

Emerging powers in Africa

Regional and national economic linkages in Eastern and Southern Africa

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Foreword

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In his first year in office following a significant electoral victory and tense transition of power, President Hakainde Hichilema and his administration have pursued a foreign policy agenda focused primarily on economic cooperation, trade and inward investment. The incoming administration inherited a significant debt burden and a faltering economy in the wake of the COVID-19 pandemic. The politics of debt renegotiation and economic diplomacy targeting new investors has led to a reappraisal of the country's relations with Western and Chinese partners. Zambia has become emblematic of the foreign policy choices that African leaders face as their economies become better integrated into regional and global trade and investment systems.

Emerging and developed economies from around the world are expanding their political and economic relations with African states in pursuit of complex strategic goals, including access to natural resources and influence. The opportunities that these bilateral arrangements present for African economies are underpinned by multilateral trade and investment agreements at a regional level. Some of these are longstanding, such as the Common Market for Eastern and Southern Africa (COMESA), and continue to operate alongside more recent agreements, including the fledgling African Continental Free Trade Area (AfCFTA). However, the activities of external actors in pursuit of their own interests on the continent, including through malign activity, often undermine the objectives of African states.

For African governments and regional bodies to effectively navigate these bilateral and multilateral relationships to deliver developmental benefits for citizens, there must be broad public understanding of what these external interests are, and what can be positively achieved from international relationships. In March 2022, the Chatham House Africa Programme hosted an international conference in Lusaka, Zambia, to facilitate an inclusive discussion on how regional trading blocs and national governments engage with their international partners, and how they seek to derive national benefit by leveraging both regional and international partnerships. The conference supported the Zambian government's foreign policy decision-making and strategic planning.

There have been very few substantive studies of Zambian foreign policy in recent years. As a contribution to rectifying this knowledge gap, three position papers were commissioned for the conference, and they make up the body of this document. These papers are unedited and non-peer reviewed pieces reflecting the respective authors' own opinions, views and bias. Combined with the conference summary that follows, this publication offers the reader a

primary account of the debates and issues that dominate foreign policy conversations in Zambia and the region. This document seeks to stimulate further research and debate on the role of foreign partners in Zambia – the positive benefits they bring and how Zambians themselves can guard against malign influence and protect their treasured sovereignty and independence.

Zambia's foreign policy, decision-making, and economic partnerships

Dr Sishuwa Sishuwa

This paper was compiled to inform the discussion at the conference convened by Chatham House in Lusaka on 30 March 2022. It has not been edited by Chatham House, and the views expressed are those of the author.

Introduction

Since independence from the United Kingdom (UK) in October 1964, under the leadership of President Kenneth Kaunda and his United National Independence Party (UNIP), Zambia's foreign policy, like its domestic policy and politics, has been defined to a significant degree by its history of supporting liberation struggles, promoting peace and security in the southern African region, while at the same time seeking social and economic development for its citizens. Despite its weak economy and precarious geopolitical situation, Zambia took principled positions on issues of anti-colonialism and helping liberation movements, especially fighting against racist domination in neighbouring states such as Angola, Mozambique, Namibia, South Africa, and Zimbabwe, often at the behest of President Kaunda himself (Woldring, 1984; Hall, 1973). But support for wars of liberation in Southern Africa contributed significantly to the country's impoverishment by the end of the 1970s, in addition to mismanagement, a decline in copper prices on the world market and an increase in the cost of oil imports (Sishuwa, 2020; Burdette, 1984; Woldring, 1984). The country's post-1991 political leadership faced the challenge of reconciling the post-colonial legacy of an outward looking foreign policy with the imperative of promoting domestic economic development.

Once considered a socialist-oriented East European outpost in Africa, contemporary Zambia has had an uneasy relationship with West European countries and multilateral organizations, especially given their stringent aid conditionalities. Despite having achieved the Highly Indebted Country Initiative (HIPC) completion point in 2005 and benefited from debt cancellation, the country still has memories of the effects of structural adjustment loans of the 1980s and how they wrought havoc on the Zambian economy and pauperized its citizens (Simutanyi, 1996). Solidarity forged in the support for political independence in the region and inspired by struggles and aspirations of the Zambian population for socioeconomic development, was instrumental in the country seeking economic partnerships with countries of the region and the continent. Thus, membership to the Southern African Development Co-ordination Conference (SADCC) in 1981, which was later transformed into the Southern African Development Community (SADC), was an expression of a desire for self-sufficiency, economic independence, and mutual economic cooperation with other countries of the region. In 1992, Zambia along with other countries, established a larger economic partnership – the Preferential

Free Trade Area (PTA) (later renamed Common Market for East and Southern Africa (COMESA).

However, while the benefits of membership of regional economic communities are difficult to precisely determine, given the country's continued reliance on bilateral economic relations with countries outside these blocs (Ofstad, 2020; Rapanyana, 2020 and Cheelo, et., 2012), it seems clear that Zambia's membership of SADC and COMESA have not improved its economic fortunes or citizens' living standards. Economic growth, which averaged over 6% in the period 2003-2010, plummeted to around 1.2% in the 2011-2021 period under the Patriotic Front (PF) government.

This left Zambia caught between suspicion of the West and under-performing regional trading blocs. The result was a renewed turn to alternative partners, notably China¹, with key decisions on economic partnerships and debt restructuring taken by the executive – especially the President – without transparency or participation by ordinary citizens. Foreign debt had fallen to US\$500 million in 2005, following debt forgiveness from foreign creditors, but increased to over US\$18 billion in November 2021.² This debt, coupled with instability in the crucial mining industry and the effects of COVID-19, led to a sovereign default on the Eurobond payment in November 2020, making Zambia the first country to default on its loan obligations in the COVID-19 era.³

Since independence Zambia's foreign policy has been informed by four factors: its security and geopolitical position, personality of its leadership, ideology, and the desire for economic development, balanced between solidarity with its neighbors and its need for external investment, sovereignty, and the costs of bargains with either the West or China. This paper interrogates the evolution of Zambia's foreign policy and seeks to explain the factors that motivated Zambian leaders to prefer Chinese financial support as opposed to the West. It also addresses Zambia's participation in economic partnerships, especially COMESA, and assesses the benefits to the Zambian people. As COMESA dates to 1981, the paper will examine the extent to which decisions on economic integration have been beneficial to the Zambian people and contributed to the goal of economic development generally. Lastly, as President Hakainde Hichilema has emphasized trade and investment as his government's foreign policy goal, the paper considers policy choices available to the new UPND government on debt renegotiation and relations with China.

¹ Zambia's debt to China, for example, has been controversial given that country's poor human rights and governance record (Chileshe, 2010; Kragelund, 2009).

² 'Zambia's total debt now at \$18.7 billion, reveals Ng'andu, News Diggers, 30 September 2020. See also Grieve Chelwa, 'The Truth About Zambia's Debt', Lusaka Times, October 16, 2020. <https://www.lusakatimes.com/2020/10/16/the-truth-about-zambias-debt/>

³ Zambia defaulted on its US\$42.5 million interest payment to Eurobond creditors as its debt situation became unsustainable and argued for debt restructuring. See Elliot Smith, 'Zambia becomes Africa's first coronavirus era default: what happens now? CBNC, November 23, 2020. <https://www.cbn.com/zambia-becomes-africas-first-coronavirus-era-default-what-happens-now.html>.

Evolution of Zambia's foreign policy: from Kaunda to Lungu

Studies on Zambia's foreign policy are few. Most are outdated and cover the period up to the end of the national liberation struggle in southern Africa and focus more on issues of Zambia's security concerns with wars of liberation, Kaunda's mediation, sanctions, and the impact of the liberation struggle on Zambia's economy (Shaw, 1976 and 1978; Burdette, 1984). Shaw (1976 and 1978), for example, argues that Zambia's foreign policy could best be understood as having been informed by President Kaunda's anti-colonial and anti-imperialist world view and his philosophy of humanism. In other words, Kaunda's personality was crucial in shaping the attitude taken by the Zambian government towards supporting the liberation struggles of countries under racist minority rule, which included Angola, Mozambique, Namibia, South Africa, and Zimbabwe (then Southern Rhodesia). However, this foreign policy was viciously opposed by the Zambian elite who felt harmed by its impact. It was often blamed for Zambia's dire economic situation in the late 1970s and early 1980s (Chan & Taylor, 1997; Chan, 1987 and Woldring, 1984).

Like Julius Nyerere of Tanzania, Kaunda was a pan-Africanist and believed that Zambia's political independence was meaningless without the complete liberation of the whole continent, despite the social and economic costs this struggle might bring to its citizens (Sishuwa, 2019). Zambia was among the first countries to close its borders with Southern Rhodesia after Ian Smith's unilateral declaration of independence in 1965 and sought alternative routes to the sea via Tanzania. Zambia was later to embark on a joint venture to build an 1,850 km railway line from Kapiri Mposhi to Dar es Salaam in Tanzania with Chinese help. As the confrontation between Western powers and Soviet Union intensified at the height of the Cold War in the 1960s and 1970s, Kaunda was among the key African leaders who joined the Non-Aligned Movement (NAM) to assert African agency, ride above this East-West divide and, in his case, promote peace and racial equality in southern Africa. As well as put Zambia in a position where the country could reap economic benefits from countries that fell into either ideological bloc, Kaunda's foreign policy was also anchored on accepting 'leadership roles in international organizations', then using his influential positions to 'build support for his southern Africa agenda'.⁴ He served as chairperson of the Organisation of African Union from 1970 to 1971 and as secretary general of the Non-Aligned Movement from 1970 to 1973.

