as developmental – in a similar vein to East Asian economies – in the years following independence and preceding structural adjustment.[215] Many of these countries saw sustained and significant growth during this period.[216] The definition of a developmental state is somewhat contested.[217] But a basic definition can be found using two concepts: one ideological and the other structural.[218] In terms of the former, the state would ascribe to a type of 'developmentalist' ideology that sees the state as the steward of development in the country. In this sense, leaders attempt to establish an "ideological hegemony"[219] whereby governments "encourage citizens to think of the state as the prime mover raising the standard of living".[220]

[213] Rakner, *Political and economic liberalisation in Zambia 1991-2001*, 87.
[214] "The pluralist paradox: the decline of economic interest groups in Zambia in the 1990s," 537.
[215] Mkandawire, "Thinking about developmental states in Africa."
[216] Morten Jerven, *Africa: Why economists get it wrong* (London: Zed Books, 2015).
[217] Laura Routley, "Developmental states in Africa? A review of ongoing debates and buzzwords," *Development Policy Review* 32, no. 2 (2014); Meredith Woo-Cumings, *The developmental state* (Cornell University Press, 1999).
[218] Mkandawire, "Thinking about developmental states in Africa," 290.
[219] Ibid.
[220] Frederick Cooper, *Africa since 1940: the past of the present* (Cambridge University Press, 2002).

The structural component of a developmental state refers to its capacity to create and effectively implement policies. Centeno, Kohli, and Yashar define state capacity as the "bureaucratic, managerial, and organizational ability to process information, implement policies, and maintain governing systems".[221] The authors note that this relatively technocratic definition cannot be separated from the historical forces that shape state capacity or the political landscape in which it is deployed. In short, a developmental state can be described as one with both the will and the capacity to drive development. Post-independence Zambia – with its large investments in infrastructure, social services, state-owned companies, and civil servants – does appear to fit this description.

However, as Mkandawire notes, it is possible for a state to fail to deliver on its development promises – despite having both the will and the capacity – for a variety of reasons, including exogenous economic shocks. This raises the possibility of a 'failed developmental state'.[222] In a sense, Zambia in the late-1970s and early-to-mid-1980s can be seen as a failed developmental state.

The Kaunda administration responded to the declining terms of trade with politically expedient solutions that led to crippling levels of debt, several current account crises, and shrinking foreign reserves. By the end of Kaunda's reign, the economy had been contracting consistently for at least fifteen years.[223] In addition, approximately 70-to-80% of Zambians were considered to be living below the poverty line in the 1990s.[224]

In this sense, the decision to abandon planning – and to roll back the state more generally – by the newly elected MMD could be described as a practical attempt to turn around a devastated economy. Ubiquitous corruption and inept financial management had compounded the effects of the commodities markets' collapse that began in the mid-1970s. The new MMD government simply didn't have the resources for any long-term public investment. Moreover, reining in debt, improving budgetary management, and restoring stability to the economy were prerequisites for the beginning of an economic recovery. That society would have to bear some of the costs of adjustment was, most likely, unavoidable.

Nevertheless, the Chiluba administration's economic policies upon entering office were not those of a government trying to restore some semblance of

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221 Miguel A Centeno, Atul Kohli, and Deborah J Yashar, "Unpacking states in the developing world: capacity, performance, and politics," in *States in the developing world*, ed. Miguel A Centeno, et al. (New York: Cambridge University Press, 2017), 9.
222 Mkandawire, "Thinking about developmental states in Africa."; Ronald J Herring, "Embedded particularism: India's failed developmental state," in *The developmental state*, ed. Meredith Woo-Cumings (Cornell University Press, 1999).
223 McCulloch, Baulch, and Cherel-Robson, "Poverty, Inequality and Growth in Zambia during the 1990s, WIDER Discussion Paper, No. 2001/123," 2.
224 Ibid., 1.

normality to the economy with the hope of one day being able to continue public investment without compromising the county's fiscal position. Rather it seems that, as Rakner, van der Walle, and Mulaisho observe, "both the government and the external donors ha[d] made fiscal austerity an end in itself and a measure of reform commitment".[225]

The effective dismantling of the NCDP in 1994 was presented in this chapter as a by-product or consequence of the unmitigated liberalisation agenda pursued by several key decision-makers – the president, ministers of finance, and a select number of advisors to the president – in the years immediately following the first multiparty elections. A body that oversaw long-term planning was a useless appendage in a regulatory state that believed that the market should, and would, be the key driver of development. Though it was unlikely to have been an explicit condition of the agreements signed with the BWIs, the multilaterals had on several occasions in the late-1980s suggested that planning capacity should be redirected from creating vague long-term to plans to improving short-term budgetary management. In this sense, abandoning planning was most likely a "soft condition" of the agreements signed between the Chiluba administration and the IMF and World Bank.[226]

Conditionality refers to the policy conditions to which recipient countries must adhere if they are to receive financing from the BWIs.[227] There are a variety of condition types, some of which are given more weight than others. These can be described on a spectrum from formal 'hard' conditions to more informal 'soft' conditions.[228] Soft conditions are general undertakings, broadly committed to by a recipient government in its letter of intent (essentially a memorandum of understanding) to the BWIs on signing a financing agreement. On the other hand, hard conditions refer to explicit targets that a government must meet to ensure that the BWIs continue to disperse funding. These hard conditions include 'prior actions' such as the implementation of a PRSP for the period of a year and 'performance criteria' such as maintaining inflation within a certain range. The 1980s saw a proliferation in the number of policy conditions and an increase in the number of policy areas to which they applied.[229]

The mechanism by which conditionality was expected to work was the financial leverage that the international lenders held over recipient government. This leverage was significant, but did not derive from the size of loan. BWI financing actually made up a relatively small percentage of aid inflows to Africa in the

[225] Rakner, van de Walle, and Mulaisho, "Aid and Reform: Zambia."
[226] Ngaire Woods, *The globalizers: the IMF, the World Bank, and their borrowers* (Cornell University Press, 2006), 70.
[227] Dijkstra, "The effectiveness of policy conditionality: Eight country experiences."
[228] Woods, *The globalizers: the IMF, the World Bank, and their borrowers*.
[229] Graham Bird, "Reforming IMF conditionality," *World Economics* 10, no. 3 (2009).

1980s and 1990s.[230] Rather, the leverage derives largely from the timing of the loans. The BWIs lend when no other institutions are willing to, when countries are suffering under balance of payments crises, massive debt overhangs, and dangerously low levels of foreign reserves. The argument here is that the dire economic reality facing many African countries in the 1980s and 1990s limited the options that were realistically open to decision-makers in those countries. Chazan and Rothchild therefore argue that:

> *With only a limited ability to extract resources from domestic sources and with state treasuries near empty, leaders found themselves 'hemmed-in' with little recourse but to seek foreign assistance.*[231]

Nevertheless, the financial leverage of the BWIs should not be overstated. As Gordon argues, "[f]inancial leverage, while the most visible element within conditionality, is part of a broader pattern of donor influence on economic reform in Africa".[232] Arguably, more important is the intellectual and political influence wielded by multilateral and bilateral agencies.

Writing in 1993, Gordon argues that the "IFIs [International Financial Institutions] have been the main conduit of the diffusion of the ideas of economic liberalism in Africa".[233] While this may be something of a simplification, the multilateral institutions do seem to have had an outsized influence in the policy arenas of developing countries, particularly in relation to more technical areas that would fall under the ambit of ministries of finance.[234]

One way of conceptualising this intellectual influence is to picture the BWIs at the centre of a transnational epistemic community. According to Haas:

> *An epistemic community is a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area.*[235]

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[230] Woods, *The globalizers: the IMF, the World Bank, and their borrowers*, 71.
[231] Naomi Chazan and Donald Rothchild, "The political repercussions of economic malaise," in *Hemmed In: Responses to Africa's Economic Decline*, ed. Thomas Callaghy and John Ravenhill (New York: Columbia University Press, 1993), 193.
[232] David F. Gordon, "Debt, Conditionality, and Reform: The International Relations of Economic Restructuring in Sub-Saharan Africa," in *Hemmed In: Responses to Africa's Economic Decline* ed. Thomas Callaghy and John Ravenhill (New York: Columbia University Press, 1993), 106.
[233] Ibid.
[234] David P Dolowitz and David Marsh, "Learning from abroad: The role of policy transfer in contemporary policy-making," *Governance* 13, no. 1 (2000); Ngaire Woods, "Economic ideas and international relations: beyond rational neglect," *International Studies Quarterly* 39, no. 2 (1995).
[235] Peter M Haas, "Introduction: epistemic communities and international policy coordination," *International organization* 46, no. 1 (1992): 3.

These communities are defined by shared norms and causal beliefs that shape the type of policy problems tackled and solutions given. This BWI-led epistemic community is transnational and includes BWI economists, technical advisers to recipient governments (usually employed by bilateral agencies), and technocrats in the relevant ministries in recipient countries.

The actors within the community formally engage with each other in at least three separate ways.[236] The first is through policy dialogue between recipient governments and the BWIs; the second is training – provided by international and bilateral agencies – for local technocrats; and the third is technical assistance for recipient governments funded by the international creditors and aid agencies

Despite describing themselves as 'apolitical', the actions of the BWIs are inseparable from the political context in which they operate at both an international and domestic level.[237] In particular interest to this chapter are the domestic political factors that may influence the adoption of, and commitment to, a policy idea or reform measure by a recipient government engaged in negotiations with the BWIs.

