

**The Pluralist Paradox  
The Decline of Economic  
Interest Groups in Zambia  
in the 1990s**

Lise Rakner

**WP 2000: 3**

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# Summary

The dilemma facing new democracies attempting to implement political and economic reform simultaneously is that democratisation may undermine economic reform by encouraging political participation and empowering interest groups that are unlikely to benefit from reform. This paper compares interest group - government relations under one-party and multiparty rule in Zambia. Contrary to the assumptions of pluralist theory, the paper argues that the influence of interest groups *declined* as a result of political and economic liberalisation. The evolution of electoral politics resulted in the proliferation of civic associations and the weakening of corporatist links between the state and economic interest groups that had been granted some real influence in the previous authoritarian regime. This 'pluralist paradox' has meant, at least in the initial phases of multiparty rule, that interest group resistance do not constitute a significant threat to the sustainability of the reform programme, nor the electoral prospects of MMD.

**The Pluralist Paradox  
The Decline of Economic Interest  
Groups in Zambia in the 1990s**

Lise Rakner

**WP 2000: 3**



**Chr. Michelsen Institute** *Development Studies and Human Rights*

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## Part 1: Introduction<sup>1</sup>

Political liberalisation is expected to lead to greater pluralism as new freedoms for associations will lead to a rise in the number of societal groups and new freedoms of speech will ensure that they have a voice. Over time, this is expected to create problems for a government wishing to maintain economic reforms, since they need to maintain political support to be re-elected and since we know that the electorate does not like to endure difficult economic restructuring, such as cuts in government spending. This is the dilemma facing new democracies attempting to implement political and economic reform simultaneously. Assuming that democratisation, at least temporarily, may undermine economic reform by encouraging political participation and empowering interest groups that are unlikely to benefit from reform, the academic and aid-related literature has over the past three decades presented various theoretical formulas to overcome this dilemma.

As one of the first countries in Sub-Saharan Africa, Zambia embarked on a process of simultaneously implementing political and economic reforms in 1991. The Movement for Multiparty Democracy (MMD), a coalition of trade unions, business' interests and intellectuals, won an overwhelming electoral victory over the single party for the past 17 years, United National Independence Party (UNIP). In the electoral campaign MMD committed itself to an ambitious economic reform programme. The peaceful transition to multiparty rule and the economic policies promoted by the new government made Zambia a 'model for Africa', both in the eyes of the international donors and much of the academic community (Bonnick 1997; Bratton 1992; Joseph 1992).

In November 1996 the second parliamentary and presidential elections were held within the multiparty constitution. Contrary to the experiences of the 1980s, the economic reform process begun in the early 1990s was not reversed as the MMD government approached the 1996 elections. The elections were carried out in a situation of economic decline. Despite five years of continuous economic reform, the record was exceedingly complex and mixed. On the one hand a foundation was laid for a shift from a state oriented to a market based economy. Despite several exogenous shocks and uneven implementation, none of the reform measures implemented in the 1990s were reversed. On the other hand, several key reforms were not implemented including civil service reform and the privatisation of the copper industry.<sup>2</sup> Partly as a result of uneven implementation, the Zambian economy did not experience any growth in the 1990s and from late 1993 onwards, the economic restructuring measures were criticised by interest groups, NGOs and opposition parties. Despite this, no opposition party offered an alternative to continued economic restructuring in their 1996 election campaigns. MMD was granted another five year term in office with an electoral majority comparable to the 1991 victory. The 1996 elections were considered flawed

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<sup>1</sup> Author's note: An earlier version of this paper was presented at the 1999 African Studies Association Meeting in Philadelphia. I thank Deborah Brautigam, Nicolas van de Walle, Arne Tostensen, Linda Cotton and David Simon for comments.