Kaunda reached the peak of his international prestige and influence in the early 1970s when he hosted the third NAM summit in Lusaka, with hundreds of delegates from over 60 countries in attendance. The conference which ran from 8 to 11 September 1970, attracted 25 heads of state including Yugoslavian president Josef Tito, one of the original founders of the non-aligned movement in the 1950s and host of the second conference in 1961. At the conference, Kaunda underscored the policy of non-alignment, stating that members of the organization sought 'unity through economic and technical cooperation to

⁴ Lynn Schler, 'Dilemmas of Postcolonial Diplomacy: Zambia, Kenneth Kaunda, and the Middle East Crisis, 1964–73', *Journal of African History* 59.1 (2018), 97–119.

prevent the stronger nations from imposing their will on us'.⁵ As argued by DeRoche, a key theme throughout the conference was encouraging collaboration among non-aligned states in order to begin redressing the disparity between the poor southern and rich northern hemispheres. Kaunda and his fellow summit participants also used the forum to further emphasize the critical situation in southern Africa, and representatives of the liberation movements were welcomed as official observers. Overall, the Non-Aligned Summit went smoothly, and the delegates came away impressed by Zambia and its president. As [then Zambian vice-president Simon] Kapwepwe pointed out, it was 'the biggest conference ever held in Africa'.⁶

Critics of Kaunda argue that these successful external relations were balanced by unpopularity on the domestic front. By 1991, Angola, Mozambique, Namibia, and Zimbabwe had attained their political independence, while South Africa was on the way to liberation following the release of Nelson Mandela. However, the Zambian economy was in extremely bad shape and Kaunda's popularity was at its all-time low (Mphaisha, 1996; Baylies & Szeftel, 1992). He was defeated in multiparty elections in October 1991 and his policy of supporting the liberation struggle was blamed for Zambia's debt, poverty, and poor living standards.

Frederick Chiluba, leader of the opposition Movement for Multiparty Democracy (MMD) and former chairman of the Zambia Congress of Trade Union (ZCTU) was elected president in October and assumed office in November 1991. He was transformed from being an opponent of structural adjustment to being one of its strongest proponents. During Chiluba's reign, the Zambian economy was liberalized and over 250 previously state-owned parastatals were sold to private investors. His government paid little attention to external relations, especially with neighbouring countries, who were perceived as Kaunda's friends.⁷ The issue of security in the region was not considered a priority. Instead, Chiluba and his government prioritized attracting foreign direct investment as a way of resuscitating what they considered a 'collapsed economy'.

The response from Western donors and multilateral agencies was positive, but Chiluba's poor democracy and human rights record, especially after a clampdown on opposition and the passing of the 1996 constitutional amendment that barred Kaunda from contesting the elections, led to freezing of donor support of approximately US\$100 million (Rakner, 2003; Rakner et al., 2001). This meant that despite a positive economic program, the economy did not grow in the ten years of Chiluba's rule. If anything, the economy stagnated, partly because of mismanagement and corruption (van Donge, 2009; Craig, 2001). While Zambia was active in SADC and helped broker peace in the Democratic Republic of Congo (DRC), Chiluba increasingly pursued an inward-looking economic policy, with a focus on promoting free enterprise and local Zambian business interests.

⁵ Andy DeRoche, 'Attempting to Assert African Agency: Kenneth Kaunda, the Nixon Administration, and Southern Africa, 1968–1973', *South African Historical Journal*, (2019), 71:3, p. 475.

⁶ *Ibid.*

⁷ Ian Taylor, 1997b.

Following the collapse of his plans to amend the constitution to stand for a third term and extend his time in office, Chiluba was succeeded by president Levy Mwanawasa in January 2002. In his quest to depart from Chiluba's inward-looking policy, Mwanawasa tried to resurrect Zambia's respectability as an important voice on democratic governance by calling for the observance of SADC's Principles Governing Democratic Elections. When Zambia held the chairmanship of SADC in 2008, Mwanawasa used his position as Chairman to castigate Zimbabwe's Robert Mugabe for a sham election and victimizing the opposition. He received no support from his peers, who celebrated Mugabe as an elder statesman who spoke out against the West, when many people were afraid to do so.

Mwanawasa died in Paris, France in August 2008, after suffering a stroke at the African Union summit at the port city of Sharm El Sheik in Egypt. On economic integration, Mwanawasa, like his predecessor, participated in SADC and COMESA activities. But he was more concerned with the benefits that the membership to the two regional bodies brought to Zambia. He took an activist posture on Zambian imports from countries such as South Africa, which he felt disadvantaged Zambian businesses. He banned the importation of Genetically Modified Organisms (GMO), particularly maize, as he felt they were harmful to Zambian economic interests and the health of its citizens.⁸ Maize exports were also restricted to preserve the country's stocks and enhance food security. Those decisions, among others, went against the objectives of SADC and COMESA of facilitating free trade between member countries.

Rupiah Banda, who succeeded Mwanawasa in 2008, did not last long enough in power to impose his own foreign policy style, as he was defeated by Michael Sata of the opposition Patriotic Front in September 2011 (Sishuwa, 2021). It is difficult to discern a clear foreign policy direction under Sata's PF. Given his failing health, Sata travelled little during his presidency. However, he projected himself as a nationalist-socialist, whose attitude to the West was not very welcoming. His party secretary general and later Minister of Justice, Wynter Kabimba declared that the Patriotic Front was a socialist party which sought to establish relations with socialist countries, including China and Cuba. Despite having been initially opposed to Chinese investment, Sata welcomed it and gave them preferential treatment especially in relation to construction contracts, which Chinese firms then dominated. It was during Sata's reign that the country increased its portfolio of Chinese loans, especially in construction projects (Chileshe, 2020).

After Sata's death in October 2014, Edgar Lungu was elected president in January 2015 following an acrimonious leadership contest within the ruling PF (Scott, 2018). Lungu, unlike Sata, was an accidental president who rose to the summit of power within three years of being elected member of parliament. Confronted with the pressure to hold his feuding factions together, he pursued a foreign policy that had the hallmark of continuity with the past. His foreign

⁸ Henri E. Cauvin, Zambia's Leader Defends Ban On Genetically Altered Foods, New York Times, September 4, 2002. <https://www.nytimes.com/2002/09/04/world/zambia-leader-defends-ban-on-genetically-altered-foods.html>.

minister told parliament in 2015 that Lungu's government would pursue economic diplomacy as opposed to political cooperation. Criticized for his frequent foreign trips, Lungu and his government justified them as necessary to encourage foreign investment into the country. But Zambia's position on many international issues was often muted or clothed under the banner of collective regional positions.

On regional integration, Zambia maintained its membership of both COMESA and SADC, but also intensified relations with China. It was during Lungu's presidency that Zambia's foreign debt increased to astronomical levels, mainly because regional organizations were underwhelming, and the West had too many conditions for accessing support in comparison to China, which became the default alternative. In addition, the decline in funding to Zambia from major Western powers left Lungu with little options. For example, the UK, as part of its post-Brexit foreign policy centred on developing close ties with Southeast Asia, 'deprioritized' all but a few African countries, and Zambia saw a 70% reduction in UK funding in 2021 alone.⁹ Most of the debt that the Lungu administration accumulated was attributed to China's concessional loans. For example, China accounted for at least 40% of Zambia's loans as at November 2020 (Chileshe, 2020; Kanenga, 2016; Kragelund, 2009).

COMESA, China, and Zambia's economic partnerships

Studies on Zambia's position in regional economic integration and economic partnerships are few. Most of them have concentrated on the efficacy of regional integration itself and the benefits it brings to member states (Brenton & Hoofman, 2016; Vanheukelom, et al., 2016 and Venables, 2003). A few studies that have appeared on Zambia's role in COMESA have focused on trade and trade facilitation (Cheelo, et al., 2012). While there has been a plethora of studies on China's role in Africa and in particular Zambia-China economic relations (AFRODAD, 2008; Kragelund, 2009; Chileshe, 2018, Lubinda and Jian, 2018; Ofstad, 2020), there has been little academic interest on Zambia's role in regional economic integration. This is because of the absence of a clear Zambian policy on its role within regional blocs, and a lack of clarity on the benefits it receives from membership. It is one thing to promote 'economic diplomacy' and another to demonstrate how that diplomacy is beneficial to Zambia's vital economic interests, especially in improving the economy and livelihoods of Zambian citizens.

The desire to expand regional free trade areas and customs union seems to suggest that the current arrangements are not serving their purpose. There is a debate, for example, on the rationale for belonging to more than one regional free trade area. Zambia is a member of SADC Free Trade Area and COMESA Free Trade Union. The country has also joined the SADC-EAC-COMESA Tripartite Free Trade Area and is a signatory to the Africa Continental Free Trade Area (ACFTA). However, the government has been reluctant to bring the

⁹ Philip Loft & Philip Brien, Reducing of UK's aid Spend in 2021, London: House of Commons, 2021.

latter's ratification into effect, due to pressure by some member states of SADC and COMESA who view ACFTA as a competitor.

There is a recognition that benefits from regional economic communities are influenced by different levels of economic development and could have a polarizing effect in persuading members on the importance of the groupings. For example, in the SADC region relatively less developed economies may be disadvantaged and suffer losses, while the more advanced ones secure gains (Venables, 2003). For instance, Zambia's trade balance with South Africa in both SADC and COMESA is tilted in favour of the latter. Cheelo, et al. (2012) demonstrates that Zambia did not benefit from its membership of COMESA, as there was very little trade going on between COMESA member countries. This partly explains why several countries have opted to pursue bilateral economic partnerships as they realize that they do not gain much from their membership of regional economic groupings. But while establishing bilateral economic partnerships is guided by each country's foreign policy goals, economic relationships with certain developed or emerging economies have attracted skepticism and cynicism. This is particularly the case with China.