Realising that 'politics' could hinder effective reform implementation, the BWIs sought to isolate the technical process of policy reforms from potentially damaging 'political' elements. Unlike most international agreements, the executive unanimously approves BWI programmes without needing the approval of formal political institutions, such as parliament. The multilaterals sought out local champions in the form of decision-makers who might be able to push through reforms despite 'political' opposition. They sought out "credible technocrats" who were respected internationally and well placed to influence decision-making in the executive.[238] These "sympathetic and willing interlocutors" thus gained political prominence vis-à-vis their position to government and to the multilaterals.[239] This is especially true since, at the time, negotiations were conducted in secret between the international lenders and recipient governments. This meant that the selected technocrats were often the only government officials with full access to, and understanding of, important information coming from the negotiations. In summary, the BWIs sought to alter the local domestic political landscape to empower their favoured technocrats. To the extent that these technocrats are able to affect decision-making, the BWIs can

[236] Gordon, "Debt, Conditionality, and Reform: The International Relations of Economic Restructuring in Sub-Saharan Africa," 106.
[237] James Raymond Vreeland, "The international and domestic politics of IMF programs" (paper presented at the The Fund's Role in Emerging Markets: Reassessing the Adequacy of its Resources and Lending Facilities, Amsterdam 18-19 November 2004).
[238] Gordon, "Debt, Conditionality, and Reform: The International Relations of Economic Restructuring in Sub-Saharan Africa," 107.
[239] Woods, *The globalizers: the IMF, the World Bank, and their borrowers*, 73.

be said to wield significant influence in the domestic politics and policy arenas of recipient countries.

This influence is significant, but not necessarily a determining factor in the outcomes of negotiations between BWIs and recipient countries. For example, Finance Ministers Kasonde (1991-1993) and Penza (1993-1998) do seem to have acted as 'sympathetic and willing interlocutors' in negotiations with the international creditors. However, they were only able to push a radically liberal economic agenda because they had the support of the president. And as was increasingly evident after 1993, Chiluba had several options open to him to stall reforms if he felt that the BWIs were overreaching themselves.

In conclusion, the BWIs' played a seminal role in the abandonment of planning in Zambia in the early-1990s. Their financial, intellectual, and political influence all came to bear on the government's decision to abandon planning. Arguably, this influence reached its peak in in the early-1990s when the interests of the BWIs and those of key decision-makers within government were closely aligned.

Chapter Three: The Reintroduction of Planning

Introduction

President Levy Mwanawasa made his first parliamentary address as head of state on 22 January 2002, during which he announced that national development planning would be reinstated. In September of that year, Zambia's Poverty Reduction Strategy Paper (PRSP) – launched in July – was effectively renamed the Transitional National Development Plan (TNDP). The Fifth National Development Plan (FNDP) 2006-2010 was subsequently released in December 2006. The Fourth National Development Plan – or the New Economic Recovery Programme (NERP) – was launched in 1987 before being suspended in 1989, making it the last development plan to be issued before planning was jettisoned by the MMD government in the early-1990s.

The PRSP, referred to by some as 'quasi-planning'[240], can be seen as a precursor to the reintroduction of planning in Zambia and Heavily Indebted Poor Countries (HIPC) countries more broadly. As Chimhowu et al. observe, fifty-two of sixty-three countries that implemented PRSPs have since gone on to implement national development plans as well. Certainly, the PRSP influenced Zambia's new development planning in important ways. When Zambia discarded development planning in the early-1990s, it dismantled all its planning capacity. The PRSP provided much of the structures and processes that government could use to fill this gap when it was designing the FNDP.

Nevertheless, the FNDP was intended to be distinct from the PRSP. The PRSP was essentially a continuation of structural adjustment with increased spending to ease the costs of adjustment borne by the most vulnerable in society. The FNDP, on the other hand, was supposedly more comprehensive in scope than the PRSP and covered a longer period (five years compared to two years). It delineated spending priorities and general resource allocation for the five-year period. The FNDP was intended to stipulate the recurrent and capital expenditure that would transform the economy along the lines laid out in the National Long-Term Vision (Vision 2030). As will be explored in more detail below, the extent to which the FNDP actually differed from the PRSP is somewhat contentious.

This chapter will begin with a description of the PRSP under the HIPC Initiative. The second section will unpack the FNDP in more detail – the process by which it was created, the planning structure of which it formed part, and the plan itself. The final section will propose two main explanations for the reinstatement of

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[240] Ali, "Development Planning in Africa: Key Issues, Challenges and Prospects."

development planning in Zambia – one external and the other internal. With respect to the former, it will be argued that the reintroduction of planning should be seen within the context of significant changes occurring in the international development industry at the time in which multilateral and bilateral agencies attempted to harmonise the distribution of Overseas Development Assistance (ODA) to recipient countries. In this sense, national development strategies were seen as a crucial means of increasing the efficiency and effectiveness of ODA inflows to emerging countries. In terms of the internal explanation, it will be argued that the interplay of political interests and economic ideas played a pivotal role in the reintroduction of planning.

PRSP – Laying the foundation for planning

As mentioned in Chapter One, several changes were made to the HIPC Initiative before its re-launch as the Enhanced HIPC Initiative (HIPC II) in December 1999. One of the most important changes – for the purposes of this paper at least – was that debt relief would be conditional on the completion of a PRSP, amongst other conditionalities. The conditions of debt relief enabled the BWIs to dictate, not only the policies to be included in the PRSPs, but also the process by which they were made.

In 1999, Zambia's external public debt was estimated to be around $5.2 billion, which amounted to roughly 160% of GDP at the time.[241] The BWIs claimed that Zambia would receive a total reduction of $2.5 billion of external debt relief after it had completed the reforms required by the HIPC II programme.[242]

Government's borrowing at this time was financed mainly by the international agencies, as no commercial fund was willing to lend to such a distressed economy.[243] External debt was split between the multilaterals (53%) and the bilateral agencies (46%).[244] The burden of debt relief would follow this same proportion, with the BWIs providing $1.3 billion and the donors accounting for $1.1 billion.[245] Commercial creditors were expected to contribute $23 million in debt forgiveness, less than one percent of external debt.

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[241] International Monetary Fund, "Zambia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative," 15.
[242] "Zambia: Enhanced Initiative for Heavily Indebted Poor Countries — Completion Point Document," (Washington, DC: IMF Publication Services, 2005), 3.
[243] Victoria Chisala et al., *Economic policies for growth, employment and poverty reduction: Case study of Zambia* (United Nations Development Programme, 2007), 21.
[244] International Monetary Fund, "Zambia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative," 15.
[245] Ibid., 16.

Zambia entered the HIPC II Initiative in December 2000, when it qualified for the programme's Decision Point (the first of two main hurdles). In order to reach the Decision Point in 2000, government had to meet two main criteria. Firstly, it had to have a record of commitment to reform. In Zambia's case, a commitment to privatisation was especially important. The eventual sale of Zambia Consolidated Copper Mines (ZCCM) in 2000 sealed Zambia's progress towards the Decision Point i.e. admittance to the HIPC II Initiative. The IMF's 2000 report on Zambia's Decision Point is instructive in this regard. It describes the MMD's macroeconomic reforms as poor, but regards the structural reforms in a much more positive light:

> *… Zambia has moved from a position in 1990 when the economy was dominated by state-owned enterprises, government-administered price structures and protective mechanisms to a position today characterized by an open economy in which prices are largely market determined and the greater part of the previously state-owned enterprises have been restructured and divested to the private sector, including the all-important copper company, Zambia Consolidated Copper Mines (ZCCM).*[246]

The second criterion for reaching the Decision Point was the completion of an Interim Poverty Reduction Strategy Paper (I-PRSP), to be turned into a full PRSP. Government had little control over the implementation timeline, which was set by the BWIs, and the process to be followed, which was stipulated in the terms of reference for preparing PRSPs.[247]. The MoF wrote the I-PRSP between March and June 2000. Due to the limited amount of time available, no other stakeholders were included in the process

In order to qualify for the Completion Point of the HIPC – the programme's final hurdle – government had to meet a myriad of conditions. One of the most critical was to have implemented a PRSP for a minimum of a year to the satisfaction of the Fund and Bank. Also included were several conditions related to reform in the health and education sectors. Importantly, several of the HIPC conditions related to economic policy and include: the implementation of a Medium-Term Expenditure Framework (MTEF), the issuance of bidding documents for the sale of a controlling stake in state-owned power company ZESCO, and the issuance of bidding documents for the sale of a majority share in the Zambian National Commercial Bank (ZNCB).[248] The MTEF was to be prepared by the MoF and then approved by cabinet. It stipulated medium-term spending priorities over a three-

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[246] Ibid., 6.
[247] See Jeni Klugman, *A sourcebook for Poverty Reduction Strategies: Core techniques and cross-cutting issues* (Washington DC: World Bank Group, 2002).
[248] International Monetary Fund, "Zambia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative," 21.

year period and had to meet with BWI approval along with the PRSP. Furthermore, once the Completion Point had been reached, public accounts had to be opened to the BWIs to conduct regular audits.

Work began on writing the PRSP in December 2000, when Zambia reached the Decision Point of the HIPC II Initiative. In April 2002, the final PRSP draft was endorsed by cabinet and in May 2002 it was endorsed by the boards of the IMF and World Bank (See Table 4).