<sup>2</sup> An agreement for the sale of Zambia Consolidated Coppermines (ZCCM) was finalised in November 1999.



by many observers. The conduct of the elections proved that the Chiluba government was willing to compromise the rule of law and to exploit its majority position and control over government resources to maintain power. As evidence of democratic consolidation, these elections were, therefore, deficient. Nevertheless, based on electoral results and post-election surveys, observers have argued that the 1996 elections served as an indication of MMD's ability to convince voters that it should be granted an other five year term due to its successes in market liberalisation, transport and healthcare reform (Bratton and Posner 1999: 400).

This paper compares the relationship between the key interest groups representing agriculture, business and labour and government firstly, under one party rule in the 1980s and secondly, under multiparty rule in the 1990s. Contrary to the assumptions of pluralist theory, the paper argues that the influence of economic interest groups *declined* as a result of the combined effects of political and economic liberalisation. An immediate effect of economic restructuring was that the associations representing business, labour and agriculture experienced a decline in their membership. More surprisingly perhaps, the Zambian case indicates that the process of political liberalisation further reduced the influence of these associations. The creation of a large number of non-governmental organisations and 36 new opposition parties meant that interest groups representing labour, agriculture and business found it increasingly more difficult to be seen and heard in public fora which again reduced their ability to influence government. The associations' weakness in terms of membership density further reduced the government's incentive for consulting with, or yield to the interests of, these associations as they did not represent a significant electoral base. Thus, whereas political liberalisation re-introduced multiparty elections and civic liberties to Zambia, the process of political reform did not result in increased participation by interest groups in terms these groups' enhanced capacity to influence economic policy. Due to this 'pluralist paradox', the position of interest groups did not constitute a significant threat to the sustainability of the economic reform programme, or the electoral prospects of MMD.

The paper is organised in the following manner: Proceeding this introduction, part two discusses recent developments in the theoretical literature on the relationship between political and economic processes of reform. Part three analyses the relationship between the government and economic interest groups representing agriculture, business and labour in the one-party state. Part four assesses the relationship between interest groups and the MMD government in Zambia's Third Republic (1991-). The concluding section addresses the implications of the pluralist paradox witnessed in the first decade of Zambia's multiparty democracy.

## **Part 2: The relationship between political and economic processes of reform**

Do processes of political and economic reform interrelate? To what extent are democracies or authoritarian systems better equipped to undertake economic reforms intended to secure growth? These broad questions of research have always occupied political scientists and the role of interest groups have acquired a central place within this debate.

### *The authoritarian phase*

When an economic crisis unfolded in Latin America and Africa in the late 1970s, structural adjustment programmes were introduced by the International Finance Institutions and the issue of economic liberalisation was brought to the centre of academic attention. At this stage, democratic regimes were often deemed less able to undertake economic reforms than authoritarian ones (Lal 1983; Nelson 1990). The argument in favour of state autonomy when implementing structural adjustment reform was based in logic of collective action reasoning; gains of reform were considered to be defused and spread across a wide proportion of the population while the costs of the reforms were expected to fall on powerful constituents that had been the main beneficiaries of state intervention in the former economy. Thus, losers from reform were expected to solve the collective action problem by organising against the reforms even if their numeric size was inferior to the potential winning coalition (Haggard and Kaufman 1989). Based within this reasoning, authoritarian regimes appeared more able to insulate themselves from interest group pressure and this form of state autonomy was by many observers deemed necessary for reforms (Kaufman 1985). As the decade progressed, however, increasingly comparative research began to call the negative correlation between economic reform and democratisation into question. A number of new studies suggested that not only were many authoritarian regimes incapable of dealing with economic crisis, but also that many democratic regimes had capacity to do so (Remmer 1990; Bresser Pereira; Marawall and Przeworski 1993).