Since the adoption of the Forum on China-Africa Cooperation (FOCAC) in 2000, China has increased its investment in Africa provoking accusations of developing into a neo-colonial power. China's interest in Africa is driven by its interest in raw materials and as an investment destination for its manufactured goods. China's foreign policy is founded on mutual benefit and respect, non-interference in the internal affairs, and win-win economic cooperation (Chileshe, 2020; Kragelund, 2009). For example, Chinese total investment in Africa increased from US\$490 million in 2003 to US\$43 billion in 2020, by which date it had become Africa's largest trading partner, second only to the United States (Fu, 2021). Ofstad (2020) observes that China's loan commitments to Zambia increased from US\$620 million in 2010 to US\$2.1 billion in 2017 and was estimated at over \$3 billion in 2020. This exponential increase in Chinese investment in Africa and Zambia attracted criticism from 'traditional' donors, who viewed China as a bad investor given that country's poor human rights record and tolerance of undemocratic regimes. It is against this background that we now consider Zambia's policy towards China and the nature of the economic partnership.

Zambia's economic relations with China dates back to the achievement of independence in 1964 but were deepened during the 1970s with a loan to construct the Tanzania Zambia Railway and Mulungushi Textiles in Kabwe. Several other key roads such as the Mongu-Lusaka highway and Tuta road in Luapula were constructed by the Chinese. However, despite these early projects, China played a minimal role in foreign aid assistance to Zambia. During the years of economic decline, Zambia was heavily dependent on development assistance from Western and multilateral donors, which often came with stringent conditions and provoked bitter disagreements, especially during the periods of severe economic stress and negotiations with the IMF/World Bank over economic reforms and debt relief.

This was the backdrop to China's re-entry to Zambia as an aid and investment partner in the early 2000s, participating in the privatization of the copper mines and bringing in new foreign capital, accelerating again from 2010 with the launch of the Road and Belt initiative. The MMD government under the administration of Rupiah Banda used Chinese investment in infrastructure, especially road construction, and the trend was continued by the PF. The main criticism of Chinese investment was in the lack of transparency of contracts and its perceived encouragement of corruption (Ofstad, 2020; Scott, 2019). Under Sata and Lungu, Zambia was turned into a huge construction site for infrastructure projects by Chinese firms, with questionable direct benefits to the Zambian people. Political elites appeared to be the main beneficiaries of the projects.

Elements of the UPND government's foreign policy

In August 2021, Zambians voted for Hakainde Hichilema and the United Party for National Development (UPND). The UPND's foreign policy in government is yet to be clearly articulated, but it can be discerned from its election manifesto. The UPND's 2021 election manifesto states that the party's principal foreign policy objectives will be anchored on encouraging regional economic integration, promoting peaceful resolution of conflict, and using multilateral bodies to ensure that developing countries are heard on international issues. 'The party will also engage more in economic diplomacy and non-predatory trading engagements' (UPND, 2021: 41). From the foregoing, there is little difference between the UPND and successive governments, especially PF and MMD. The difference may be more in implementation.

At the time of writing, the government had been in office for only seven months, offering a very short time to assess the implementation of its foreign policy commitments. But as with previous governments, the Head of State takes the lead in the implementation of foreign policy. For example, while President Hichilema criticized his successor, Lungu, for his frequent foreign trips as being an unnecessary waste of public funds, he has also faced similar public criticism for doing the same. He has justified his frequent foreign trips as aimed at marketing the country and soliciting for trade and investment. He branded himself as Zambia's 'Chief Marketing Officer', who is out to attract foreign investment, especially considering the favorable political environment. President Hichilema has also used the peaceful democratic transfer of power and good governance as a lesson that Zambia can spread abroad (Sishuwa, 2021). There is little known yet regarding Hichilema's attitude towards dual membership of SADC and COMESA, but what seems clear is that, as an established businessman, Hichilema has been keen on promoting trade between Zambia and its neighboring countries. He has had talks with his DRC counterpart, Felix Tshisekedi on promotion and increasing bilateral trade between the two countries.

On Chinese investment, there is a continuation with the PF policy of building on established economic partnership agreements that have been in place for decades. But government will seek to restructure the Chinese debt, which

features prominently in Zambia's total debt stock and, in contrast to the PF, Hichilema and his government appear to be much more Western leaning and have warmed up to Western donors and multilateral organizations. There seems to be reduced appetite to contract further loans from China given the fact that the country is now choked with toxic Chinese loans.

Conclusion

The slow pendulum of post-independence Zambia's external relations may be about to swing back towards the West, however temporarily. But rather than continuing to retread these old patterns, there are opportunities for the new government to restructure Zambia's foreign policy, not in courting or choosing between competing global blocs but rather in ensuring more clarity on decision-making and how economic diplomacy would work in the interests of the Zambian people. It may not be necessary for President Hichilema to be the main marketer of Zambia abroad.

Instead, what may be needed are measures that will promote transparency on decision-making over economic partnerships and taking on new debt. This could be done by way of operationalizing Article 63 (d) and (e) of the Constitution of Zambia that provides for Parliament to exercise oversight over approving new loans and international agreements.¹⁰ This will enhance accountability and compel government to justify Zambia's membership to regional economic communities. Further, Zambia's economic partnerships will need to reflect national priorities and the national interest.

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¹⁰ Article 63 (2) stipulates that: 'The National Assembly shall oversee the performance of the executive function by – (d) scrutinizing public debt before it is contracted; and (e) approving international agreements and treaties before these are acceded to or ratified.'

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The political economy of the Zambian debt

Professor Stephen Chan

This paper was compiled to inform the discussion at the conference convened by Chatham House in Lusaka on 30 March 2022. It has not been edited by Chatham House, and the views expressed are those of the author.

History: post-independence development under siege

Independence came to Zambia in 1964 with majority rule under the leadership of Kenneth Kaunda, who inherited an economy defined by colonial preoccupation with copper extraction. He had high ambitions for economic development and national modernization, setting out to build a national university and a welfare state along British lines, alongside the unification of Zambia's 72 ethnic groups – speaking 72 full languages – an Asian population and his own white citizens.

But in 1965 the white settlers of Southern Rhodesia under Ian Smith made a unilateral declaration of independence under white rule, allying what became known simply as Rhodesia with apartheid South Africa. It meant that Zambia, only a year after independence, was in a state of siege. All exports and imports, including copper, a vast array of foodstuffs and petroleum, went through the white south. As liberation movements from that white south, including from South Africa itself, sought refuge in Zambia this state of siege frequently resembled a state of war.¹¹ On independence the country had less than 100 graduates, only two of whom had received UK Government scholarships,¹² which meant Kaunda had to run a country twice the size of Germany with meagre well-educated resources. In the face of a belligerent white south, an air-force had to be built from scratch with no trained fighter pilots or aeronautical engineers.

Debt and the growth of the one-party state

From the beginning, economic growth and Zambia's aspirations for modern development were severely handicapped.¹³ Zambia succeeded in becoming one of Africa's most urbanized countries, resulting in a growing lower middle and middle class. But as the agricultural sector didn't keep pace, this also meant a growing reliance on imports. All this cost money. And there was only copper, meaning Zambia sought modernity and development as a mono-economy. It

¹¹ Stephen Chan, *Kaunda and Southern Africa: Image and Reality in Foreign Policy*, London: I.B. Tauris, 1992; Bloomsbury, 2021.

¹² The others had managed via church scholarships or Non-Aligned Movement scholarships, mostly in India

¹³ National needs were paralleled by popular hunger for modernity. The 'Afronauts' space programme set up by one enterprising citizen, offering backyard training to would-be astronauts, was depicted in the first breakout Zambian novel, *The Old Drift* by Namwali Serpell, as symbolic of a nation's aspiration not to be mired in backwardness – and certainly not while under siege and attack by white people who had declared themselves superior. Namwali Serpell, *The Old Drift*, London: Hogarth, 2019.

was never enough, especially as world prices were volatile. From the beginning, the country turned to borrowing. By the end of the Kaunda era, at the close of the 1980s, Zambia had external debt of \$7 billion, meaning each citizen – with a per capita income of \$265 – owed \$900. In 1987 external debt was 3.4 times the size of GDP.

Urban unrest was countered by the development of a national ideology and a one-party state. People were content, if not fully happy, to endure shortages and volatile living standards for the sake of supporting liberation to the south, knowing the white regimes could choke the transport of goods and that the military had to be maintained on a war footing.¹⁴ But when Zimbabwe finally won independence in 1980, restlessness began to grow. The one-party state, while not authoritarian, constantly monitored its citizens, amid a mantra that Apartheid continued both to exist and pose a military threat. But Nelson Mandela was released in 1990 – ironically after the new South African President de Klerk had come to Zambia to consult Kaunda – which heralded an explosion demands for political pluralism, inspired by the 1989 fall of Communism in Europe, and weariness with both Kaunda and low living standards. Kaunda was swept from power in the multiparty elections of 1991. Debt stood at 624.8% of total export of goods and services, taking 50.3% of export revenue to service.¹⁵

Multi-party democracy and debt equilibrium

This was the context for Zambia's move into the multiparty era. The long post-independence era of austerity and the most genuinely democratic elections in Africa threw up sometimes extravagant pledges from contesting parties, which demanded further loans and foreign direct investment to meet. But debt remain serviced, and there was no default – despite international concern that Zambia would never exit indebtedness, no one contemplated an emergency rescue plan or a structural reform of inputs to the economy.

Indeed, there were even signs of improved financial management and economic performance – although the latter was always subject to world copper price fluctuations. In the years immediately preceding the presidency of Edgar Lungu there was a form of equilibrium with, in 2012, a debt to GDP ratio of 23.49%. In 2013 it was 24.22%. In 2014, however, in the last year of Michael Sata's presidency, with an 'economic bubble' of high copper prices and a public drive towards entrepreneurship, risk taking increased and debt to GDP ratio increased dramatically to 49.41%.¹⁶

The Lungu Presidency

Lungu inherited an established pattern of massive borrowing to drive rapid development, which he redoubled. The Zambian issue of Eurobonds is indicative of the recklessness that characterized Zambia's pursuit of liquidity. Borrowing this way, at commercial rates of interest, was not unique to Zambia.