Table 4: PRSP process timeline

Mar 2000	MoF begins work on I-PRSP
June 2000	MoF completes work on I-PRSP
June 2000	I-PRSP submitted to and approve by BWI boards
Aug 2000	First stakeholder meeting, Thematic Working Groups (TWGs) established
Nov 2000	Workshop with cabinet and parliamentary committees
Dec 2000	Entry into HIPC II Initiative
April-May 2001	TWGs hold district consultations in all provinces
June-Sept 2001	TWGs finalise chapters and send to MoF
Oct 2001	MoF collates chapters into draft PRSP Presents first PRSP draft for comment at workshop
Mar 2002	TWG chairs discuss second draft PRSP
Apr 2002	PRSP endorsed by cabinet
May 2002	PRSP endorsed by IMF and WB boards
July 2002	Official launch of PRSP 2002-2004
Sept 2002	PRSP becomes TNDP 2002-2005

It is noteworthy that a PRSP draft never went through parliament for discussion or approval. The bypassing of parliament set a precedent for aid dispersal in the years following the PRSP.[249] Incoming aid funds often went directly to government or to CSOs, often without any input from Zambia's formal political institutions.

Government had hoped to reach the HIPC Completion Point by 2003. However, this was delayed by the partial privatisation of the ZNCB and by government's apparent unwillingness to privatise ZESCO. The BWIs would eventually waive the "nonobservance" of these conditions in March 2005 due to progress made elsewhere, such as: social sector reforms, public expenditure management, and the implementation of the PRSP.[250]

249 Lise Rakner, *Foreign aid and democratic consolidation in Zambia* (WIDER Working Paper, 2012), 17.

250 International Monetary Fund, "Zambia: Enhanced Initiative for Heavily Indebted Poor Countries — Completion Point Document," 3.

The Fifth National Development Plan

When Mwanawasa told parliament in January 2002 that national development planning would be reintroduced, the PRSP was just months away from being completed. A new Planning and Economic Management Department (PEMD) was created in the Ministry of Finance, which was renamed the Ministry of Finance and National Planning (MoFNP). The MoFNP was tasked with creating a TNDP by the middle of the year and then with creating the FNDP by 2005. The MoFNP therefore adopted the PRSP as the TNDP 2002-2005 in September 2002, although a few sections were added that were not included in the initial PRSP. In mid-2004, the MoFNP announced that it would not issue a second PRSP once it reached the Completion Point in 2005. Instead, the FNDP 2006-2010 would take the place of a second PRSP.

Process and organisational structures

The process for creating the FNDP resembled very closely that of the PRSP.[251] Sector Advisory Groups (SAGs) – modelled on the Thematic Working Groups (TWGs) used for the PRSP – were established to create the draft chapters that would be collated by consultants into the single FNDP document.[252] The SAGs were chaired by permanent secretaries from the line ministry concerned and included representatives of civil society, donors, and the private sector. The SAG's would report to the PEMD. The PEMD in turn would report to a National Technical Committee (NTC), which would provide oversight on operational issues. Finally, a National Steering Committee (NSC) was established to oversee the entire process (See Figure 1 and Table 5). For both the NTC and NSC, the chairs were provided by cabinet and the secretaries were provided the PEMD. Government had requested support for the process of putting together the FNDP and in response donors created Coordination and Technical Groups (CTGs). In some cases, donors prepared comments and submitted them directly to the NSC. Three consultants were employed by the MoFNP to assist the PEMD with editing and compiling the various draft chapters into a single FNDP document. Consultants were also employed, in some instances, to assist SAGs with the preparation of draft chapters.

In addition to the government run process, civil society ran a 'shadow FNDP process' and handed a 'shadow FNDP' to the PEMD in November 2005. This

[251] Fraser, "Zambia: Back to the future? Managing Aid Dependency Project."
[252] Nakase, "A Review of the FNDP, PDP and DDP Development Processes."

process was done under the auspices of the donor-funded Civil Society for Poverty Reduction (CSPR), which was led by the Jesuit Centre for Theological Reflection and had approximately ninety member organisations. CSPR was first formed to represent civil-society in the PRSP design process, as required by the BWIs.

Figure 1: National working structure for FNDP design

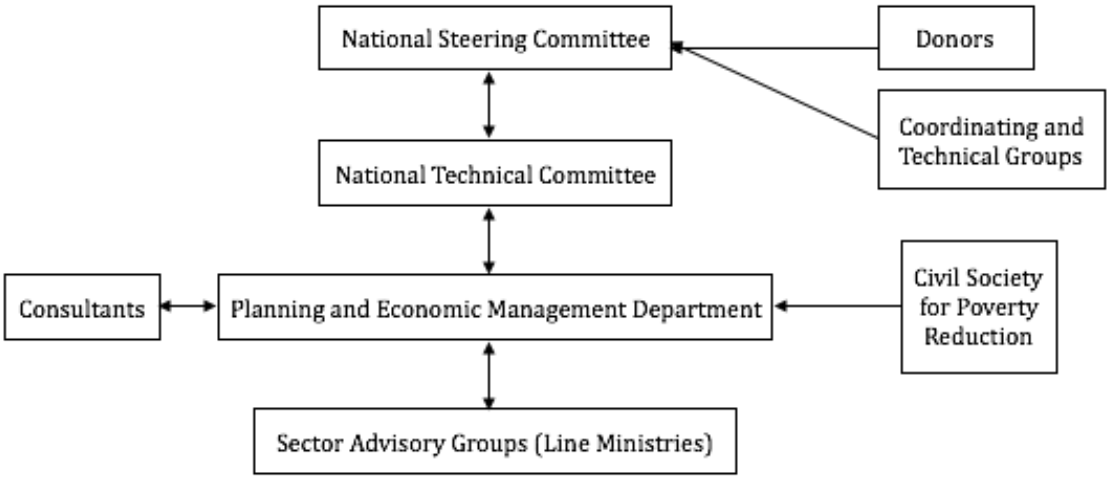

Table 5: Bodies involved with the FNDP process

Body	Responsibility	Members
Cabinet Office	Chaired NSC and NTC	–
National Steering Committee (NSC)	Oversight of entire process	Permanent Secretary from Cabinet Office, MoFNP officials
National Technical Committee (NTC)	Operations	Cabinet Office and MoFNP officials
Coordinating and technical groups (CTGs)	Provide technical assistance to MoFNP Comment on drafts	Donors (some donors provided direct support and comments outside of CTG structure)
Planning and Economic Management Department (PEMD)	Provide secretariat of NSC and NTC Administer process Coordinate SAGs, ministries, and consultants	Located within the MoFNP
Sector Advisory Groups (SAGs)	Develop sector-specific draft chapters	CSOs, donors, private sector representatives Chair: Permanent Secretary of relevant ministry

Body	Responsibility	Members
Line ministries	Chair sector specific SAGs In the latter part of the process, some line ministries conducted revisions to First Drafts without consulting SAGs	–
Consultants	Three consultants assisted DPEM to edit and collate draft chapters into single document Some Zero Draft chapters were prepared by consultants in consultations with SAGs	Employed by MoFNDP through a tender process

The process for actually drafting the chapters and collating them into a single semi-final document took approximately six to seven months between August 2005 and Feb 2006 (See Table 6). A final draft was presented at a National Stakeholder Workshop in Lusaka in July 2006 to receive feedback from donors, CSOs, and Permanent Secretaries from the Cabinet Office. Following the workshop, the FNDP was finalised and submitted to cabinet in September 2006. In the same month, Mwanawasa was re-elected for his second term in the 2006 general elections. As a result, the FNDP was only ratified by cabinet in December 2006. The FNDP 2006-2010 was therefore launched in December 2006. The National Long-Term Vision, entitled Vision 2030, was launched at the same time.

Table 6: FNDP process timeline

Jan 2002	Mwanawasa announces reintroduction of planning
Jan-Feb 2005	National Steering Committee (NSC) established National Technical Committee (NTC) established
Feb 2005	Initial 'Roadmap' issued for FNDP design process
April 2005	MoFNP holds meetings with CSOs, donors, SAGs, Permanent Secretaries (of line ministries) Civil Society for Poverty Reduction (CSPR) begins development process for 'shadow FNDP'
May 2005	Donors submit Issue Paper on FNDP draft outline MoFNP request technical support from donors Coordinating and Technical Groups (CTGs) established by donors
June 2005	Orientation workshop for consultants
Aug-Nov 2005	Draft chapters prepared by SAGs or by working groups within SAGs Zero Drafts and then First Drafts submitted to Planning and Economic Management Department (PEMD)
Nov 2005	CSPR submits finalised 'shadow FNDP' draft to PEMD
Dec 2005 – Feb 2006	Further chapter revision in line ministries Draft chapters edited and consolidated by consultants CTGs provide direct comments to NSC

Jan 2006	Revised 'Roadmap' issued
July-Aug 2006	National Stakeholder Workshop Comments from donors, CSOs, NSC and NTC chairs FNDP revised by DPEM and consultants, in consultation with line ministries
Sept 2006	FNDP submitted to cabinet National elections
Dec 2006	Cabinet approves FNDP FNDP 2006-2010 launched National Long-Term Vision (Vision 2030) launched

Planning instruments

While the PRSP and TNDP may not have been exactly the same policy document, they were often referred to – in both government and BWI communications – collectively as the 'PRSP/TNDP'. The FNDP, on the other hand, was an attempt to create a comprehensive national development plan.[253] The FNDP is a medium-term strategy, which is guided by the National Long-Term Vision (Vision 2030). The overall aim of Vision 2030 is for Zambia to be a middle-income country by 2030.[254] It contains numerous broad social and economic goals, in addition to seven principles and twenty-one national characteristics to which it aspires. The FNDP is characterised as providing more concrete, high-level steps deemed necessary to move the country towards Vision 2030 over the five-year period between 2006 and 2010. These steps include: establishing the total resources available – the resource envelope – over the five years (including domestic revenue, domestic debt, and international loans and grants), defining a strategy of spending per sector (include spending allocations per sector), and laying out broad development policies (such as the FNDP's focus on agriculture as a means of poverty alleviation).