### *The 'dual reform' perspective*

After close to a decade of poor economic results and increasing internal opposition against corruption and the bad economic practices of many authoritarian regimes, a new focus on political and economic liberalisation emerged which assigned a vital role to civil society associations (Landell-Mills 1992; Johnston et al. 1993). Acknowledging both the changing political climate and the inconclusive evidence generated from comparative research, a new consensus emerged in the 1990s arguing that economic and political reforms could well be implemented simultaneously (Haggard and Webb 1994). Toward the late 1980s aid bureaucrats and policy makers began to argue that political reforms in fact was a necessary component for the realisation of economic growth through reform.

One of the main differences between the authoritarian argument and the new perspective, often referred to as the dual reform perspective, related to the role of interest groups in decision-making. The authoritarian perspective held interest group participation to be a hindrance for growth oriented reform policies. The new theories emerging in the early 1990s assigned a vital role to interest associations in order to achieve both economic growth and democratic sustainability. Within this perspective it was held that greater participation and involvement by affected social groups in policy making would ensure ownership, credibility and sustainability of the reform processes. Thus, the strengthening of the democratic processes and, with it, corporatist arrangements between groups and the political elite, was expected to secure economic reform processes. Rather than an obstacle, interest groups increasingly became

considered a vital channel of communication between the state and society (Robinson 1995). Arguably, however, in much of the theoretical literature, the potential dilemmas associated with interest group activity were still present. According to the dual transition literature appearing from the early 1990s onwards, the main challenge for transitional governments attempting to implement political and economic reform simultaneously was to achieve a balance between, on the one hand, meeting popular demands and, on the other hand, implementing market based reforms which spelt hardship and sacrifice (Haggard and Webb 1994; Nelson 1994; Bates and Krueger 1993). Increasingly scholars stressed the need to create constituencies of support for the economic reform measures. Joan Nelson characterised interest groups as 'janus faced'; from one perspective they were part of the fundamental core of democratic practice exercising voice and forming alliances. However, interest groups could also produce disastrous policies and threaten the ability of governments to make decisions (Nelson 1994: 150). Thus, the central question became how to initiate a process of reform in the face of reform resistant interest groups. If reforms could be implemented and sustained it was hypothesised that supportive coalitions would emerge. Perceiving themselves as beneficiaries of the economic reform measures, these groups could in turn provide the new democratic regimes with electoral support in up-coming elections. The dilemma of political and economic reform implementation could therefore be considered temporary.

Both the authoritarian perspective dominating the debate until the mid 1980s and the dual reform perspective which became dominant in the 1990s share a common conviction that interest group influence is potentially harmful for economic reform processes and further, that the interests of formal interest associations will be enhanced by the introduction of liberal political reforms. However, research in different empirical settings have recently begun to question the assumption that every country undergoing structural adjustment has to cope with a politically aroused anti reform civil society.

### *Interest groups do not matter - in fact they never did*

Basing their conclusions on comparative studies of reform implementation in eighth developing countries, Bates and Krueger find that organisations representing business and labour, perceiving reforms as potentially harmful to their interests, rarely were able to block reform:

"One of the most surprising findings of our case studies is the degree to which the intervention of interest groups fails to account for the initiation, or lack of initiation, of policy reform" (Bates and Krueger 1993: 455).<sup>3</sup>

Barbara Geddes' research based in Latin America paints a similar picture of passive or ineffectual civil society organisations. She finds that groups that have borne the cost of reforms, especially organised urban labour groups, have shown less capacity to exert political influence than observers expected. Based on these observations Geddes criticises the prevailing theoretical perspectives

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<sup>3</sup> However, as pointed to by van de Walle, while arguing that interest groups have little impact on the likelihood of reform, interest groups are throughout the study assumed to have a powerful impact on decision-making (van de Walle 1999).

for its singular focus on interest groups and classes without regard to the ways in which political arrangements affect whether or not interest groups are influential or not. Instead her research suggests that the groups with the best ability to postpone or stall processes of reform are located within the government and the bureaucracy (Geddes 1994, 1995).