¹⁴ Stephen Chan, *Exporting Apartheid: Foreign Policies in Southern Africa 1978-1988*, n: Macmillan, 1990.

¹⁵ <https://www.sciencedirect.com/science/article/pii/S259029112100084X> Social Sciences and Humanities Open, 4:1, 2021.

¹⁶ <https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?locations=ZM> download 10 June 2022.

Nor was it begun by Lungu. But, nonetheless, he presided over a third Eurobond issue in 2015 that took total bond indebtedness to \$3 billion. By 2019 debt to GDP ratio stood at 97.38%. In 2020 it was 128.7%, dropping in the last year of his presidency in 2021 to 101.01%.¹⁷

Lungu was determined to spend big, chiefly on infrastructure projects, not all well thought-through or beneficial, in an unsuccessful bid to attract support for the 2021 elections – the need to stay in power under democratic conditions meant indebtedness both internationally and domestically. What Hichilema inherited – and it took his administration some time to calculate the exact totals in what had not been a well-coordinated or annotated spree – was a debt of \$31.74 billion as of the end of 2021. Of this the external debt was \$17.27 billion, including \$5.78 billion owed to Chinese institutions.

The contemporary debt challenge

All this brings us to how the new Hichilema government can deal with the size and nature of the debt. Eurobond creditors are not development financiers but commercial lenders. Their first impulse would not be ‘merciful’, but rather to demand repayment or sell the debt to vulture funds. China is also vital, given that an agreement with a coordinating institution in China – essentially the state – could relieve the burden of one third of Zambia’s external debt.

Rather than approaching such a large problem piecemeal, the Hichilema government needed a common framework to order the honouring of its responsibilities. But achieving a common framework, first for restructuring and then for repayment, was challenging among Zambia’s contrasting creditors. China, by virtue of being owed so much, sought to be the primary creditor and favoured in any repayments scheme, rather than receiving the same percentage repayment level as smaller lenders.

Zambia needed breathing space to get their own negotiating position into order and to meet immediate obligations, which meant a turn to the IMF. An Extended Credit Facility (ECF) was agreed for 2022-2025 to help restore macroeconomic stability and support government reform efforts.¹⁸ The IMF also called for a common framework for debt repayment, one which private creditors were obliged to join, alongside ‘Paris Club’ donors such as the US and France.¹⁹ Non-governmental organizations in the USA applied pressure on some commercial lenders to comply – the Blackrock group was one example of a commercial lender subjected to such pressure²⁰ – and Zambia’s reputation in the Kaunda years, taking a lone stand against the discriminatory white south, helped move lobbyists to act on its behalf.

¹⁷ <https://www.statista.com/statistics/457716/national-debt-of-zambia-in-relation-to-gross-domestic-product-gdp/>
23 November 2021.

¹⁸ <https://www.imf.org/en/News/Articles/2021/12/06/pr21359-zambia-imf-staff-reaches-staff-level-agreement-on-ecf> Dec 6 2021

¹⁹ <https://blogs.imf.org/2021/12/02/the-g20-common-framework-for-debt-treatments-must-be-stepped-up/>
2 December 2021.

²⁰ <https://www.theguardian.com/world/2022/apr/11/blackrock-urged-to-delay-debt-repayments-from-crisis-torn-zambia>

China, the IMF and ‘debt tennis’

However, such an appeal would not greatly resonate with the ‘new’ China. The ‘old’ China hosted Kaunda in 1974 and claimed that Kaunda helped Mao formulate the Chinese Three World Theory – a deliberate borrowing against the image of Kaunda as a moral ‘philosopher king’. But the ‘new’ China of modern economic practice realized that it needed repayment, especially as COVID and US pressure helped engender a downturn in the Chinese economy. It had also never been part of a common framework of debt renegotiation before, and certainly not with such varied partners. In a very real way, it didn’t quite know what to do, and for some weeks expressed reluctance and even bemusement at the idea of being part of a collective approach.²¹

Finally, a compromise was found and China entered the common framework as the chair of its main negotiating committee, though no substantive talks had been held within this committee as June 2022 began. On the last day of May, President Xi reassured President Hichilema that China was on Zambia’s side and was looking for a solution to the debt problem.²² But diplomatic words are of little substance in hard and detailed technical negotiations, and talks about talks slowed down as June entered its first week. The IMF has suggested that a facility could be agreed by September, but are still waiting for creditors to find a common position.²³

Despite a growing international consensus that success would allow Zambia to offer an oasis against worsening economic troubles in Zimbabwe and South Africa, it seems that China remains hesitant about rallying other creditors and ending this game of ‘debt tennis’ for fear – as some commentators saw it – of setting a precedent that would be used by many of its other debtors.²⁴

Hopes for an agreement – but mining still dominates

In April 2022 several senior diplomatic and banking figures, including those who had retired from leadership roles in the country’s public finances and development,²⁵ reported that they were hopeful of some form of international agreement on the way forward. Under Hichilema, mining companies marginalized or even expelled from Zambia under Lungu are slowly making a comeback – hopefully under new regimes of responsible operation and collaboration with the government. Vedanta²⁶ and Glencore²⁷ are among those

²¹ <https://www.reuters.com/world/africa/test-case-zambia-exposes-chinas-rookie-status-debt-relief-sources-2022-05-31/>

²² <https://diggers.news/local/2022/05/31/xi-jinping-tells-hh-hes-eager-to-address-zambias-debt/> 31 May 2022.

²³ On 15 June a high-level IMF delegation arrived in Zambia with sympathetic news that an agreement on the IMF facility was possible by September. On 16 June, creditors met virtually but no agreement was forthcoming as their own approach – except it seems to ask China to ask the IMF for a guarantee regarding September. The IMF response was that first of all the creditors had to agree a way forward.

²⁴ <https://www.scmp.com/news/china/diplomacy/article/3182262/china-urges-imf-approve-us14-billion-zambia-bailout-told-it> South China Morning Post, 19 June 2022.

²⁵ Author interviews, Zambia, April 2022.

²⁶ <https://www.bloomberg.com/news/articles/2022-05-09/zambia-ends-legal-spat-with-vedanta-over-seized-copper-mines#xj4y7vzkg> 9 May 2022.

²⁷ <https://www.reuters.com/markets/commodities/exclusive-glencore-helps-zambias-mopani-copper-mines-pay-bills-2022-05-31/>

returning or expressing tangible good will. There is some movement towards green energy production.²⁸

But they also warned of incoherence in the Zambian policy machine. Just as the Lungu administration had no central record of who had borrowed what and from whom, so the new Hichilema administration was trying to do so much so quickly that policies were not necessarily joined up – too many teachers and doctors were being trained for too few schools and hospitals, absorption capacity was not always there, and Zambian public administration could be chaotic even if well-meaning and not corrupt. Apart from lithium there are no major signs of beneficiation of raw minerals being planned, and there is certainly no nationwide plan to apply modern agronomic principles to agriculture. There are few signs of Zambia will overcome the colonial-era legacy of reliance on mining.

Austerity, populism, and the spectre of future borrowing

This means that the unpredictability of market prices for metals will continue to haunt Zambia's future. Reducing corruption will help efficiency and the reliability of investments but will not restore national fortunes on its own. Diversification, agronomy, and manufacturing are needed, but even with best laid plans they cannot all come in one Hichilema term. Whether he gets a second one will depend on how much austerity is imposed by any agreement to restructure debt. There would have to be some very big debt write-offs to meaningfully reduce the pain of repayment, which only China is in a position to offer – and it has no reason to prioritize Zambia and set a precedent for others when its own economy requires recovery.²⁹

So, for the future, it is likely that there is no way Zambia can progress, even survive, without borrowing, as it has always had to do. Controlling and managing this borrowing is all that can be hoped for. Hichilema may be willing to confront this challenge, but without substantial debt haircuts, the acute pain of austerity imposed by repayment may once again push Zambia down the road of populist electioneering, and the ousting Hichilema in favour of someone who promises to restore living standards whatever the cost – sparking another long cycle of Zambian borrowing.

²⁸ <https://www.afrik21.africa/en/drc-zambia-an-agreement-to-manufacture-batteries-for-electric-vehicles/> 9 May 2022.

²⁹ The South African Government may be able to broker some of the debt owed by Zambia to South African institutions, but the total amount here owed is only slightly less than half a billion (\$475 million). <https://www.afronomicslaw.org/category/african-sovereign-debt-justice-network-afsdjn/forty-fifth-sovereign-debt-news-update> 13 May 2022.

The role of civil society in Zambia's foreign policy

McDonald Chipenzi

This paper was compiled to inform the discussion at the conference convened by Chatham House in Lusaka on 30 March 2022. It has not been edited by Chatham House, and the views expressed are those of the author.

Introduction

The emergence and growth of an organized and effective civil society movement that includes non-governmental organizations (NGOs) is the greatest social phenomenon in the latter part of the 20th century. Sfeir-Younis, (2004:29) notes that the civil society organizations (CSOs) have been “instrumental in granting power to many people who are poor, voiceless and powerless and a medium through which these sections of society can express their opinions, views, and possible strategic concerns” on public affairs. In order to address the challenges facing humanity in a globalized world, foreign policy making and implementation must be inclusive and collaborative, allowing input from stakeholders outside political parties and government. Sfeir-Younis (2004:32) observes that “as we shift towards a new paradigm, foreign policy will have to change accordingly. This change demands significant shifts in the role of civil society.” This paper examines civil society's role in foreign policy formulation and implementation, outlining challenges and potential ways forward in Zambia.