A MTEF was thought of as the first step towards operationalising the FNDP (See Table 7). The MTEF was introduced in the early-2000s as part of an expenditure reform programme under the HIPC II Initiative. Alongside the PRSP, it was a high priority condition of the HIPC programme. The MTEF was meant to provide the total annual budget estimate and allocations for each year in a three-year period. It was created by the MoFNP and was meant to be guided by the FNDP and the amount of available resources at the time. Whereas the FNDP discussed spending at the national and sectoral level, the MTEF defined specific allocations to what is referred to as Ministries, Provinces, and other Spending Agencies (MPSAs). The annual budget should, in theory, not deviate much from that laid out in the MTEF. Finally, according to the FNDP, line ministries were meant to develop annual work plans, which were supposed to indicate the timelines and

[253] Government of the Republic of Zambia, "Fifth National Development Plan."
[254] "Vision 2030."

activities to be undertaken for specific projects and programmes during the year. It is not currently clear whether any ministries had actually created these work plans.

Table 7: Planning instruments

	Vision 2030	NDP	MTEF	Budget	Work plan
Responsible Department	MoFNP	MoFNP	MoFNP	MoFNP	Line ministry
Timeframe	30 years	5 years	3 years	1 year	1 year
Description	Broad social and economic goals	National and sectoral development strategies Outline spending priorities Estimate resource envelope Delineate public investment to be made over the period. (For reasons to be discussed later in the chapter, the FNDP actually contained very little capital expenditure)	Estimate budget ceilings Estimate MPSA resource allocations	Estimate total annual expenditure Allocate resources to MPSAs	Detailed implementation plans

The above table represents how the planning instruments were meant to operate and interact with each other in theory. The reality was somewhat different. For example, the MTEF 2006-2008 was issued in November 2005, a full year before the FNDP was launched in December 2006. The MTEF was therefore created by the MoFNP on the basis of "anticipating [the issues] put forwards in the on-going consultations for the FNDP".[255]

Perhaps the largest problem is the extent to which the MTEF and annual budget proposed by the MoFNP relate to actual expenditure. The findings of a Public

[255] "2006-2008 Medium-Term Expenditure Framwework," (Lusaka: Ministry of Finance and National Planning 2005), ii.

Financial Management Performance Report issued by government in 2005 are informative:

> *A comparison of outturns against the original budget over the past three years* [2002-2004] *indicates that, in aggregate, the budget is an inaccurate measure of actual expenditures due to weaknesses in fiscal discipline, expenditure control, and budgetary planning.*[256]

The FNDP describes the annual budget as "the primary instrument for implementing the plan".[257] It is therefore concerning that, in the period just before FNDP was to be implemented, there was a loose correlation between intended and actual spending. This discrepancy brings into question the extent to which annual budgets were actually guided by the policies laid out in the FNDP. Hinfelaar and Sichone do note that there appears to have been an improvement in the MoFNP's budgetary control and expenditure management between 2005 and 2008.[258] Nevertheless, the ministry remained institutionally weak relative to the spending ministries where public finances were less well managed. In addition, the budgeting process itself was open to interference from cabinet ministers, leading to unexpected spending that was not aligned with the FNDP's polices.[259]

The plan itself

The theme of the FNDP is "broad-based wealth and job creation through citizenry participation and technological advancement".[260] The stated goals of the FNDP are growth (annual average of 7%), poverty and inequality reduction, and infrastructure development.

Public spending for the period 2006-2010, without the programmes and projects of the FNDP, was estimated at K59, 641 billion (this is referred to in the FNDP as the baseline scenario).[261] Government expected to cover K48, 442 billion (81%) of this total through domestic revenue and some concessional lending from multilaterals. Government expected bilateral agencies and international lenders to cover the remaining K11, 198 billion (19%) of expenditure in the baseline scenario.

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[256] "Public Financial Management Performance Report - PEMFA Programme Evaluatiom," (Lusaka2005), 19.
[257] "Fifth National Development Plan," 366.
[258] Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."
[259] Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model," 241.
[260] Government of the Republic of Zambia, "Fifth National Development Plan."
[261] Ibid., 356-57.

The programmes and projects of the FNDP were estimated to cost K2, 982 billion over and above the baseline scenario.[262] The FNDP refers to this amount of almost K3, 000 billion as the resource gap. As the FNDP only forecast a marginal increase in domestic revenue over the five years, it states that the resource gap would have to be financed by external grants and loans. This scenario would involve donors increasing ODA from slightly less than six percent of GDP in 2006 to just under eight percent of GDP in 2010.

Although the FNDP provides a breakdown of spending per sector and the amount to be covered by government and donors respectively, it does not indicate how much of the planned spending is intended to be current and how much would be dedicated to capital expenditure. It seems safe to assume, however, that the majority of intended spending over the FNDP period was planned to be recurrent. Current expenditure was forecast at an annual average of 17.68% of GDP over the period in the baseline scenario, compared to an annual average of 18.4% of GDP in the FNDP scenario.[263] On the other hand, capital expenditure in the baseline scenario was estimated at an annual average of 6.1% of GDP. Capital expenditure in the FNDP scenario (which assumes that the resource gap is filled) was forecast at an annual average of 7% of GDP. This is in stark contrast to the country's first NDP, which stipulated that an average of 20% of GDP would be allocated to capital expenditure annually.[264]

It is notable that large energy and infrastructure investments that were planned during the period were excluded from the FNDP. These include energy projects Kariba North Bank, estimated to cost $300 million, and Kafue Gorge Lower, valued at $600 million.[265] These projects were apparently intended to be financed by public private partnerships or by private capital entirely. In 2005 kwacha, the Kafue Gorge Lower project would cost K2, 775 billion.[266] This is only slightly less than the K2, 982 billion resource gap created by the FNDP's development programmes.

Zambia reached the HIPC II Initiative completion point in April 2005, the same month that the stakeholder workshop was held at the beginning of the FNDP design process. Reaching the completion point meant that the IMF and World Bank had agreed to write off most of Zambia's debt that they held. Importantly though, debt relief itself would likely take place over a number of years.

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[262] Ibid., 357.
[263] Ibid., 354.
[264] Government of the Republic of Zambia, "First National Development Plan 1966-1970," 6.
[265] "Fifth National Development Plan," 354.
[266] USD/ZMW exchange rate used for 01 June 2005 – $1 to K4, 625. Historical exchange rate data retrieved from https://www1.oanda.com/currency/converter/ on 17 June 2019.

Moreover, the write-off was only granted on the "expectation that prudent macroeconomic policies and structural reforms are maintained".[267]

Finance minister Peter Magande had assumed office in July 2003, a few months after the IMF had suspended the dispersal of a $100 million Poverty Reduction Growth Facility (PRGF) in March 2003 due to government's declaring a surprisingly large fiscal deficit. One of Magande's core concerns was to "get Zambia's relationship with the Bretton Woods institutions back in good standing".[268] This would involve fulfilling Zambia's commitments to economic reform made to the BWIs earlier in the decade. He delivered his first full budget on 6 February 2004 with the theme 'Austerity for Posterity'. Magande makes clear that:

> *In 2004, the Government's focus was on fiscal prudence and austerity by avoiding wastage and directing resources to priority areas as a prerequisite for securing the new PRGF and reaching the 'completion point' of the HIPC Initiative.*[269]

Although Zambia reached the HIPC completion point before it began to design the FNDP, it would have to continue with economic reforms in order to ensure that debt relief was actually realised. In addition, in mid-2004, Magande re-negotiated the three-year PRGF that came with similar conditionalities. It seems then that capital expenditure in the FNDP was, in part, constrained by government's commitment to adhere to the conditions of its agreements with the international lenders. This point is supported by the MTEF 2006-2008, which states "Government's medium-term fiscal stance for the period 2006-2008 is consolidation so as to promote macroeconomic stability".[270]

There is also a more basic reason for the limited amount of capital expenditure in the FNDP. As seen earlier, privatisation – particularly privatisation of the mines – was a key condition for entry in the HIPC programme. Under pressure from the BWIs, and with copper prices depressed, government entered into Development Agreements (DAs) with individual mines. The DAs superseded existing mining regulations and offered extremely generous taxation terms. As a result, government revenue from mines remained relatively flat despite the uptick in commodity prices in 2003.[271] When the FNDP was being created, therefore, government simply did not have the additional resources for public investments.

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[267] International Monetary Fund, "Zambia: Enhanced Initiative for Heavily Indebted Poor Countries — Completion Point Document," 32.
[268] Magande, *The depth of my footprints*, 287.
[269] Ibid., 317.
[270] Government of the Republic of Zambia, "2006-2008 Medium-Term Expenditure Framwework," 10.
[271] Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."

This is a point made by Moses Banda, Special Economic Advisor to Mwanawasa from 2002 to 2007, who observed that "Government could not allocate resources that it didn't have".[272]

This statement appears to be supported by the MTEF 2006-2008, which claims that external resources are required to cover 85% of capital expenditure over the years 2005-2007.[273] Thereafter, this amount was expected to drop to roughly 70%.

