

## Grand poverty and corruption

MICHELO HANSUNGULE<sup>1</sup>



When former President Chiluba took power from President Kaunda in 1991, the poverty rate was 56%. When he left the government in the hands of his protégé after ten years in office amid threats and suspicion of fraud, poverty had risen to upwards of 80%. Large-scale corruption had diverted resources meant for the people of Zambia, while they watched in sorrow and desperation as their country headed towards becoming the poorest in the world.

### Government breeds poverty

A characteristic feature of Zambian poverty is that it was bred by the government and by international institutions. Zambia's poverty did not just happen; it was caused. For example, the recent sharp price increases of maize-meal, the country's staple food, have left many families unable to afford a meal. The increases have been sanctioned under the government's liberalisation policy. As a result, scores of women, most of them with their babies strapped on their backs, are sleeping in corridors opposite C&S Wholesalers at Lusaka's Soweto Market waiting to buy a cheap bag of maize-meal. The owners of C&S procure cheap maize-meal from South Africa and sell it for ZMK 18,000 per bag (USD 4.70). In ordinary shops, the same bag goes at ZMK 40,000 (USD 10.50) or more.

Similarly, government has driven hundreds of thousands of retirees to destitution by not paying them their retrenchment dues. Recently, a prominent Lusaka lawyer defending some of the retirees publicly wrote former President Chiluba demanding that he intervene in the matter. Even after courts ruled in their favour and Parliament allocated money for the benefits, the government would not pay the retirees.

Agriculture, which is supposed to be the mainstay of the economy, died long ago. The prices of maize seed and fertilisers are far beyond the reach of small-scale farmers who constitute the bulk of the farming community. In the meantime, government is allocating tokens as resources for farming. In the 2000 budget, government allocated ZMK 32 billion (USD 8.4 million) towards agriculture compared with ZMK 418 billion (USD 1.1 billion) it spent paying Zambia Consolidated Copper Mines (ZCCM) creditors at a time the ZCCM is contributing nothing to the economy. Thirty-two billion kwacha is less than one commercial farmer spends on his farm in a year. These policies, coupled with corruption, have condemned millions of households to lives of misery.

### International institutions also breed poverty

International institutions have also contributed to the acute levels of poverty in Zambian households. International Monetary Fund and World Bank policies in particular have escalated the problem. Their insistence that governments cut spending and introduce stringent fiscal and monetary policies precipitated runaway inflation in the 1970s and led to the catastrophic situation Zambia faces today. Although the World Bank has recently represented itself as a poverty

reducer and alleviator, in Zambia it is actually one of the chief causes of poverty. The policies of international lending institutions, which emphasise profit rather than people, have destroyed the little that was left to protect human dignity in poor countries like Zambia. The more than USD 6 billion Zambia owes was contracted and grew under the direct supervision of the same financial institutions that are now claiming to be saviours.

Recently, Zambia was admitted to the Highly-Indebted Poor Country Initiative of the IMF/World Bank. Consequently, the country will be entitled to enjoy some measure of relief on its debt burden starting this year. Some of the resources that should have been paid to the international creditors may now be utilised by Zambia for poverty alleviation. Experience shows, however, that HIPC benefits the government, not the people. More specifically, it benefits politicians in the ruling party. For example, the HIPC resources Zambia has accessed have already been channelled to the Office of the President (security intelligence) for use for political purposes designed to enhance the political chances of Chiluba's political party, the Movement for Multiparty Democracy (MMD).

A key condition for the HIPC Initiative is that governments produce a "participatory" poverty reduction plan. But the plan being drawn up by the government and the World Bank can in no sense qualify as "participatory". There is not a single face from the poor on the team that is developing the plan. The government simply identified likeable NGOs and put them on the team to make it look like there was grass-roots participation. No one on the team has experienced the insecurity and desperation of being poor.

### The most corrupt government in history

Former President Chiluba's government was the most corrupt in the history of the country. Resources that should have been used to improve the people's quality of life were appropriated in grand corruption episodes. His own ministers including the Vice President accused him of involvement in grand corruption through the expropriation of maize money and dubious transactions of copper and cobalt and brought an unprecedented indictment against him in Parliament.

To prevent action against him, the former president closed Parliament for nearly a year and in the meantime he joined the fray, accusing his accusers of the same crimes. Meanwhile, the president sat on institutions of justice such as the Anti-Corruption Commission, frustrating their efforts to do their job.

<sup>1</sup> Michelo Hansungule is Professor of Law, Centre for Human Rights, Faculty of Law, University of Pretoria, South Africa.

With all the legitimate avenues to investigate corruption blocked, the only remaining option was to vote out the government in the elections that took place on 27 December 2001. Though Chiluba was not a candidate (having been disqualified by the constitution and people who rejected his attempts to change the rules to give himself a third term), he made it clear whom he supported. He threw his weight and the country's resources behind his heir apparent and protégé, Levy Mwanawasa, his first Vice President in 1991 who resigned from Chiluba alleging him to be corrupt.

The electorate in Africa has been known to vote unwisely and the Zambian election was no exception.

### **Elections: intimidation and fraud accusations**

During a rally at Kitwe's Parklands at which Chiluba introduced Levy Mwanawasa as his handpicked successor, he said that the Movement for Multiparty Democracy (MMD) would win the elections "come what may". Mwanawasa told the audience: "I will have to go to State House even if it means stepping on the bodies of the opposition leaders". Predictably, Mwanawasa "won" the election and took over the presidency from Chiluba. His MMD failed to get a majority of the seats in the 150-member National Assembly.

Despite serious allegations of rigging and fraud, Chiluba quickly organised for Mwanawasa to be sworn in as the country's third republican president. In the process he intimidated judges who had wanted to entertain complaints from the opposition and an application to stay the announcement of the winner until after the results had been verified.

The new republican president lacks majority in parliament, having failed, even with rigging, to secure votes in many parts of Zambia. Consequently, he used his powers of nomination under Article 68 of the Constitution to nominate six members of parliament, whom he also appointed to head crucial ministries including finance and justice. Although voted in by the MMD, Mwanawasa has repeatedly stated that he represented "continuity with change", which he has

called the "New Deal". Observers note, however, that the economic policy of the MMD was only recently redefined in the MMD Manifesto and that the "New Deal" is not part of this document.

In addition to his lack of a clear majority in parliament, Mwanawasa's other problem is that he does not have a strong grip on the MMD. Former President Chiluba is still at the helm of the party with the support of his henchmen, including some of the tainted officials who wield important positions in the party. The MMD's pressure on Mwanawasa is already noticeable from his recent cabinet appointments. Although he presents himself as an anti-corruption crusader, he was forced to include in his cabinet ministers who had previously been dismissed on suspicions of drug dealing.

The country is despondent following the December 27 elections, which many suspect were massively rigged, and the country's future now looks even bleaker.

### **Heading for poverty**

The liberal economic policies that earned President Chiluba accolades in the international community when he first came into government have failed to translate into tangible benefits for the poor. Instead, after ten years, the policies have produced millions more poor people than at any time in Zambia's history.

In the meantime, because the economy has collapsed, manufacturers have been turned into traders of finished products from various parts of the world. Workers have been retrenched without any prospects for alternative employment and their retrenchment packages are not being paid. Meanwhile, hundreds of thousands of people are dying from opportunistic diseases as a result of HIV/AIDS.

Some years ago, the World Bank predicted that if the trends continued, Zambia was destined to be the poorest country in the world. This prediction is becoming real. Appearing near the bottom in an alphabetical list of the world's nations, it is fast taking the same position in development. ■

**Women for Change**  
<wfc@zamnet.zm>