Therefore, the roles of civil society played since their emergence in Zambia, include humanitarian assistance, service-delivery, research and internal policy development, and pursuing accountability, democracy and rights-based approaches, including elections and constitutional and legal reforms (Mutesa, 2004; Anglin, 2021). They have helped shape development policies and partnerships and monitored their implementation. The government recognizes the need to consult and coordinate with civil society in development, including the formulation and implementation of the country's foreign policy, most explicitly in Zambia's first NGO policy document, formulated in 2018 with the purpose of facilitating a mechanism for national consultation among stakeholders and providing an institutional framework to enhance coordination among government, NGOs/Civil Society, cooperating partners and other stakeholders (GRZ, 2018).

In Zambia, the history of civil society dates back into colonial times, when informal groups and formal associations like welfare organizations, churches and trade unions played cardinal social and political roles in both local and international platforms (GTZ, 2004). However, after independence in 1964 from Great Britain, the new Dr. Kenneth David Kaunda-led government adopted a centralist and paternalistic approach that discouraged or even banned civil society activities. Until the return to political pluralism in 1991, policy

making happened behind closed doors within party structures and the executive, or between the government and multilateral institutions such as the International Monetary Fund (IMF), World Bank and European Union (EU), regional blocs such as the Southern African Development Community (SADC), or bilaterally with Embassies and High Commissions. Consultations were limited to political structures such as the party's central committees, councils and congresses, which then shaped state or government policies. As a result, civil society in Zambia grew at a snail's pace. Until 1992, only faith-based organizations, media, student unions and trade unions were active in raising citizens' consciousness on socio-political issues and influencing foreign policy (Mutesa, 2010). Opposition to Zambia's foreign policies was occasioned by groups like the church through pastoral letters and university students and trade unions through protests and demonstrations, among others.

From the 1990s civil society has claimed increasing civic space and demanded an expanded role in the country's national policy making and implementation processes, against the backdrop of political transformation of the state. In the 2000s, civil society started to be treated as a real partner in public policy making and implementation dialogues with government and the donor community, demonstrated by the active involvement and participation of civil society in the formulation and implementation of headline policy vehicles such as the PRSP (2005), 5NDP (2010), and Independent HIPC Monitoring Team (2001), and has been at the centre of advocacy to bring policy into national debates. Zambian civil society also had important roles in the formulation of policies on NGOs, decentralization, land, gender, climate change and sustainable development goals (SDGs), alongside engagement in constitutional and legal reviews and participation in the African Peer Review Mechanism (APRM), among other government driven processes. Engagement with donors also played an influential role in creating space for civil society participation in national development dialogues and influencing external policy, such as advocacy on debt relief which led to cancelation of Zambia's debt around 2006.

However, despite these gains, civil society's role in foreign policy development, formulation, facilitation and implementation, monitoring and evaluation remains weak due to an absence of transparent and well-defined channels for citizens' effective participation. Civil society has been excluded in crucial components of national policy making processes, raising questions on the value of addition of the civil society participation in the whole (Mutesa, 2004). Civil society is left out in formulation of interim policies, higher levels of the technical drafting process and working groups. For instance, civil society has not been sufficiently engaged on the IMF negotiations to know what conditions are attached to this facility. This is because foreign policy was – and still is – a prerogative of the executive power, particularly the Ministry of Foreign Affairs and International Cooperation, and is still subject to very limited mechanisms of control or checks and balances both from within and outside the government.

As highlighted above, civil society, in a limited way, do participate in bilateral meetings on specific topics with some donors such as the EU, EU member states, and other embassies. However, participation is usually on an ad-hoc

basis and normally only involve major civil society organizations, notably those being funded by these donors. Again, this results in a biased view about civil society positions. International NGOs may have a greater say but at the same time may try not to antagonize government, while smaller NGOs would often assemble if called on and paid to do so. Donor-civil society partnerships saw donors concentrate on organized civil society at the national level leaving out those actors in peripheral areas where mass of the people live, and kept even them out of core negotiations. Eberlie (2005) observes that “while civil society are invited to participate in the Consultative Group (CG) meetings, the main negotiations take place with government while civil society ‘are invited to join a separate ‘public’ part of the CG meetings only”. This negates the whole essence of dialogue because most important decisions would have been decided behind closed doors anyway (Mutesa, 2004:75). The marginalization of civil society is further manifested in their exclusion from negotiations on donor aid effectiveness.

The Ministry of Foreign Affairs and International Cooperation is supposed to be the interface between government and civil society on foreign policy formulation and implementation,³⁰ but has no specific mechanisms to engage and allow the participation of civil society in matters of foreign policy. Information on decision making processes that lead to foreign policy decisions or to voting patterns in regional and international institutions such as the UN has been unavailable to stakeholders like civil society. The nomination and recruitment processes of foreign policy officials and diplomats are completely remote from any sort of civil society participation or public scrutiny. The Foreign Ministry seems closed to any sort of dialogue or questioning from civil society. To crown it all, there has been very little information available on foreign policy decisions, including relating to membership of treaties or international bodies, human rights, voting patterns at the UN, SADCC, AU, GLRI, COMESA and or any other international arena – including agreements on foreign debt acquisition. These processes remain the executive arm of government’s most guarded secret.

This is where the ‘participation gap’ between government and civil society starts in relation to foreign policy. There has been little consistent public interest in foreign policy formulation, and there are very few spaces for public debate over foreign policy, resulting into only limited media coverage beyond the reproduction of stories published by international news agencies or social media gossip, with no space for analysts, academics or opinion-makers that might raise criticisms over issues related to Zambia’s foreign policy. Civil society lacks

³⁰ It was established in 1964 at independence, with a mission “to safeguard Zambia’s interests and promote proactive diplomacy in order to contribute to national prosperity.” The Ministry is, responsible, among other duties, for the formulation and administration of Zambia’s Foreign Policy, the establishment and maintenance of Zambia’s International Relations, coordination in the signing of treaties (Agreements and Conventions), pledges and contributions to the United Nations Agencies and other International Organisations, membership of Zambia and contact with International and Regional Organisations and coordinates Zambia’s Diplomatic and Consular Missions Abroad. In addition, in order to cultivate a cadre of Career Diplomacy and efficient and effective implementation of Zambia’s Foreign Policy and to contribute diligently to Zambia’s sustainable development, the Ministry is responsible for Foreign Service Training. In order to put into service this mammoth responsibility, the Ministry has six (6) Departments and thirty-two (32) missions abroad.

the sophisticated understanding of past decisions and geo-strategic circumstances to engage and channel feedback more seriously with Zambia's foreign policy.

Antagonistic State-Civil Society Relations in Foreign Policy

The result has been a relationship between the state and civil society that has tended to be acrimonious or mistrustful. Governments have in response endeavoured to suppress civil society through the introduction of repressive NGO laws, which have created barriers to operational activity, free speech and fundraising. CSOs have identified several pieces of legislation as having the potential to impede their work, including the NGO Act, the Public Order Act and the Cyber Security and Cyber Crimes Act 2021 among others.

NGOs are, therefore, heavily reliant on external donor funding (around 70% of NGOs in Zambia), which leads to them being labelled as anti-regime or imperialist, and further suffocated, compromised and weakened. This in turn makes it difficult for them to set their own agenda and develop their own organizational capacities, and tends to make them fall into line with the foreign policy preferences of the donors funding them, especially in areas where the donors want them to work. For example, the European Union (EU) provides substantial support to local civil society to implement projects in specific areas, i.e. human rights, good governance, food security, education and health (Covid-19). Most NGOs/civil society are too concentrated on poverty reduction to engage on foreign policy. Hence, due to donor funding, civil society is compromised in its ability to respond to a foreign policy direction adopted by the government, especially if that policy runs counter to those of the donor funding those civil society. In short donor funds dictate what civil society position should be regarding foreign policy.

This carries costs to the state. Civil society has the closest relationship with donors, and is well-placed to understand their positions – but Government does not consult with them and thus fails to devise appropriate responses. For instance, donors have used civil society to blame the spread HIV/AIDS on the country's cultural practices such as polygamy and ritual cleansing, and thus undermined Zambia's cultural values, despite the fact that countries which do not practice polygamy and ritual cleansing were also ravaged by the same pandemic. This was done with no evidence that areas where polygamy was prevalent had more cases than those where monogamy was prevalent.

It has also periodically resulted in public criticism of foreign policy over major decisions made without consultation. Hamalengwa (1991:17) narrates the events of 1976 when university students disagreed with government's foreign policy over Angola feeling that they '...could not support any side that was armed and fuelled by South Africa and the USA'. This was a signal that stakeholders had not been consulted on the foreign policy and position pursued by the government on Angola then. More recently, controversy that accompanied Zambia's vote at the UN to condemn Russia's invasion of Ukraine could have

been avoided if the drivers and purpose of Zambian foreign policy was appreciated by majority stakeholders such as civil society.³¹

Consultations with local civil society organizations and leaders confirmed these views. Despite past and present governments recognizing the role of civil society as evidenced in the development of a comprehensive NGO policy, they have seen limited and cautious CSOs involvement and participation in foreign policy, and feel that government rarely consults them – despite its impact on issues of importance to citizens such as external investment.

Again, local civil society argue that the positions taken by the civil society in Zambia is due to lack of alternative sources of funding. This is because some of the finest brains in civil society have found their intellectual home in advocacy (in NGOs) and donors have become conduits for implementing foreign policy of their home countries in developing nations. A competitive spirit where each NGO or civil society organization speaks for itself is the most serious shortcoming. This why the Council of NGO in Zambia should be promoted, strengthened and supported to be the voice through which ideas representing the sector get channelled and be heard by the relevant authorities including the Ministry of Foreign Affairs.

Negative perceptions by the country's leadership that civil society are funded to fight the government of the day and champion regime change dominate the civil society-government relationship. Therefore, civil society has to fight the perception that in Africa, NGOs and civil society organizations are funded by foreign donors and development agencies to oppose Governments, which makes it difficult for local NGOs or civil society to have an effective role in foreign policy formulation.