Supporting this perspective, but based on African empirical evidence, van de Walle rejects the notion of interest groups in society blocking reform due to the continent's weak societal organisations and dominant, yet weak, central states. According to van de Walle, if interest groups were the main impediments to reform, policy reform should have advanced the furthest in Africa due to the continent's weak societal groups, but this is far from the case (van de Walle 1999). Walle locates the main obstacles to sustained economic reform within the state itself and the political institutions that link state and society. Finding that *continuity* rather than change is the main factor that needs explaining in Africa's political reform processes, Bratton and van de Walle ascribe the continuity to the deeply ingrained, yet informal, institutions of neopatrimonialism. In their view, the strong African tradition of rule by individuals through personal prestige and power has managed to accommodate itself to the economic and political changes. Interestingly, similar conclusions appear from Latin American and Eastern European cases studies (Hellman 1998; Gibson 1997). These studies have indicated that the politics of populism can be maintained while pursuing zealous economic liberalisation programmes.

The recent critique of the interest group perspective provokes debate on well established positions and points to important empirical shortcomings in the former models. The proceeding discussion will show that the Zambian case study supports the claim that interest groups only to a limited degree have shaped the reform processes within the multiparty constitution. However, deviating from the state centred arguments presented, the analysis will indicate that the interest group perspective was essentially correct when emphasising interest group resistance as a major obstacle to reform under the one-party rule. The paradox in the case of Zambia is that due to a combination of ideology, economic development objectives and the one-party state structure, formal interest groups were granted some real influence in the former one party regime. The transition to pluralist policies spelt an end to UNIP's humanist-cum-socialist ideology that had guided state society relations in the post-colonial era. Ironically, the weakly institutionalised formal system of democratic rule implemented by MMD in 1991 has served to weaken the influence of formal interest groups.

### **Part 3: Economic interest groups under one-party rule**

From the time of independence UNIP and President Kaunda sought to create a political system which enhanced the nationalist sentiments from the independence struggle. Due to the incomes generated from the coppermines, the nationalist government was able to implement a wide range of social services. As a result, a wide support base involving economic interest groups, the party and the civil service was created through redistribution of benefits to major social groups (Scott 1980). A process of nationalisation of all major sectors of the economy was begun in the mid-1960s. The aim to 'Zambianise'

all sectors of political and economic life brought interest groups representing labour, business and agriculture into a close, albeit conflictual, relationship with the state. Nationalisation as a political ideology was legitimised by reference to Kenneth Kaunda's philosophy of Humanism (Beveridge and Oberschall 1979).<sup>4</sup> Hawkins argues that the developmentalist state model, shaped within the realm of Humanism, created a constituency for the government among elements of society that could potentially threaten its power in the urban population including urban elites and unionised workers (Hawkins 1991).

The introduction of the one party state in 1972 brought Zambia close to a system of state corporatism as all interest groups were designated to belong to the state and only non-political associations were allowed to register outside UNIP.<sup>5</sup> State corporatism in Zambia sought to merge the institutions of the state with the party (UNIP) and interest organisations. These constitutional changes greatly affected associational life. As opposition parties were banned in a context of an increasingly more vocal political opposition, it became necessary to establish a new consensus for the continuation of UNIP's rule. According to many observers, this consensus was created through extensive use of patronage. Due to the incomes generated from the coppermines, the nationalist government was able to implement a wide range of social services (Scott 1980). As argued by Graham: "Access to the party system and the state resources that it controlled became the primary route to social advancement in post-independence Zambia" (Graham 1994: 152). This form of state corporatist structures, nevertheless, created a space for interest group politics.