Explanations for the reintroduction of development planning

Planning as a means of ODA management

Towards the late-1990s, there was increasing recognition amongst government officials, donors, and civil society, that the abolition of the National Commission for Development Planning (NCDP) had been a mistake.[274] Bilateral agencies and authorities began to realise that the absence of a central development policy was hindering the effective implementation and coordination of ODA activities.

In the absence of a central development strategy, donors began to bypass government and cut down on budgetary support. Instead, the bilateral agencies chose to fund projects and NGOs directly or to send funds to the ministries involved. This resulted in a profusion of unrelated development projects; increased administrative costs for local officials; and no central government oversight to ensure donor resources were being used effectively.

In light of declining aid efficacy, donors established a Harmonisation in Practice (HIP) group in 2002 that attempted to coordinate their activities and to better align ODA with government's development priorities.[275] The group consisted of seven countries: Denmark, Finland, Ireland, the Netherlands, Norway, Sweden and the UK. The following year, the group expanded to include twelve donor countries and was renamed Wider Harmonisation in Practice (WHIP). One of WHIP's key suggestions was for government to create an aid policy that would provide guidelines for the coordination of donor activity.[276]

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[272] Moses Banda (Personal communication, 14 June 2019)
[273] Government of the Republic of Zambia, "2006-2008 Medium-Term Expenditure Framwework," 14.
[274] Mulungushi, "Policy development and implementation in the post-liberalization era in Zambia (1990s and beyond): towards a participatory planning and economic management model," 239.
[275] OS Saasa and Jens Claussen, "Harmonisation of Donor Practices for Aid Effectiveness in Zambia," *Commissioned by the Royal Netherlands Embassy, Lusaka* (2003).
[276] Stefan Leiderer, "Donor coordination for effective government policies?," *Journal of International Development* 27, no. 8 (2015).

In September 2005, the MoFNP released its Aid Policy and Strategy, although cabinet would only endorse it in 2007.[277] The objective of the aid policy was, in essence, to channel aid into the national budget and, from there, for resource allocation to be determined according to the priorities laid out in the FNDP. For the most part, donors appeared to be on board with this. WHIP saw the next stage in its evolution at an April 2007 Consultative Group meeting, where the Joint Aid Strategy for Zambia (JASZ) was launched. The JASZ had seven key objectives, the first of which was to align ODA with the FNDP, Vision 2030, and the Aid Policy and Strategy.[278] The JASZ was signed by the twelve bilateral agencies in addition to the European Commission, the United Nations, the World Bank, and the African Development Bank.

Government and bilateral agencies saw the reintroduction of planning as a means of improving the efficiency and efficacy of the aid system in Zambia. This was certainly a high priority for the Mwanawasa administration, as in the early-2000s Zambia was still highly depended on aid. Over the period 2000-2005, aid averaged 43% of the annual national budget with a 2001 peak of 53%.[279] Fraser therefore argues that planning was "conceived principally as a solution to problems of aid management".[280]

While bilateral aid agencies and recipient governments were beginning negotiations over aid efficacy in the early-2000s, Zambia was experiencing high levels of political contestation and the first change of power since 1991. This political context suggests that domestic political factors likely had an important role to play in the reintroduction of planning. Put differently, certain developments in Zambia's political landscape in the early-2000s resulted in the executive's being favourably disposed to the reinstatement of development planning. There are two factors (or explanations) that are relevant in this regard. The first explanation speaks to the logic of the political settlement narrative mentioned in the Chapter Two. In this sense the reintroduction of planning can be seen as part of an attempt by Mwanawasa to build a coalition to reinforce his political legitimacy. The second explanation speaks to the role of ideas in shaping political interests and economic policy-making. Each of these explanations will be discussed in turn.

Political explanation

Levy Mwanawasa announced the reintroduction of planning in his first parliamentary address on 22 January 2002, a month after he won national

[277] Government of the Republic of Zambia, "Zambia: Aid Policy and Strategy ".
[278] Wohlgemuth and Saasa, "Discussion Paper No. 83: Changing aid relations in Zambia."
[279] Government of the Republic of Zambia, "Zambia: Aid Policy and Strategy " 10.
[280] Fraser, "Zambia: Back to the future? Managing Aid Dependency Project," 28.

elections on 27 December 2001. Mwanawasa garnered just 29% of the vote. His closest competitor, Anderson Mazoka of the United Party for National Development (UPND), attained 27%. With a voter turnout of 1.7 million, the difference between the two amounted to just 33 997 votes.[281] Although the MMD was still the largest party in parliament, it had lost its majority. It secured 69 of 150 seats, while UPND and UNIP took 49 and 13 seats respectively.[282] The elections themselves were marred by widespread irregularities and inconsistencies in vote counting. The European Union observer commission expressed concern with the results, though it took no action.[283] Opposition parties unsuccessfully contested the results in court and several observers believe that the MMD used its access to state resources to influence the outcome of the poll.[284]

Mwanawasa had been appointed as the MMD's presidential candidate in late-August 2001 four months prior to the elections in December 2001. He had been appointed by President Frederick Chiluba, who had recently given up a highly controversial third-term bid. Mwanawasa was a lawyer who had briefly served as Kaunda's solicitor general in 1985. He would go on to play an important role in the founding of the MMD and serve as the party's vice president from 1991 until 1994, when he quit over the corruption of Chiluba's administration and an apparently strained working relationship with Chiluba.[285]

Though the MMD had managed to install Mwanawasa as president at the end of 2001, its electoral victory had come at the expense of his political legitimacy.[286] His party had lost a significant amount of electoral support in the 2001 polls and his position within in the party was compromised. While Mwanawasa was the president of the republic, Chiluba retained the presidency of the MMD. Chiluba had chosen Mwanawasa when he realised that a third term was no longer attainable. Mwanawasa was chosen because he was a compromise candidate.[287] His low profile within the party and the fact that he represented a minority ethnic group meant his appointment would not lead to any further splits within the MMD. Chiluba wanted a presidential candidate that he could control, which was blatantly clear to Mwanawasa – according to his official biography.[288] He was, therefore, determined to show that he was not Chiluba's puppet. Moreover,

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281 Burnell, "Zambia's 2001 elections: the tyranny of small decisions,'non-decisions' and'not decisions'," 1104.
282 Ibid.
283 Rakner, *Foreign aid and democratic consolidation in Zambia*.
284 Burnell, "Zambia's 2001 elections: the tyranny of small decisions,'non-decisions' and'not decisions'," 1116.
285 Amos Malupenga, *Levy Patrick Mwanawasa: An Incentive for Posterity* (Port Elizabeth: NISC, 2009).
286 Erdmann and Simutanyi, *Transition in Zambia: The Hybridisation of the Third Republic*.
287 Paget, "Internal Politics of the MMD, Zambia (Unpublished MSc Dissertation)," 35.
288 Malupenga, *Levy Patrick Mwanawasa: An Incentive for Posterity*, 141.

Mwanawasa recognised that restoring his political legitimacy required distancing himself from Chiluba.[289]

Shortly after coming to power, Mwanawasa implemented corruption proceedings against Chiluba and several of his allies. Mwanawasa was able to secure his hold on the MMD in July 2002, when parliament approved his request to remove the immunity from prosecution that Chiluba had enjoyed as an ex-president. Though Chiluba challenged the decision, it was ultimately upheld by the Supreme Court and he was arrested in August 2003 on charges of corruption. Mwanawasa also began to remove Chiluba loyalists from positions of power in the civil service and MMD.[290] He courted opposition parties and had signed a cooperation agreement with Kaunda's UNIP. By the middle of July 2002, Mwanawasa had replaced the entire cabinet, save for one minister and one junior minister.[291] Additionally, most of the new ministers were outsiders i.e. opposition members or former opposition members who had joined the MMD on being appointed to cabinet.

Perhaps one of the most high-profile appointments from outside the MMD was that of Ng'andu Peter Magande as finance minister in early 2003. Magande was a long-serving technocrat whose career in the civil service began in the 1970s. Magande was one of Mazoka's closest advisors and had joined the UPND shortly after its establishment in 1998. In his autobiography, Magande describes being "an active member of Mazoka's 'kitchen cabinet'" and of being "intensely involved in the operations of the UPND". [292] He also implies that he had a hand in defining policies that would constitute the UPND manifesto, launched in April 2000. It should be noted that Magande may be overestimating his role in formal policy-making within the UPND. Nevertheless, he does appear to have been a close – if informal – advisor to Mazoka. While Magande's appointment served to weaken the UPND, Mwanawasa also acknowledged that were no similarly qualified candidates for finance minister within the MMD.[293] This speaks to Mwanawasa's desire to create a capable and technocratic cabinet.[294]

Widespread public disaffection with the corruption and economic mismanagement of the Chiluba administration during the 1990s had, at least in part, contributed towards the MMD's poor performance in the 2001 polls. Mwanawasa realised that he needed to distance himself from Chiluba, not only

[289] Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."
[290] William Tordoff and Ralph Young, "Electoral politics in Africa: The experience of Zambia and Zimbabwe," *Government and Opposition* 40, no. 3 (2005).
[291] Paget, "Internal Politics of the MMD, Zambia (Unpublished MSc Dissertation)," 35.
[292] Magande, *The depth of my footprints*, 273.
[293] Erdmann and Simutanyi, *Transition in Zambia: The Hybridisation of the Third Republic*, 56.
[294] Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."

politically, but in terms of policy as well.[295] When Chiluba took office in 1991, Zambians were told that they would have to bear the costs of structural adjustment in the short-term in order to enjoy the benefits of a revived economy further down the line. By the beginning of the new millennium, however, these benefits had failed to materialise for the majority of Zambians. Indeed, poverty and inequality had increased during the decade. The re-introduction of development planning gave Mwanawasa the means by which he could be seen to be responding to these issues while still maintaining the macroeconomic stability and fiscal responsibility required by the HIPC programme.