Conclusion

Decisions and voting patterns at international fora should be informed by wide consultation with civil society and other concerned stakeholders. As an emerging democratic country, Zambia has reached a new level of responsibility and visibility on the world stage, and the role and participation of civil society in the formulation and implementation of the country's foreign policy can no longer be ignored or bypassed. Transparency and accountability on the part of the Zambian government in foreign policy formulation demands that consultative systems and platforms be strengthened for effective participation and involvement of civil society. The current practice of the Ministry of Foreign Affairs and International Cooperation being the sole conduit for foreign policy advice to government is not healthy in a democratic state and must expand to involve and engage civil society. The prerogative given to the government to engage civil society has not worked because, in the past, the ministry picked organizations that supported government policy – work should focus on normalizing having critics at the table. This is not only necessary for accountability but will multiply the impact of Zambia's views on difficult issues, such as reforms of the global governance system and institutions like the UN

³¹ The National Assembly had to force the Minister of Foreign Affairs and International Cooperation to issue a ministerial statement on the matter which he did on March 9, 2022.

Security Council – a common position between government and civil society would allow all Zambian representatives at international fora to speak with one voice, and perhaps be heard.

The fault does not lie entirely with government. Clearly, Zambian NGOs and civil society have not invested much in analysing the country's foreign policy, and have limited interest in following up on international treaties, agreements and conventions pursued by the government. Interest in human, civil or political rights remains inward facing, and is not linked to Zambia's foreign policy. For instance, China is a major trading partner for Zambia and has a terrible human rights record, despite Zambia being signatory to many international human rights treaties. Zambian civil society have not demanded that the country reconsiders its economic relationship with China.

Nonetheless, Zambia's contemporary focus on international trade and foreign direct investment means that NGOs and civil society must have a greater say on foreign policy, notably as it relates to business and human rights. It must analyse the extent of investments and their impact on Zambia's traditional cultural values to avoid potential conflict. In this regard, NGOs and civil society must have a greater say on international protocols in ensuring principles of sovereignty and domestic natural resource utilization are safeguarded. Civil society consultations when negotiating Bilateral Investment Treaties (BITs) are essential, key to ensuring that citizens are safeguarded from human rights violations or exploitation. Strengthened and sustained relations are necessary between government, investors, the diplomatic community and civil society.

Furthermore, there is also a need for enhanced civil society participation on global governance structures that promote economic, social, environmental and cultural rights. Civil society has an important role to play in representing the marginalized in many communities and communicating how they may be affected by changes in foreign policy – particularly, for instance, on accumulating private debt. Currently there is no active specialized civil society focused on mainstreaming foreign policy in Zambia. This conference provides a golden opportunity to advocate for one.

Author biography

McDonald Chipenzi is the Founder and Executive Director of the Governance, Elections, Advocacy, Research Services (GEARS) Initiative in Zambia and the Chairperson of the Council of Non-Governmental Organisations (CNGOs) in Zambia, a statutory body created to facilitate and coordinate the operations of the NGOs sector in Zambia. He is a former Board Member of the SADC-Electoral Support Network (SADC-ESN), the former publicity Chairperson for Civil Society Constitutional Agenda (CiSCA) and a former spokesperson for the Grand Coalition on People Driven Constitution (GCPDC). He also served as the first elected chairperson for the publicity arm of the CSO Poverty Observatory Group in Zambia. He holds an MED in Civic Education and BA-ED both from the University of Zambia (UNZA).

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Conference summary

Emerging powers in Africa: Regional and national economic linkages in Eastern and Southern Africa

30 March 2022

Keynote speech: Chawe Chuulu

Chawe P. M. Chuulu, the permanent secretary of the Ministry of Commerce, Trade and Industry for the Republic of Zambia, noted that this conference came at a significant time. The 'New Dawn Government' had been given the opportunity to evaluate and restructure Zambia's economic goals and thus had the chance to reposition Zambia in regional economic and trade engagements. She reflected that the COVID-19 pandemic had slowed down economic activity, but encouraged African countries to rise above these challenges and build stronger relationships across the continent as well as internationally.

Intra-African trade can only be enhanced through improved market access, but trading mechanisms must be supported by stimulating growth and encouraging sustainable investments between countries. Additionally, Zambia should aim to eliminate all forms of government corruption and other non-tariff barriers, modernize customs administration, and improve export marketing and promotion. Trade capacity can be enhanced by developing the soft infrastructure for digital inclusion and increasing e-trade opportunities. Zambia is well placed for regional integration as it is central and a connector of Eastern and Southern African states. She argued that no region has become globally competitive without first trading with its neighbours, and that expanding capacity for regional trade will be a building block for trading with the wider African continent and the rest of the world. Regional trade should also allow Zambia and many other African countries to identify their competitive advantages, support each other's individual strengths, and eventually participate in global value chains and markets more efficiently and confidently.

Session 1: Balancing regional and international relations

Gordon Moyo, a senior lecturer at Lupane State University, began the session by discussing the nature of African agency in the context of a polarized world order. Traditional global patterns of power and wealth are shifting and many emerging economic powers are visiting and investing in Africa. But their promises of mutuality, inclusivity, respect and sovereignty echo those of the traditional powers, and have not to date been fulfilled.

As a result, Africa is not seeing many changes in the welfare of its people and is still perceived as tangential to global governance. So, while Africa is important to the growth of these emerging economies, the relationship will remain unequal as long as the conditions in Africa remain poor. Africa's lack of policy direction means that other countries are able to act on Africa rather than with

Africa. A large majority of African international trade agreements are occurring bilaterally, 'behind the curtain', with few details disclosed.

Africa needs ethical leaders and should engage from a continental perspective in order to build relationships that are beneficial for both African countries and their partners.

Treasure Maphanga, the director of the African Electronic Trade Group, discussed the African Continental Free Trade Agreement (AfCTA) and what it meant for African agency outside the continent, arguing that Africa can only succeed in finding a meaningful place in the world if united. The AfCTA aims to provide a framework that builds on previously learned lessons and stimulates continental integration. Its purpose goes beyond simply eliminating tariff barriers to sustaining the infrastructure required for industrialization and generating products that can be traded worldwide.

To date, 54 out of 55 African countries have signed the agreement with 41 countries ratifying it. However, Maphanga argued that there are challenges with coordination and as such, creativity and innovation are needed to make sure that the implementation of the AfCTA is effective, fast and at scale. It is urgent that the AfCTA deliver inclusive benefits to all, by considering the role of young people and women and creating space for micro, small and medium-sized enterprises to both benefit from and contribute to the agreement. It was also noted that there will be a level of fragility moving forward, as the AfCTA will exist alongside existing regional economic communities and bilateral agreements. Nevertheless, the view that this treaty should be used to lift people out of poverty must be sustained.

Tang Xiaoyang, the chair at the Department of International Relations at Tsinghua University, reflected that national borders, the political identities associated with them, and the limited capacity of African governance are all hindrances to coordination and communication in the technology and infrastructure industries. The result is difficulties and tensions, amplified by the effects of colonialism. But through transnational infrastructure and technological cooperation, Africa's fragmented politics can be harmonized in a way that supports pan-African development. Both the Chinese government and the private sector welcome the AfCTA, as China and Africa have a shared history of pursuing independence and restraining colonialism. They also have a common vision, to see Africa grow, which would benefit both parties.

Aanu Adeoye, a Mo Ibrahim Academy Fellow in the Russia and Eurasia Programme at Chatham House, systematized and narrated the Russia–Africa relationship over the years. During the Cold War, the USSR aligned itself very closely with newly independent Africa countries, particularly befriending liberationists and socialist leaders in Africa, many of whom were educated in the USSR. However, after the collapse of the USSR, this relationship weakened as Russia could no longer afford to maintain the economic aspects of such a relationship. This left China to fill the gap as the Western counterbalance.

Things took another turn in 2006, after South Africa was visited by President Putin and added to the BRIC list of emerging economies (becoming BRICS). Russia is largely present in the security trade in Africa, through selling weapons to Algeria and Egypt, but has a systematic problem of not following through on or finalizing the agreements that they have signed. Further to this, Russia's trade in Africa has fallen far behind that of the US or the EU, and only making up 10 per cent of China's. In light of Russia's invasion of Ukraine and the economic sanctions that have been implemented, the question remains of how Africa will navigate a multi-polar world in which many countries play important roles in economic development.

Brenda Mutale Chanda, the co-managing partner at Moira Mukuka Legal Practitioners, spoke specifically about how southern and eastern African countries can exert influence within the frameworks of their regional and international legal commitments. Vision 2063 aims to transform Africa into a global powerhouse by delivering inclusive and sustainable development at the same time as promoting pan-Africanism. While negotiations surrounding the protocols of the AfCTA are ongoing, it is imperative that African countries push the boundaries of political will for effective implementation. This requires significant policy reform and the introduction of measures that facilitate trade. So African governments and members of the private sector were urged to build capacity in their individual countries to follow through with their commitments.

In the discussion segment of the session, the audience questioned how the AfCTA could be implemented given existing trade agreements. The response was a push for African countries to establish implementing agencies to build the capacity and knowledge necessary to negotiate the necessary protocols.

It was also asked whether Japan could help African nations escape debt traps. As Japan played a large role in the development of Southeast Asia, through institution- and democracy-building, and has experience of handling debts, it may have a constructive role to play in Africa's development.

Finally, the meaning of ethical leadership was interrogated, alongside the question of how Africa can encourage and sustain ethical leaders. There is no single answer, but one response was to look beyond laws, to the role of citizens, the media, opposition parties and businesses to hold governments to account.

Session 2: Partnerships for future development

McDonald Chipenzi, the chairperson for the Council of NGOs in Zambia and the executive director of the Governance, Elections, Advocacy, Research Services Initiative explained that as NGO's provide checks and balances, the sector can sometimes be seen as undermining the government. There is no formal mechanism that allows civil society to have legitimate engagement with the government in regard to foreign policy. Further to this, as a result of their funding often coming from international donors, consultations with the government are often limited to those whom the government 'knows best'. He argued that civil society is only consulted when the government wants to sort out their debt, whereas they were not present when this debt was being

amassed. The Council of NGO's should be used as a formal mechanism that the government can consult for advice on foreign policy matters.