### *The influence of labour under the one party system*

Due to its central location on the Copperbelt, UNIP sought to control the urban work force throughout the post-colonial period. Ironically, UNIP's attempt to incorporate interest associations to the party structure created a financially and organisationally viable opposition movement from a trade union movement that was characterised by internal splits and a weak financial situation at the time of independence. UNIP first sought to bring the trade union movement in line with its own development objectives through voluntary measures (Bates 1971). By 1970, the level of strike activity and worker militarism indicated that this strategy had not been successful (Meebelo 1986). The implementation of the Industrial Relations Act of 1971, which introduced mandatory affiliation to one central union congress and a policy of one-industry one union, should be seen in this light. The new IR represented a clear break with voluntarism as it strengthened the powers of the party and government through clauses regulating strike activity (Ibid). At the same time the organisational monopoly and automatic check-off facilities improved the financial situation of the Zambian trade union movement

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<sup>4</sup> The doctrine of Humanism was introduced by President Kaunda in 1967, the main points were published in two booklets entitled Humanism I (1967) and Humanism II (1974).

<sup>5</sup> Whereas the Western European model of societal corporatism implies a voluntary relationship between the state and interest groups, authoritarian regimes have often attempted to co-opt associational life through structures of state corporatism (Schmitter, P. and G. Lembuch (eds.) (1982).

significantly (Simutanyi 1996). Instead of gaining control over the unions through state corporatist measures, ZCTU became the most powerful non-state association in Zambia in the 1980s. In 1991 its membership of app. 350.000 workers comprised around 70 per cent of the total work force in formal sector employment. The urban work force, organised through the Zambia Congress of Trade Unions was both a political contestant to UNIP and a threat to the government's economic development project. From the mid 1970s onwards, ZCTU became the main opposition force in Zambia. This process culminated in 1990 when ZCTU lent its organisation structure to the MMD and became a central force in the 1991 political transition. As argued by a UNIP party official in 1991 when it was clear that MMD had ousted UNIP from power through utilising ZCTU's organisational resources:

"The party succeeded in creating a constitution which provided for unionship at all levels, and the number of unions were reduced to 19 which made it possible to group people into districts, which again became the nucleus of the ZCTU structure. This was the aim of UNIP, to create a strong and unified trade union movement and now, it is the base for the MMD".<sup>6</sup>

### *Business interests under the one party state*

Whereas the creation of a unified and politically vibrant trade union movement was an explicit political ambition of UNIP, its relationship to business interests was far more ambivalent. Due to the limited opportunities for Africans to enter into enterprise under the colonial administration, a Zambian entrepreneurial class was created with the support of the state in the post colonial period (Baylies and Szeftel 1982). According to Turok, objections to state intervention by capitalist minded Zambians were largely stilled as all classes wanted development and modernisation to proceed and it was evident that the state had sufficient capital to set this in motion (Turok 1989). Zambian businessmen became beneficiaries of state intervention and investments. The policy of state take-overs weakened the position of foreign capital and stipulated that certain sectors and scales of enterprises should be reserved for African citizens (Baylies and Szeftel 1982: 69). Limited incentives existed for business to be members of the two business associations existing at the time, the Zambia National Council of Commerce and Industry (ZNCCI) and the largely expatriate run Zambia Chamber of Commerce and Industry (ZACCI). However, the influence and ability to petition government of both organisations was limited due to the economic weakness of the private sector and the government's ambivalent attitude towards business (Beveridge and Oberschall 1979). The relationship between the state and business interests was therefore mainly based on individual responses and networks; businessmen remained UNIP members as it was easier to use party-ties to circumvent rules than to change the system. Thus, through a combination of state protection and individual negotiations, the business community was split into various individual entities acquiring profits within the state controlled economy (Gertzel 1984). While weak as an organisational force, private business increased its influence through large numbers of businessmen

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<sup>6</sup> Dr. K.J. Ngwisha, Director of the UNIP Research Bureau, cited in Rakner 1992: 97.

becoming members of parliament in the 1970s (Baylies and Szeftel 1984). As a result, private sector interests became expressed from within the party, which again served to intensify the conflicts between socialist and capitalist oriented members of the party.

