

## Zambia

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Zambia became increasingly authoritarian under Patriotic Front (PF) President Edgar Lungu, who had been elected in a tightly contested presidential election in 2016. The runner-up, the United Party for National Development (UPND), engaged in a series of actions to challenge the validity of the results. The UPND saw 48 of its legislators suspended for boycotting Lungu's state of the nation address and its leader, Hakainde Hichilema, was arrested on charges of treason after his motorcade allegedly blocked Lungu's convoy. Independent media and civil society organisations were under pressure. A state of emergency was declared after several arson attacks. Lungu announced his intention to run in the 2021 elections and warned judges that blocking this would plunge the country into chaos. The economy performed better, underpinned by global economic recovery and higher demand for copper, the country's key export. Stronger performance in the agricultural and mining sectors and higher electricity generation also contributed to the recovery. The Zambian kwacha stabilised against the dollar and inflation stood within the target. The cost of living increased. The country's high risk of debt distress led the IMF to put off a \$ 1.3 bn loan deal. China continued to play a pivotal role in Zambia's economic development trajectory. New bilateral cooperation agreements were signed with Southern African countries.

### Domestic Politics

The controversial results of the August 2016 *presidential elections* heightened political tensions for most of the year. Hakainde Hichilema, the UPND presidential candidate since 2006, saw the PF incumbent Lungu win the election by a narrow margin and subsequently contested the results, alleging that the vote was rigged. The initial petition to the Constitutional Court was rejected because the 14-day petition period expired before lawyers could begin their arguments. The UPND subsequently appealed to the High Court and stated that the party would not recognise the legitimacy of Lungu's victory until its electoral petition against the results was heard in court. For his part, Lungu accused his rivals of trying to overturn the election results.

On 17 March, President Lungu delivered the *state of the nation address* to the National Assembly. He declared Zambia to be a Christian nation and highlighted values of national unity, peace and sovereignty and the roles that each and every individual should play to safeguard national values and principles. Patriotism, namely the defence of Zambian economic interests (particularly regarding the exploration of natural resources), was also strongly emphasised. The UPND legislators boycotted the event on the grounds that they could not listen to someone whose election was the subject of a petition in the High Court. This was the second time they had boycotted parliament, the first being on 30 September 2016 at the official opening of National Parliament. On that occasion, their actions were referred to the Committee on Privileges, Absences and Support Services, which subsequently asked the speaker to reprimand them. This time, the committee decided to suspend the 48 UPND legislators who boycotted the address for 30 days. National Assembly Speaker Patrick Matibini found them guilty of breaking parliamentary rules and challenged them to resign on moral grounds if they did not recognise that there was a legitimately elected government. The *suspension of UPND*

*legislators* triggered further polarisation, and many considered the decision unlawful and undemocratic. In fact, most of the parliamentarians who were suspended (46 of the 48) challenged the speaker's decision in the Lusaka High Court and asked for a judicial review.

In April, Hakainde Hichilema and five of his collaborators were arrested on *charges of treason* for disobeying police orders to give way to the presidential motorcade in what was seen as an attempt to put the life of the president in danger. Critical remarks on Hichilema's detention came from all quarters of civil society, including religious leaders and international organisations. Deprose Muchena, AI's regional director for Southern Africa, publicly criticised the detention of Hichilema and his followers, describing them as victims of a "cynical ploy to silence all political opposition".

Throughout the detention period, the Zambian authorities put considerable pressure on Hichilema's supporters. This included *obstructing attendance at his trial*; Mmusi Maimane, the leader of South Africa's main opposition party, the Democratic Alliance, was prohibited from entering the country to attend. When interviewed on this issue, Maimane stated that he simply wanted "to stand side-by-side with someone who has been fighting for the rule of law" and referred to the charges as "an affront to democracy across the region" that was clearly politically motivated. The Lusaka High Court also barred international media outlets from covering the trial by withdrawing their accreditations. Hichilema was eventually released in August amid speculation that the charges against him and his collaborators had been dropped after a deal was negotiated by the Commonwealth.

On 5 July, after a series of arson attacks, President Lungu declared in a nationally televised address that he had decided "to invoke article 31 [leading] to a *state of public emergency*". He cited several fires, including one that had burnt down the main market in the capital Lusaka, and described them as "premeditated acts which if left unchecked could have serious consequences". Lungu also alleged that supporters of the UPND were behind the attacks. The National Assembly approved the emergency powers on 11 July and extended the state of emergency for a period of 90 days. Under the emergency declaration, police could prohibit public meetings, close roads, impose curfews and restrict movement. Opposition members of parliament (MPs) boycotted the vote by exiting the chamber, leaving only the 85 members of the president's majority party to pass the measure. Through its president, Linda Kasonde, the Law Association of Zambia (LAZ) stated that the executive branch should have been reluctant to invoke Article 31, despite such power being given to the president under the Constitution, and that the state of public emergency could not extend beyond three months, as there was no power of extension under Article 31. The International Press Institute expressed concern over the imposition of emergency powers and comments made by the inspector general of police that some publications could be closed while the 90-day state of emergency was in place. Bishop Simon Chihana, president of the International Fellowship of Christian Churches, declared: "This is a clear sign of dictatorship – just because of a fire at a market and you declare a state of emergency?"