Dr Lubinda Haabazoka, the director in the Graduate School of Business at the University of Zambia, described the key shortcomings of Zambia's education sector. Zambia has a population of 18 million, which is increasing exponentially, while infrastructure to support livelihoods is not expanding at the same rate. In 2014, research showed that the average Zambian only goes through 6.6 years of schooling, which creates a barrier for economic development. In 2022, only 10.4 per cent of the national budget is going towards education, with basic education making up the largest share – but this is followed by administration, meaning more money is spent on educational bureaucracy than on universities and schools. When Zambia participates in international educational partnerships, they often 'expect donations' rather than engaging as equal partners and exchanging resources. Moreover, funding for skills training, is not matched by support for entrepreneurship, so many people are left with skills but no available jobs.

Dr Hangwei Li, an adviser at the African Views Organization, argued that the spillover effects of Chinese investment is limited by institutional capacity. The Zambian institutions that are supposed to regulate foreign investment are frequently understaffed and underfinanced, and so they are often unable to meet their objectives. She also stated that strategic and long-term planning, consultation and decentralized decision-making are significant for increasing institutional capacity. Chinese associations in Zambia have the potential to play a more positive role in delivering benefits. A considerable number of Chinese businesses operating in the country are not state-owned and have limited experience in international affairs and labour laws, making them more likely to violate labour regulations.

During the Q&A session, a participant asked about what the Zambian government could do to use their digitization strategy to help improve development metrics in sectors such as education and health, especially in the context of the pandemic. Dr Haabazoka replied that a strategy was needed to help those industries that operated smoothly before COVID-19 to reboot their operations, industries such as retail and recreation. He argued that the digital world can be used to empower citizens, as those who were hit the hardest by the pandemic were often the most vulnerable, including a lot of young people who were economically active but could not be in school or in employment. He implored the government to find smart solutions for the youth, such as mentorships funded by the government, alongside interventions tailored to each subsection of society.

The panel also discussed what interventions could be made to promote local funding and resources for civil society organizations. McDonald Chipenzi suggested that local NGOs start social enterprises to both provide services and generate profits. He claimed that many local donors are not willing to support NGOs in governance and human rights, but will back NGOs providing social services.

The panellists also argued that no one knows whether Zambia sides with the East or the West and that this does not have to be an either/or question. African countries do not have to be a pawn in the China–US dispute, and so should be non-aligned. The Zambian government may simply be trying to create an international environment that benefits Zambia. As the ‘New Dawn’ government focuses on the issues of accountability, human rights, corruption and so forth, they should align with countries that hold similar beliefs.

The audience also asked to what extent China–Zambia relations had improved economic development in Zambia. Dr Li replied that there are some concerns among Zambians and civil society groups about competition, but that most of the inputs for Chinese production could not be found in Zambia. As such Chinese investment needs to be supported by relevant institutional policies. She also claimed that civil society groups can play a more positive role in building better relationships with local Zambians alongside Chinese associations.

A member of the audience disagreed with McDonald Chipenzi and claimed that there are consultations with civil society in Zambia but that they are not widely accessible. Chipenzi replied that it is only those members of civil society that are ‘friendly’ with the government that are able to consult with them – the council of NGOs have not received any formal invitations.

Session 3: Regional infrastructure

Barbara Mommen, the CEO of Coalescence Consulting, opened the session by emphasizing that there cannot be any regional integration without infrastructural development, including both technical and digital. She noted that the Maputo Corridor, with over \$500 billion invested since the late 1990s, is one of the most successful cross-border public and private partnerships. However, regional integration demands significant political will as it faces entrenched protectionism in trade and the movement of people, and effectively engaging with the policies and socio-economic needs of neighbouring countries will take considerable effort.

Trade arrangements should be reliable, predictable and efficient to enable sustainable development to benefit the most vulnerable communities – the cost of delays is often passed onto the poor. She also argued that it is corruption that keeps Africa poor. Without reducing corruption and increasing integrity within government, it will continue to hamper the poor from gaining a reasonable livelihood. There is also the need for a regional economic community that supports the monitoring and implementation of agreements.

Dr Primrose Bimha, a postdoctoral fellow at the Institute for Democracy, Citizenship and Public Policy in Africa within the University of Cape Town, expressed the main challenges faced by regional infrastructure development projects. These include the poor coordination of border management processes, slow uptake of one-stop border posts, and the absence of systematized ICT. While corridors are essential for regional infrastructure development, especially in the case of land-locked countries, there is often a lack of dedicated road maintenance funding and poor service quality. A regional solution to these

issues would be for the railways to operate as one unit, effectively competing against road transport. Another issue she highlighted is customs delays, which generates constant border congestion and long turnaround times. Travellers often have to rely on word-of-mouth and the discretion of border officials in regard to what documentation is required. A one-stop border post is a potential solution – when installed between Mombasa and Kampala, processing times dropped from 18 to four days, and cargo clearance times reduced from 2–3 days to 8–12 hours on average. The continent also needs enhanced and reliable access to electrical power and the internet; these can be solved through ‘soft’ reforms, which streamline the flow of traffic and enable more efficient data sharing.

Dr Wairagala Wakabi, the executive director at the Collaboration on International ICT Policy for East and Southern Africa, reflected on the opportunities and challenges brought by the growth in the access to and usage of digital technologies. Issues of affordability and exclusion, cybercrime and violations of digital rights undermine the potential of this transformation. In tackling cybercrime, international cooperation on investigations, information-sharing and prosecution is often insufficient and unstructured. He argued that regional frameworks need to be domesticated and implemented alongside the provision of sustained and sufficient funding for monitoring authorities. Further to this, multilateral institutions should be able to audit how countries are performing on cybersecurity and digital rights as countries with poor democratic records can use cybersecurity legislation to stifle dissent; reporting to these international agencies may aid in promoting compliance. There also remains the issue of sharing common digital infrastructure. For these changes to be implemented there needs to be logistical, financial and political will.

Dr Lufeyo Banda, the chief regional operations officer at the African Development Bank, affirmed that infrastructure was crucial for the free movement of goods and people – inadequate infrastructure has a large negative impact on the potential for economic growth and regional integration. It is estimated that \$12 billion of investment is needed until 2027, to support the implementation of effective and efficient infrastructure. Poor planning and the shortage of investment are the main causes of poor performance in infrastructure development. In agreement with Dr Primrose Bimha, he also claimed that soft infrastructural reforms, alongside improved border management, were important for improving trade facilitation.

The examples of the completed Mwami–Mchinji and Mandimba–Chiponde travel corridors highlighted some challenges and lessons for future infrastructure projects. Challenges include slow domestication of, and non-compliance with, regional agreements, inadequate funding, lack of harmonized planning, and weak administrative and technical capacities. Potential solutions include a legal framework supported by strong organizations, as well as international cooperation to reinforce regional coordination. A key priority is the alignment of national and regional strategies.

In the discussion segment of the session, Barbara Mommen responded to a question on encouraging public and private sector exporters to procure from smallholder farmers, facilitating conservational agricultural practices. She stated that the accountability chain between national ministries and the departments in the Southern African Development Community (SADC) need to be aligned, as differing levels of responsiveness create delays and costs. The government does not really listen to the private sector, and the public–private sector relationship needs to be reviewed.

The next question interrogated what could and should be done to reduce costs resulting from the challenges associated with transport corridors. Dr Bimha replied that what is currently considered ‘a success’ is often a minimal milestone, and so there is a lot of room for more to be done. Dr Banda also stated that the preparation of a project should be completed on time and that efforts should be focused on procurement, as that is often where corruption creeps in. In response to a question on the effects of infrastructure on local communities, Dr Banda asserted that before implementation a clear mechanism must be constructed under which affected communities will be properly compensated. Dr Wakabi commented that high levels of digital taxation limits the transformative power of digital technologies, especially for poorer communities’ access to the internet.

Keynote speech: Ephraim Mwepya Shitima

Ephraim Mwepya Shitima, the director of the Climate Change and Natural Resources Department of the Republic of Zambia and the chair of the African Group of Negotiators (AGN), described the environmental priorities of the continent as complex and often specific to their respective countries’ geographic and socio-economic conditions. But he argued that climate change is an underlying denominator in all of the changes experienced on the continent and the root cause – greenhouse gases – must be addressed, potentially by pursuing low-carbon development pathways.

Adaptation measures should be implemented in the agricultural sector, which is particularly sensitive to the effects of climate change. Many African countries have low irrigation levels leaving them highly dependent on rain-fed agriculture, meaning that any changes to the traditional patterns of rainfall will have a large impact on the entire sector. It is important to build resilience in this area. Although currently global finance flows more towards mitigation efforts, there should also be equal emphasis on adaptation.

Another prominent issue is that of measuring progress. He referenced the Glasgow–Sharm el-Sheikh programme as an example of tracking states’ work in building resilience. Zambia has also made efforts to monitor its progress in the 2021 revised NDC, which included an annex of qualitative indicators. Additionally, he noted that market mechanisms need to be put in place to involve the private sector, and that we should ensure that the continent is adequately prepared to participate in endeavours addressing climate change.