On the whole, there were few substantive policy differences between the parties contesting the 2001 elections.[296] Nevertheless, there are some differences that are worth mentioning. Most notably, for the purposes of this paper, the policy idea of re-implementing planning appears to have originated from the UPND and not the MMD.[297] The MMD's manifesto from the 2001 elections does not mention planning or any attempt to create a stronger role for government in the economy.[298] While it acknowledges the need for some poverty-targeted programmes, it essentially recommends a continuation of the economic reforms of the previous decade. The UPND manifesto, on the other hand, is heavily critical of the reforms of the previous decade, referring to the 1990s as "a lost and wasted decade".[299] It therefore claims that, if it were elected to power, it would "restore medium and long-term development planning".[300]

The reinstatement of planning offered the opportunity, not only to strengthen the legitimacy of the MMD, but also to undermine the main opposition by co-opting one of their key policies. As Sishuwa notes, it is the same tactic that Mwanawasa would use in 2008 when he instituted a windfall tax on copper mining and increased mining royalties.[301] The idea of a windfall tax was widely popular and was first touted by Patriotic Front (PF) candidate Michael Sata in the 2006 elections. Its introduction by Mwanawasa can be seen as an attempt to weaken the opposition PF and to cement his political legitimacy with the electorate. Hinfelaar and Cheeseman appear to support this analysis when they state that "[u]nder Mwanawasa, the MMD was continually repositioned in an attempt to head off the threat resulting first from the United Party of National Development (UPND) and later from the rise of the PF".[302] Moses Banda (Special

[295] Sishuwa Sishuwa, interview with author, 11 July 2019, Cape Town
[296] Rakner, *Political and economic liberalisation in Zambia 1991-2001*, 125.
[297] Thank you to Hangala Siachiwena for pointing me in this direction
[298] Movement for Multiparty Democracy, "Election manifesto," (2001).
[299] United Party for National Development, "Election Manifesto," 2.
[300] Ibid., 4.
[301] Sishuwa Sishuwa, interview with author, 11 July 2019, Cape Town
[302] Cheeseman and Hinfelaar, "Parties, platforms, and political mobilization: The Zambian presidential election of 2008," 64.

Economic Advisor to Mwanawasa 2002-2007) appears to support this claim when he notes that, by re-implementing planning, "Mwanawasa was responding to the views of the opposition".[303]

Ideological explanation

While the re-introduction of development planning served a political purpose for Mwanawasa, it appears to have had ideological drivers as well. The term ideology is used here in the sense used by Hirschman when he described "ideologies of economic development" as "distinctive beliefs, principles and attitudes".[304] It may be more useful, as Sikkink points out, to speak of "ideas about development, or models of economic policy-making".[305] Sikkink goes on to explain that sets of "ideas connected by a theory or group of theories form a model of economic development. These models help give meaning to a political economic situation and thus permit purposeful action within it".[306]

It is true that, as Paget argues, combatting corruption formed the centrepiece of Mwanawasa's contest with Chiluba, within the MMD and in government.[307] Arguably though, the idea of development planning (the idea that the state should play a larger role in the country's development) also helped to shape the coalition that Mwanawasa built and the role that Mwanawasa thought the government should fulfil. As Hinfelaar and Sichone have observed, the circumstances surrounding his rise to power "gave him a strong impetus to fight corruption and to establish a credible and technocratic cabinet to rebuild confidence to tackle the ailing economy".[308]

Blyth argues that economic ideas can act as "coalition-building resources" where, in times of uncertainty, ideas allow actors to reframe their interests and allow groups of actors to define shared courses of action.[309] Mwanawasa built his political coalition around the model of economic development shared by most new development plans around the world. This model essentially saw government attempt to expand the economy at a rapid rate; maintain macroeconomic stability and tight fiscal controls; increase and guide public investment (without compromising macroeconomic or fiscal targets), stimulate

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303 Moses Banda, correspondence with author, 21 June 2019
304 As cited in Kathryn Sikkink, *Ideas and institutions: developmentalism in Brazil and Argentina, Cornell studies in political economy* (Ithaca: Cornell University Press, 1991), 1.
305 Ibid.
306 Ibid.
307 Paget, "Internal Politics of the MMD, Zambia (Unpublished MSc Dissertation)," 51.
308 Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."
309 Mark Blyth, *Great transformations: Economic ideas and institutional change in the twentieth century* (Cambridge University Press, 2002), 37.

private investment; and minimise the burden placed on the poor through the provision of social services and poverty-targeted programmes. For most of the actors within Mwanawasa's coalition, their legitimacy among their constituents was, in part, determined by their ability to deliver on the promises of this development model.

As Blyth observes, ideas provide normative and scientific critiques of the existing economy.[310] At the end of Chiluba's administration, national poverty was estimated at 70 percent and Zambia was reclassified from a middle-income to a least developed country.[311] These failings were accordingly attributed to a combination of free market fundamentalism, economic mismanagement, and corruption of the Chiluba administration. The new development planning provided the ideas with which Mwanawasa could critique the economic mismanagement by his predecessor. It also provided him with the means to describe how his administration would address these failings.

The importance that Mwanawasa attached to the reintroduction of planning is indicated by his firing of finance minister Kasonde in 2003. Kasonde had first been finance minister under Chiluba from 1991 to 1993 and was a key driver of liberalisation during that period. Mwanawasa fired Kasonde in a March 2003 cabinet reshuffle, while Kasonde was attending meetings with donors in Paris. Mwanawasa claimed that suspicious transactions had occurred at the ministry during Kasonde's tenure, though no legal proceedings were instigated. Kasonde, however, attributed his dismissal to disagreements over policy issues with Mwanawasa. Explaining further, Kasonde stated that "it is impossible for a market economist to agree to some of the policies that have socialist connotations".[312]

That Mwanawasa and Kasonde disagreed about fundamental economic policy concepts seems likely, given Moses Banda's description of Kasonde as "a hard core reformer who always argued that the reforms were a success and that they needed a little more time for the expected benefits to manifest themselves".[313] Certainly, Magande and Mwanawasa were much more aligned in terms of economic policy. Magande's career included a stint as "national planner at the NCDP" in the 1980s, where he "superintended over the production and coordination of the national development programmes of all the ministries and in all sectors of the Zambian economy".[314]

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310 Ibid.
311 Wohlgemuth and Saasa, "Discussion Paper No. 83: Changing aid relations in Zambia," 2.
312 Emmanuel Kasonde, media interview as quoted in Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018," 13.
313 Moses Banda, correspondence with author, 14 June 2019
314 Magande, *The depth of my footprints*, 289.

Magande has described the FNDP as "the herald of the restoration of national long-term planning in Zambia".[315] The move to reintroduce national development planning appears to have had broad political support within government structures. According to Magande, a provision to "compel the government of the day to prepare an annual budget in conformity with medium and long-term development plans" was included in the draft constitution that was being revised at the time.[316] The purpose of this provision was to "rule out Zambia being governed without a development plan as had happened between 1991 and 2002".[317]

Conclusion

This chapter has assessed the main external and internal factors that led the Zambian government to reintroduce planning in 2002, a decade after abandoning it. In relation to the former, it was argued that planning was reinstated as a means for government to improve the efficiency and efficacy of aid dispersal to the country. More specifically, a national development strategy was one of the pillars of an aid harmonisation process occurring in the early-to-mid-2000s that would, in theory, see donors provide more direct budget support to government. There appears to have been consensus among local technocrats and bilateral agencies that abolition of a central planning body had had numerous negative repercussions for aid dispersal, such as increased administrative costs, duplication of projects, and little to no monitoring and evaluation.

With regard to the internal drivers of the reintroduction of planning, two inter-related explanations were considered important: one political and one ideological. Put another way, a particular confluence of political interests and economic ideas in the early-2000s left the government of Levy Mwanawasa favourably disposed to the reintroduction of planning. With limited political support on taking office – and facing widespread disaffection with the extensive liberalisation implemented by his party in the preceding decade – the reintroduction of planning offered Mwanawasa the means to boost his legitimacy among the electorate. Additionally, the idea of development planning was one of the resources used by Mwanawasa to build a coalition of political actors from outside the MMD that would shore up his political power relative to ex-president Chiluba.

[315] Ibid., 425.
[316] Ibid., 343.
[317] Ibid.