### *Agricultural interests under one party rule*

Most accounts of Zambia's contemporary history relate the limited progress in agricultural sector development to the emergence of a strong and vocal urban interest lobby in the post colonial era (Gulhati 1989; Bates 1981). However, the agricultural policies implemented after independence were also based on rural policy objectives such as reducing the dominance of large scale commercial farmers, and an aim to ensure fairness, national unity and economic justice (Sandberg 1990). In 1971, the government implemented a system of uniform transregional crop-pricing with the intention of equalising the market position of all ethnic and regional groups and to ensure fair and adequate agricultural distribution. The national marketing arrangements provided benefits to the widely dispersed peasant farming population in the form of guaranteed prices, provisions for transport and storage. As the pan-territorial pricing system was structured as a welfare provision for small scale maize producers, the system served as a detriment to large scale commercial farming (Makgetla 1994).

The dualism between the commercial farming industry, largely consisting of whites, and the vast majority of small peasant farmers also manifested itself at the organisational level. The two main organisations representing agriculture until the political transition in 1991 were the Commercial Farmers Bureau (CFB), an association representing private, largely white expatriate commercial farmers, and the Zambia Co-operative Federation Unions (ZCF) representing mainly small scale maize producers. UNIP's centralising ambitions were perhaps best realised in the agricultural co-operative movement, institutionalised in the Co-operative Act of 1970. In the fashion of state corporatism, co-operatives were formed as a government policy, not on the basis of member interests'. Furthermore, the co-operatives were affiliated to UNIP and the legal framework allowed the government excessive powers to intervene in the daily operations of the co-operatives. The commercial farmers' association, CFB, had only limited influence during Kaunda's reign and the organisation's marginal role is illustrated by the fact that the Minister of Agriculture in 1980 declared CFB obsolete and discarded in favour of the government established ZCF.<sup>7</sup> Nevertheless, as in the case of business interests, government intervention in the rural economy was also received positively by many Zambian emerging rural producers and entrepreneurs who saw opportunities of entering into rural trading and farming through the exclusion of Asian and European producers. The policies of UNIP challenged the dominance of expatriate farmers in the food economy and many emerging Zambian entrepreneurs supported the policies of Zambianisation (Baylies and Szeftel 1982). Similarly to the developments within the business sector, commercial farming interests in Zambia split along a racial dimension where

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<sup>7</sup> The strength of the government vis à vis the organisation was further reflected in the response by the CFB spokesperson who reserved comment on the statement by the Minister of Agriculture (Sandberg 1990: 198).

African farmers to a large extent sought to increase their interest through UNIP membership. And while organised large scale agricultural interests were marginalised, producers enjoyed personal benefits from the government.

Thus, the UNIP government utilised different sets of policies towards the various sector interests. Yet at the individual level, a consensus formed around the principles of modernisation and state led capitalism which captured both business, farming and labour interests in the initial years after independence. This state-corporatist set-up was founded on high returns from the copper industry. As argued by Callaghy, this 'cozy' relationship between UNIP and societal interest groups was severely challenged by the economic decline of the mid-1970s (Callaghy 1990).

### *Economic decline and political opposition*

During the first ten years after independence in 1963, the Zambian economy expanded fairly rapidly with GDP increasing at an average of 2.3 per cent annually in real terms (World Bank 1984). However, Zambia's modest luck ran out in 1974 and according to estimates, the country experienced a 30 per cent decline in real per capita growth between 1975 and 1990. Among the nations in sub-Saharan Africa, Zambia suffered one of the greatest and most rapid economic declines starting in the early 1970s. The economic decline was caused by a sharp fall in copper prices on the world market coinciding with increasing prices of oil imports. The economic decline further coincided with the implementation of the one-party state constitution.

The combined effects of a hostile world economy, internal mismanagement and regional conflicts represented a formidable challenge to maintaining the consensus base toward the late 1970s. Despite the economic decline, the high consumption patterns created during the first decade after independence when income from copper was high, were not altered. The UNIP government instead attempted to finance trade deficits by foreign borrowing. Zambia entered its first Stand-by Agreement with the IMF in 1976. But the austerity measures introduced between 1976 and 1989 all failed to address the underlying structural weakness of the Zambian economy related to a wasteful state sector and inefficient agricultural production.