In the Q&A section of the session, Mr Shitima and the audience discussed how fulfilling environmental demands was balanced with protecting the livelihoods of African people and how these demands fit within Africa's need for industrialization. He responded that climate objectives recognize the issue of development, and that all adaptation or mitigation measures exist within the context of sustainable development, so the reduction of poverty remains a primary concern for developing countries. It is possible to prioritize poverty reduction and environmental sustainability simultaneously. For example, in the agricultural sector, studies have shown that conservation farming and using climate-smart technology can improve productivity; so African countries can simultaneously act in their self-interest to promote economic growth while aligning with global demands of sustainability. They also discussed what opportunities can be drawn out from climate change and the extent to which Zambia can capitalize on the demand for copper and cobalt within the electric vehicles industry. Finally, on the question of the accessibility of research on adaptation and mitigation efforts, for those whose livelihoods they will ultimately affect, Mr Shitima replied that more efforts need to be made on accessibility, such as simplifying complex subjects and translating research into local languages.

Session 4: Strategic minerals

Sheila Khama, the non-executive director of Tullow Oil, introduced the importance of understanding the complexity of relationships within the strategic minerals space. This importance begins at the definitional level: what is a strategic mineral? How do these definitions differ among African countries and their international partners? While both companies and governments are under immense pressures to fulfil economic, political and environmental objectives, these pressures and their origins are fundamentally different. Investors answer to financial pressures to deliver a return and fulfil the requirements of shareholders. Governments are required to fulfil campaign promises and create opportunities for their citizens to benefit from the exploitation of their domestic natural resources. She also noted that while China's interest in Africa is little different to that of former 'colonial masters', African countries must engage actively to generate leverage on this interest rather than simply spectating.

Peter Leon, the global chair and partner of the Africa Group at Herbert Smith Freehills, echoed the preceding sentiment on the intricacy of relationships among states, companies and the communities that they work in. With the government showing promise in supporting growth in the strategic minerals industry, the most salient issue is that of the transition to green energy. Copper and cobalt are key strategic minerals – and there is a two-thirds gap between its current cobalt supply and future demand. Zambia holds a unique position, having the second largest stock of these strategic minerals with an arguably more favourable environment for investors, due to a more stable and potentially more democratic political environment than the Democratic Republic of Congo. However, copper output remains low, and the permit approval process suffers from endemic corruption due to vague criteria and high administrative discretion afforded to the mining ministry. Additionally, there is also a problem

with the current fiscal regime, which does not deliver fair distribution of financial benefits between the state and companies.

Farai Nyabereka, a partner at Manokore Attorneys in Zimbabwe, discussed rare earth elements and the unique opportunity this presents for many African countries. Global demand for rare earth elements has rapidly increased and is predicted to grow further due to pushes for transition to greener economies. As it stands, China is a key leader and has been able to dominate in the 'hostile' trade environment for rare earth elements, to the extent that the US is almost 100 per cent reliant on China in this trade sector. Rare earth elements have proven to be a viable tool in global geopolitics, presenting an opening for African countries to alter the current trading environment to lessen constraints from geopolitical tensions and improve their ability to trade relatively freely. The countries in sub-Saharan Africa who have the best chances of producing rare earth elements are: Burundi, Kenya, Madagascar, Malawi, Mozambique, Namibia, South Africa, Tanzania and Zimbabwe. Africa is uniquely placed due to a variety of beneficial conditions, including low labour costs and little to no environmental pressure from lobbying groups at the extraction stage.

Ian Mwiinga, the head of the Zambia Extractive Industries Transparency Initiative Secretariat (EITI), argued that it would have been important for the government to be present at this conference in order for them to gain the necessary support to begin to think critically and strategically within the context of debt reduction. The discussion around critical minerals moved into the public policy space rather early, alongside a lot of information. A lot of structural instruments – such as regulation and policy formation – therefore need to be refined to support this industry. The issue of disclosure also causes systematic faults as the penalties for under-declaring are insufficient to deter companies. Moreover, there are often discrepancies within the data used by the mining industry and difficulties in making this information public.

Anthony Mukutuma, the general manager at the Kansanshi Mine of First Quantum Minerals, explored what sustainable mining may consist of and what that looks like in practice. The demand for strategic minerals has grown with the rise of green energy – with demand for lithium growing from 0 per cent in 2010 to a predicted 90 per cent in 2040; with similar trends in cobalt and copper, which are predicted to grow in demand by 70 per cent and 59 per cent respectively by 2040. Many major mining companies understand what this shift in demand will mean for the industry and are acting accordingly. Corporate social responsibility should still be prioritized in this response and companies should strive for relationships based on transparency, mutual trust and respect. First Quantum Minerals has developed a framework for sustainable mining including: (1) greenhouse gas reduction, (2) tailings management, (3) cutting down on freshwater usage, and (4) engaging with the local communities that they work in.

There was disagreement about the topic of ownership, with some arguing that local participation should be looked at as more than a question of mere ownership, and that a whole industrial base can be built from suppliers into the

mining value chain. Others argued that the fixation on ownership was misplaced, highlighting that strict requirements for local ownership are causing low levels of investment and reducing exploration expenditure.

It was also noted that there may be challenges in adopting region-wide policies when first entering into the rare earth elements industry given that the sector is relatively new, and that policy formulation should initially be explored within the borders of the state where the resources are found. Additionally, it was argued that the Africa Mining Vision (AMV) agreement is out-of-date and therefore not robust enough to deal with the requirements of the transition to green energy. While there remain problems of poor infrastructure, participants advised that linkages in the industry can be developed through the procurement of goods and services, and investment will enable countries to reach production targets.

Session 5: The international relations of debt

Dr Sishuwa Sishuwa, a postdoctoral research fellow at the Institute for Democracy, Citizenship and Public Policy at the University of Cape Town and a lecturer in the Department of History at the University of Zambia, argued that Zambia has had a clear framework for its foreign policy since independence. He outlined four key drivers of Zambian foreign policy: security and geopolitical position; ideology; personality of the incumbent leadership; and the desire for socio-economic development.

Though Zambia's foreign policy attitude was initially determined by non-alignment in a polarized world, Zambia's debt crisis and the desire for loans encouraged Zambia to position itself closer to China. But although the China–Zambia relationship can be traced back to liberation, China has become notably more involved in Zambian foreign policy over the last 10 years. Zambia had also been aligned with the West, but after many Western powers disinvested from Zambia, it was left with little to no options but to lean even more on China, which holds around one-third of Zambia's debt.

He argued that China and the West both use debt as a weapon to influence politics at the international level, and there are many concerns about corruption and a lack of transparency in contracts. The Zambian government has seemingly amassed significant amounts of debt and simultaneously deprived parliament of oversight. He argued that the new government can reset Zambia's foreign policy and give real meaning to economic diplomacy.

Claudia Pollen, the director of the Consumer Unit and Trust Society (CUTS), built upon Dr Sishuwa's point that Zambia had amassed unsustainable amounts of debt in public borrowing, which in turn had led to reduced government spending in the social sector, limiting the developmental impact of these loans. She argued that the large debt burden seemed to be partly due to inadequate laws that were insufficient to construct sustainable loan agreements or manage repayments.

After the change in government in 2011, there was ‘reckless’ public spending. High poverty rates, particularly in rural areas, and changing donor priorities had left borrowing and amassing debt as an easy way for governments to fulfil their promises. As a result, in 2021/22, debt service dominated economic affairs and increased from 40–45 per cent of the national budget in Zambia between 2021 and 2022.

The key challenges in Zambia’s debt crisis are: limited legal policy frameworks; line ministries not having fiscal discipline; watchdog institutions that cannot scrutinize the government’s debt accumulation; and think-tanks and other knowledge-sharing institutions not being listened to. The civil society organization (CSO) debt alliance aims to provide support for debt restructuring and find solutions for Zambia’s poor debt management. She urged the government to make public disclosure a semi-annual activity to enable consistent tracking and a debt sustainability assessment that is specific to the Zambian context. The Zambian government can build credibility and trust through debt transparency and using data proactively.

Mark Bohlund, a senior credit research analyst at REDD Intelligence, spoke in more detail about lending and repayment frameworks in Africa. He claimed that there is a boom-and-bust cycle of aggressive investment in Africa, but at the same time a lot of projects that were invested in have faced problems. He argued that while Chad may be able to service their debt because of the rise in oil revenue in light of the Russia–Ukraine conflict, in Ethiopia, sustained debt servicing has led to exceptionally low foreign exchange reserves.

He then described the G20 Common Framework as an extension of the Paris Club’s principles and framework for debt restructuring, now including China. This is particularly relevant for Zambia as a lot of the bilateral debt that is to be restructured is from China, but the G20 Common Framework will take around 8–9 years to restructure debt. In support of the Common Framework, the IMF has come up with four proposals: establishing a clear timeline, suspending repayments during negotiations, assessing ‘the comparability of treatment’ processes and parameters, and expanding the Common Framework’s eligibility requirements.

In the Q&A session, an audience member asked whether Zambia’s new perceived alliance with the West will help in shifting their debt. Dr Sishuwa responded that the new government may not be abandoning China but are seen to be aligned with the West for the purposes of securing an IMF deal. Securing an IMF deal would be positive for creditors, showing that the government are making efforts to restructure their debt and build trust in the Zambian capital market. But on the other hand, the importance of maintaining positive relations with China and restructuring the debt cannot be understated.

It was also asked whether the panellists had looked into VAT refunds owed to the mining sector and whether that has any impact on countries’ debt profiles. Mark Bohlund replied that the mining sector is a key factor for the strong financial outflows and has positively contributed to the increase in exports.

However, the relationship between the government and the mining sector remains strained with issues around royalty rights. Ultimately, he does not believe that the mining boom will solve the debt servicing crisis.

Finally, a member of the audience posed to the panel a quote from the late Shinzo Abe, highlighting that the lending practices of some countries are predatory and that development support should not put a burden on countries. Claudia Pollen responded that the morality of debt must also be discussed and argued that some of the debt owed by Zambia is immoral. Debt servicing often restrains the abilities of governments to provide the critical social services that they were loaned the money for, and so debt cancellation as well as restructuring should be considered. Dr Sishuwa followed by arguing that debt distorts international relations by trapping countries into spheres of influence, and so a diversity of lenders can lead to better financial options.