More broadly, this paper has chartered the rise, fall, and return of planning in Zambia. The use of the word 'return' suggests that development planning has enjoyed something of a homecoming of late. A cursory review would suggest that African states are beginning to pick up the mantle of developmentalism that was so thoroughly dropped in the adjustment era. This is, for example, the view put forward by a 2016 UNECA report:

> *Despite a brief interruption during the structural adjustment programme era the most recent decade [2005-2015] has witnessed a resurgence of development planning and an evolution from its focus on poverty reduction to a renewed emphasis on structural economic transformation. In a sense, the focus of planning has come full circle, and has returned to the post-independence vision of structural transformation.*[318]

On closer analysis, this conclusion is not an accurate description of the reintroduction of planning in Zambia. This chapter's review of the FNDP, and the political and economic context in which it was implemented, suggests that any vision of structural transformation mentioned in the FNDP – or by politicians or technocrats at the time – was purely rhetorical. Instead, rather than representing a modern-day renewal of developmentalism, the FNDP represents a continuation of the neoliberal populism of the PRSPs. The term 'neoliberal populism' was first used by Weyland to discuss periods of radical adjustment in South America and Eastern Europe in the 1990s.[319] Gould has used it to describe the PRSPs' attempted use of social sector spending and safety nets to alleviate some of the costs of adjustment (such as poverty and unemployment).[320]

Arguably, the core function of a development plan is to define a strategy for the allocation of resources for public investments that would yield development-orientated outcomes at some point in the future. In the post-independence era, this strategy mostly took the form of Import Substitution Industrialisation that utilised export revenues to finance state-run infant industries, such as manufacturing, construction, communication, and transport. To this end, the First NDP 1966-1970 allocated an average of 20% of GDP to capital expenditure annually. In comparison, the FNDP allocated an average of 7% of GDP annually to public investments. It is instructive to note that over the FNDP period, the 7% target was not met – actual capital expenditure averaged just 3.7%.[321] The government did not have the resources to meet its unambitious investment

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[318] United Nations Economic Commission for Africa, "Planning for Africa's development: Lessons, insights and messages from past and present experiences," 1.
[319] Kurt Weyland, "Neoliberal populism in Latin America and Eastern Europe," *Comparative politics* (1999).
[320] Jeremy Gould, *The new conditionality: The politics of poverty reduction strategies* (Zed books, 2005), 7.
[321] Government of the Republic of Zambia, "Sixth National Development Plan 2011-2015," 4.

targets. According to the Sixth NDP, there are at least three main reasons for this:[322]

1) Despite a planned reduction in current spending from 18.5% of GDP to 17.5% of GDP over the FNDP period, current expenditure actually increased to an average of 19.2% annually over the period. Some of the reasons for this increase in current expenditure included the 2006 elections and a growth in remuneration of civil servants.
2) Expected increases in domestically generated revenues did not materialise, resulting in an inability to cover current spending through internally generated revenues alone. Deficit financing intended for investments was, therefore, partly utilised for current spending instead.
3) Lower than expected ODA from bilateral agencies. The specific reasons for this are not made clear, but aid flows to Zambia did decline over decade due in part to sustained growth.

Hinfelaar and Sichone refer to the MoFNP under Magande as a relative 'Pocket of Effectiveness' – a ministry that executes the majority of its functions satisfactorily, compared to other under-performing and under-capacitated ministries in government.[323] General budget performance improved vastly under Magande. Nevertheless, the MoFNP was still politically weak in that it was unable to affect financial management in other ministries.[324] This partly explains the increase in current expenditure mentioned above. Hinfelaar and Sichone also note that Magande enjoyed a high-degree of 'embedded autonomy' – the freedom to execute his duties without political interference from the executive.[325] However, in some instances – such as the 2006 elections and the payroll increases – matters of political expedience clearly trumped Magande's fiscal discipline.

Mkandawire notes that state capacity can be discussed in terms of a state's ability to collect revenue and execute expenditure.[326] Government's inability to meet the target for internally generated revenue set in the FNPD appears to speak to a somewhat weakened capacity in this regard. This can be viewed as part of a wider decline in government's extractive capacity (its ability to collect tax revenue) that accompanied the adjustment of the 1990s. The large bureaucratic capacity established after independence had, to a large extent, been

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322 Ibid.
323 Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018."
324 Antonie De Kemp, Jörg Faust, and Stefan Leiderer, *Between high expectations and reality: An evaluation of budget support in Zambia (2005-2010)* (Ministry of Foreign Affairs of the Netherlands, 2011).
325 Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018," 14.
326 Mkandawire, "Thinking about developmental states in Africa," 193.

dismantled under the Chiluba administration. Additionally, privatisation and liberal reforms to the tax code meant that government's largest income – revenue from copper exports – declined between 2000 and 2008, despite a total increase in export revenue from $670 million to $4 billion over the same period.[327]

A decline in extractive capacity appears to be common to all African mineral resource exporters that underwent adjustment. Campbell notes that the BWI-led reforms to the mining code in these countries created a favourable environment for foreign investment but fundamentally changed the role of the state and its relation to both markets and society.[328] Campbell argues that the liberal reforms of the adjustment era "tended to favour a weakening of the fiscal basis of the state", thereby reducing the state's ability to regulate the private sector, collect revenue, and distribute resources.[329]

Additionally, these reforms left African commodities exporters more thoroughly integrated into the global economy and more dependent on the prices received on international markets.[330] This is certainly true in Zambia's case. Copper accounted for an annual average of 77% of exports over the FNDP period (2006-2010), compared to an annual average of 61% over the period 2002-2005.[331]

Moreover, the economic structure of most African countries has not changed since the beginning of the adjustment era in the 1980s.[332] If anything, the economies of African primary goods exporters have become more, not less, specialised in production for export.[333] Again, this is true in Zambia's case. The MTEF 2008-2010, for example, notes that growth between 2005 and 2007 averaged 5.6% annually. In the next sentence, the MTEF makes the following observation:

> *However, this has translated into a modest reduction in poverty as the majority of the Zambians still remain poor. This, to a large extent can be explained by the growth that has largely emanated from the mining sector which has little impact on the majority of the population who are mainly in the agriculture sector.*[334]

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[327] Ibid., 211-12.
[328] Bonnie Campbell, "Factoring in governance is not enough. Mining codes in Africa, policy reform and corporate responsibility," *Minerals & Energy-Raw Materials Report* 18, no. 3 (2003).
[329] Ibid., 15.
[330] Jerven, *Africa: Why economists get it wrong*, 90.
[331] Government of the Republic of Zambia, "Sixth National Development Plan 2011-2015," 2.
[332] Tim Kelsall, *Business, politics, and the state in Africa: Challenging the orthodoxies on growth and transformation* (London: Zed Books 2013), 5.
[333] Jerven, *Africa: Why economists get it wrong*, 76.
[334] Government of the Republic of Zambia, "2008-2010 Medium Term Expenditure Framework," (Ministry of Finance and National Planning, 2007), 2.

The introduction to the Sixth National Development Plan 2011-2015 similarly concludes:

> *The economic growth experienced during the last decade has not translated into significant reductions in poverty and improved general living conditions of the majority of the Zambians. Job creation was not commensurate with the gains registered from economic growth.*[335]

The SNDP goes on to explain that the growth was centred on the mining industry, which is highly capital intensive and has few productive linkages to the rest of the economy. As a result of the reforms implemented under the auspices of the BWIs in the 1990s and the 2000s, the mining industry enclave became even more isolated from the local economy and from the state itself. Jerven contrasts the growth on the continent during the 2000s with that of the 1960s and early-to-mid-1970s.[336] He notes that in the immediate post-independence era, growth was not driven solely by the external sector. Rather, growth in the external sector was matched by growth in the domestic economy. This would suggest that government had some success at the time in transferring resources from export revenue to industrialisation and a growing civil service.

Chapter Two argued that the definition of a developmental state had both an ideological and a structural component. Despite Mwanawasa's occasionally nationalist rhetoric and the reintroduction of planning, his administration's economic policy-making was guided more by austerity and fiscal consolidation than by developmentalism. Arguably, scrapping the DAs in 2008 represented more of a turn towards developmentalism than the reintroduction of planning did. Hinfelaar and Sichone, for example, note that the changes in the mining regulations indicate a turn toward "resource nationalism" in the Mwanawasa administration, where government attempted to assert greater control of the mining industry and increase revenues from the sector.[337] Although, it is possible that this shift towards resource nationalism was part of a response to domestic political pressures more than anything else.[338] In any case, this shift in economic policy-making was short-lived. Following Mwanawasa's death in August 2008 and the global financial crisis, a new MMD administration under Rupiah Banda repealed the windfall tax in 2009 in the hopes of luring investors into the country.

Additionally, the Mwanawasa administration was structurally unable to play a more activist role in the economy, even if it had wanted to. Firstly, it was 'hemmed-in' by the burden of debt accrued by the previous government under the tutelage of the BWIs. Secondly, a large proportion of its administrative capacity developed after independence had been dismantled during the liberalisation of the 1990s. This severely undermined the state's ability to gather

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335 "Sixth National Development Plan 2011-2015," 6.
336 Jerven, *Africa: Why economists get it wrong*, 91.
337 Hinfelaar and Sichone, "The challenge of sustaining a professional civil service amidst shifting political coalitions: The case of the Ministry of Finance in Zambia, 1991-2018," 15.
338 Cheeseman and Hinfelaar, "Parties, platforms, and political mobilization: The Zambian presidential election of 2008," 65.

and distribute resources. The BWI-led changes to the country's mining regulation in the early-2000s were particularly deleterious in this regard. This reduction in state capacity occurred simultaneously with a deregulation of trade and an opening of the domestic market, which resulted in increased dependence on copper exports and heightened exposure to the volatility of the international commodities market. The Mwanawasa administration restored stability to the economy and the fiscus, and oversaw a period of significant and sustained growth. Driven by the enclave mining economy, however, this growth had practically no discernible effect on poverty and employment.

Therefore, the reintroduction of development planning in Zambia does not represent a resurgence of the developmentalism that characterised the post-independence era of growth. The FNDP was certainly not an attempt to achieve long-term structural change. Rather, it reflects a continuation of the neoliberal populism introduced by the PRSPs i.e. a – failed – attempt to make adjustment more palatable and less obviously costly to vulnerable groups in society.