A large literature exists on Zambia's failure to implement structural adjustment policies. The majority of these analyses have explained the reform problems with reference to the strong resistance from the vocal trade union movement (Akwetey 1994; Gibbon 1992; Callaghy 1990; Ncube et al. 1987). In the period after 1983 the structural adjustment measures dominated the relationship between the trade unions and UNIP. Throughout the 1980s the trade union movement was the most outspoken opponent of the IMF measures. The trade union objected to the devaluation of the currency, the decontrol of prices and the auctioning of the Kwacha (Rakner 1993). According to observers, reform implementation in Zambia was stalled under the reign of UNIP government because the one-party regime lacked the capacity to insulate itself from the demands of its urban population (Bates and Krueger 1993; Callaghy 1990; Hawkins 1991). Others have sought to explain the failure of the economic restructuring measures with reference to the strong opposition to reform found within the ruling party and its bureaucracy (Bates and Collier 1993, Callaghy 1990). As both perspectives emphasise the



ideological orientation of UNIP, they are not mutually exclusive. The UNIP government, with its socialist orientation and ambitions of nationalisation, actively supported the creation of a strong and unified trade union movement. Maintaining close ties to workers' organisations, combined with a pronounced scepticism toward market and export oriented economic policies, were important ingredients in UNIP's ideological orientation. Similarly, the creation of farmers' co-operative units closely tied to UNIP ensured a channel of communication between the state and the small scale agricultural producers. The ideological resistance to economic restructuring by African policy-makers, bureaucrats and academics have largely been ignored in the literature on economic policy reform.<sup>8</sup> However, it is important to note that in the 1980s, neither top bureaucrats, trade unionists, nor politicians believed that an outward economic orientation would result in growth. The inward looking ISI strategy was justified by the fear of South Africa and the ideology of the front line states. Moreover, the structuralist economic ideas were widely supported by influential bilateral donors and development economists in the Western world as well (Helleiner 1986). There were therefore few independent sources in Zambia in the 1980s that had the capacity or inclination to challenge the economic policies of UNIP (Bates and Collier 1993). However, as the Zambian economy continued to deteriorate throughout the 1980s, the economic decline became the main mobilising factor against the one party regime. Former opponents of economic reform now campaigned against Kenneth Kaunda and UNIP on a ticket of economic liberalisation.

### *The transition to multiparty rule*

Archival sources demonstrate that ZCTU opposed the IFI initiated structural adjustment programmes as late as 1989 (Rakner 1993). This factor has been greatly overshadowed by the events that took place in 1990 when ZCTU and the trade union movement broke the near 30 year old alliance with UNIP and supported the Movement for Multiparty Democracy, advocating far more market-oriented economic policies than UNIP. It is important to appreciate the immensely felt need for change in the Zambian society and the fact that the economic situation had deteriorated so drastically that the crisis was better understood. It should also be emphasised that UNIP had already abandoned its own New Economic Recovery Programme and a structural adjustment programme had at least formally been in place since 1989. MMD was, however, at no stage a labour party but a coalition of interests. Whereas the main strength of the union was its organisational resources, the financial strength of the business community and commercial farmers gave these groups considerable influence over MMD's policies.

In 1991 MMD faced the challenge of institutionalising its own rule while transforming an economy that had been showing signs of decline for two decades. MMD also faced the same challenges UNIP had met at independence three decades earlier as the main cluster of the opposition forces now forming government were rooted in the developmentalist state model (White 1996). MMD's main challenge was that the social forces that had organised the transition to democracy were running the risk of being weakened by the actions of the new regime. As the next section will illustrate, at least in a short

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<sup>8</sup> I thank Nicolas van de Walle for bringing the issue of ideology to my attention.