Chapter Four: Conclusion

This study investigated the reasons why the MMD government reinstated planning in 2002 after having scrapped it a decade previously in 1991. The return of development planning in Zambia occurred at the beginning of a wider trend in development that gained momentum globally in the late-2000s and 2010s – the rise of the 'new' development planning. More broadly, Chapter One situated the 'new' planning in a periodisation of development planning on the African continent:

- Post-independence national development planning – late-1950s, 1960s, and early 1970s
- Structural adjustment and stabilisation – 1980s and early 1990s
- Poverty reduction strategies – late-1990s, early-2000s
- 'New' national development planning – mid-2000s, 2010s

These periods were broadly defined by changes in development ideology and practice. The use of the term 'ideology' here refers to the economic and technical ideas related to the theory and practice of development. These ideas had important consequences for policy-making in developing countries, as they usually defined a general consensus on what governments could and should do.

Chapter One also presented a brief economic history of Africa. Two points are relevant here. Firstly, on average, most African countries displayed significant and persistent growth in the 1960s and early-to-mid-1970s. During this time, several states, including Zambia, made commendable strides in the areas of development and nation building. This was achieved by making large public investments in social services, infrastructure, and the civil service. This point has largely been lost in the general tendency of development economics to focus on explaining the apparent failure of African economies since the late-1970s. The second point relates to the structure of a large number of African economies and their integration into world markets. After independence, many of them turned to their comparative advantage in producing primary goods to finance nation-building efforts. Since then, these countries have become ever more reliant on the export of commodities – agricultural and/or mineral – for the foreign reserves needed to purchase manufactured goods. The result, in terms of policy-making at least, is that national budgets have become increasingly exposed to the volatility of international commodity markets. As Zambia's history shows, drops in international commodity prices can lead to immediate budgetary and current account crises that have widespread consequences for the economy as a whole.

Chapter Two located the decision to abandon planning in the wider political and economic changes that were occurring in Zambia around the time of the country's first multiparty elections. Essentially, planning was discarded in government's rush to liberalise the economy and attain BWI financing. The decision was taken almost immediately after the MMD took power. The planning body, the NCDP, was first tasked with creating short-term investment plans in 1992 before eventually being scrapped completely in 1994. In a sense, the new government viewed development planning as an anachronism – an unnecessary policy tool left over from the supposedly 'statist' and 'socialist' Kaunda era.

The MMD inherited a devastated economy. For at least fifteen years prior to multiparty elections, the economy had steadily declined while associated social costs, such as unemployment and poverty, increased relentlessly. In part, this is due to a continually suppressed external environment and the associated poor terms of trade. It is also partly due to Kaunda's eschewal of prudent macroeconomic and fiscal policies in favour of maintaining his networks of political patronage. By the time the MMD took power, foreign reserves were virtually wiped out, government was unable to pay for most imports, and massive debt had led to unsustainable servicing costs.

In a sense, then, the new government was 'hemmed in' with no other feasible options but to turn the BWIs. However, key decision-makers – like the president and minister of finance – certainly approached the BWIs as 'willing and sympathetic interlocutors'. It is within this context that planning was abandoned as a soft condition of BWI lending. The BWIs had mentioned it several times in their engagements with government in the late-1980s and early-1990s. It was recommended that vital capacity should not be wasted on creating vague long-term plans. Rather, planning was only necessary to the extent that it was concerned with short-term budgeting – mainly expenditure control and containing fiscal deficits. In this sense, the abandonment of planning can be seen as collateral damage of the unbridled economic liberalisation that the MMD embarked upon in the early-1990s.

The political reforms begun at the same time were not nearly as wide-reaching as their economic counterparts. In fact, the liberal economic reforms of the 1990s were occurring in a context of stalling political liberalisation. The constitutional amendment signed by Kaunda in 1990 allowed opposition parties to be created and to contest elections, but Zambia became a multiparty political system in name only. It would be more accurately described as a dominant-party system where the ruling party and the president held unrivalled power. From 1993, it had become apparent that Chiluba was attempting to cement his political power by building a patronage-based political coalition similar to those created under Kaunda in the First and Second Republics.

Further, while the MMD had an overwhelming mandate to implement liberal economic reforms, there was no consensus within the party on how, in what sequence, and – in some cases - whether the reforms should be implemented. Nevertheless, with the support of the president, Ministers of Finance Kasonde (1991-1993) and Penza (1993-1998) were able to implement a liberal economic reform programme that was more extensive and rapid than almost anywhere else on the continent.

Chapter Two also argued that the discarding of planning was significant as it represented an unprecedented break with the developmentalism of the Kaunda era. The MMD oversaw a transition from a developmental state to the new adjustment-era night-watchman state. It could perhaps be argued that this particular transition had begun earlier in the 1980s, as Kaunda twice suspended planning upon signing loan agreements with the IMF. Nevertheless, the MMD would ensure that this transition was definitive. Development was no longer tied to issues of nation building. It was now believed to be "immanent" in the market, and all that was required of the state was to ensure the efficient functioning of the market.[339] On the whole, this led a dramatic – yet asymmetrical – reduction in state capacity in Zambia and in African countries in general. The 'agencies of restraint' – the ministry of finance, central bank, receiver, etc. – were generally empowered relative to the 'spending agencies', which were constrained.[340]

The main aim of Chapter Three was to explore the reasons for the reintroduction of planning in 2002. As previously discussed, the current literature on development planning is limited. Chimhowu et al. have been the first to describe the return of development planning as a clear trend in emerging countries around the world.[341] They attempt to characterise the 'new' development planning and to provide explanations for its return in developing countries. The chapter found in favour of their argument that the PRSPs have acted as precursors to the 'new' development plans in post-HIPC programmes.

Chapter Three argued that the reinstatement of planning in Zambia had both external and internal drivers. Regarding the former, a national development plan that was approved by international lenders and aid agencies was seen as a crucial tool for streamlining aid inflows and reducing administrative costs for recipient countries. Regarding the internal drivers, Chapter Three investigated how political interests and economic ideas influenced the return of planning in Zambia. This argument built on work of authors like Blyth, Sikkink, and Woods,

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339 Thandika Mkandawire, "From maladjusted states to democratic developmental states in Africa," *Constructing a democratic develomental state in South Africa* (2010): 62.
340 "State Capacity, History, Structure, and Political Contestation in Africa," 186.
341 Chimhowu, Hulme, and Munro, "The 'new' national development planning and global development goals: Processes and partnerships."

arguing that ideas shape the perimeters within which political interests are formed.[342] Economic ideas allow actors to explain and criticise past policy failures and to suggest courses of future action. In this way economic ideas act as coalition builders in times of uncertainty. They assist actors in making sense of a political-economic situation and create the conditions under which collective action is possible.

The idea of a development-orientated and technocratic government formed the basis of the political coalition that Mwanawasa built in the months following his 2001 electoral victory. For him, the reintroduction of planning served two purposes. First, it helped to boost his political legitimacy after having won a divisive, and most likely fraudulent, election in 2001. Secondly, with virtually no support within his own party, it helped him to establish a political coalition of outsiders that would cement his political support relative to a faction led by former president Chiluba.

Importantly, Chapter Three also argued that the FNDP 2006-2010 adhered more closely to the 'neoliberal populism' of the PRSPs than to the developmentalism of the immediate post-independence years. In short, the rise of the 'new' planning in Zambia was not accompanied by a concurrent rise of 'new' developmentalism. In practice, this resulted in continued adjustment with increased social sector spending in an attempt to alleviate the attendant costs experienced by vulnerable groups.

The adjustment overseen by the Mwanawasa administration was not entirely unsuccessful. Under Magande, with Mwanawasa's support, performance at the MoFNP improved significantly. The Mwanawasa administration had managed, to a large degree, to restore macroeconomic and budgetary stability. It also oversaw the economy's first sustained period of growth since the 1970s. Unlike the immediate post-independence era of development, this growth period was driven entirely by increased specialisation in the production of copper for export. Problematically, the liberalisation of the 1990s had further isolated the mining sector from the domestic economy. As a result, the Zambian economy saw limited positive spill-overs from the commodities boom and concurrent growth. There was neither increased domestic revenue nor reduction in poverty and unemployment rates. Set against this background, it becomes apparent that the FNDP carried more weight as a political tool than an effective technical policy document.

[342] Blyth, *Great transformations: Economic ideas and institutional change in the twentieth century*; Sikkink, *Ideas and institutions: developmentalism in Brazil and Argentina, Cornell studies in political economy*; Woods, "Economic ideas and international relations: beyond rational neglect."

The era of "big ideas" of development is over.[343] The international development industry no longer advocates for 'one-size-fits-all' policies and there has been recognition that individual countries face unique developmental challenges that will require varied policy responses.[344] This is accompanied by a general understanding that developing countries should play the leading role in their own development efforts – to 'take the wheel' as it were.

In this light, as Chimhowu et al. note, the rise of the new planning is a welcome development. While not disagreeing with this sentiment, the case study presented here suggests that this enthusiasm may have to be tempered somewhat. Or at least, it suggests that more work needs to be done to understand what the rise of the 'new' planning actually means for developing countries in general and for African countries in particular. Put differently, it suggests that more needs to be done in order to understand the extent to which the rise of the 'new' planning represents legitimate attempts by emerging countries to 'take the wheel' of their own development.

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343 David L Lindauer et al., "What's the Big Idea? The Third Generation of Policies for Economic Growth [with Comments]," *Economia* 3, no. 1 (2002).
344 Simon Bekker and Norman Bromberger, "A shift in Western development agency thinking? The case for second best," *Social Dynamics* 42, no. 3 (2016).

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