*Independent media and civil society organisations* were under pressure. There was an ongoing campaign to silence 'The Post' editor Fred M'membe, who faced legal charges for refusing to hand over houses, books and other property owned by 'The Post' after the closure of the newspaper in 2016. The 'Mast Newspaper' saw its printing press confiscated by the police on suspicion that it belonged to 'The Post'. LAZ's president, Linda Kasonde, came under attack when reports showed that she had previously worked for Hakainde Hichilema. Lewis Mwape, executive director of the Zambia Council for Social Development (ZCSD), and five other leaders of civil society organisations were

arrested and charged with standing against a corrupt tender process in which 42 fire tenders were acquired for \$ 1 m each. This was promptly condemned by many civil society organisation platforms and networks, including the African Monitor, the Africa Working Group, and the International Forum of National NGO Platforms.

*Opposition political parties'* activities were often undermined. In August, Savior Chishimba, leader of the United Progressive Party and a fierce critic of Lungu, was detained for allegedly defaming the president. Chishimba was released one week later. In October, UPND members were arrested in Luwingu for allegedly holding an indoor meeting without a police permit, which prompted criticism from civil society organisations such as the ZCSD. As in previous years, *floor crossing and infighting* continued to weaken opposition political parties, particularly the Multi-Party Democracy (MMD) and the Rainbow Party (RB). In the MMD, conflict over leadership resumed between the Nevers Mumba faction and the Felix Mutati faction. Mumba had been declared the legitimate party president by the court in 2016, following a lawsuit he filed against the Mutati faction, which elected the latter as party president. However, the party never came together to support one leader. As this continued to trigger infighting, most senior officials crossed over to either the UPND or the ruling PF. In the RB, over 500 members were reported to have joined the ruling PF, citing leadership failure by Wynter Kabimba. Kabimba was the PF's former minister of justice and secretary general, and he along with other senior PF members had founded the RB in 2014. The two main parties also suffered some internal turbulence. Former Copperbelt Minister Mwenya Musenge was expelled from the PF for disagreeing with President Lungu over Hakainde Hichilema's detention. He later formed the National Democratic Congress. Former UPND Bweengwa MP Highvie Hamududu officially launched a new political party called the Party for National Unity.

Zambia opened public discussions on whether to leave the ICC. This was in response to the AU Summit's adoption of an 'ICC withdrawal strategy'. An unprecedented 16 countries, including Zambia, submitted reservations on this decision. The consultation process was undertaken in March, in collaboration with some civil society organisations in 31 districts of Zambia, which were sampled for public sittings. The results from the sample of individual citizens indicated that 9.0% of individuals were of the view that Zambia should withdraw from the ICC, while 90.1% were against it. With regard to civil society organisations and institutions, 0.9% were of the view that Zambia should withdraw from the ICC while 98.2% were against.

Lungu announced that he would stand in the *next general* election, due in 2021. This raised controversy, as the Constitution states that a president can only serve for two five-year terms. His bid to run in the election was challenged in court by the opposition, who argued that he was serving his second and final term. Lungu had first been elected president in January 2015 after the death of Michael Sata and had been re-elected in 2016, but it remained unclear whether that would count as two terms under the law. In reaction to the criticism, Lungu warned the judges against blocking him from running, saying that a judicial intervention like the one in Kenya could plunge the country into chaos. Zambia's opposition legislators abandoned parliament to protest against Lungu and accused him of not respecting the separation of powers between the executive and the judiciary and of trying to intimidate the judges.

According to Freedom House ratings, Zambia was 'partly free' in terms of respect for political rights and civil liberties, 'partly free' in net freedom, and 'not free' in press freedom. Public satisfaction with *regime performance* had decreased, according to Afrobarometer surveys. Comparing the 2012 and 2017 surveys, the proportion of Zambians that evaluated the last election as free and fair fell from 78% to 60%,

satisfaction with democracy decreased from 78% to 49%, and the proportion of those who considered the country to be democratic dropped from 76% to 59%. The surveys also showed that “Zambians stand by their firm commitment to democratic ideals, reiterate solid support for institutional checks and balances, and strongly reject one-man rule.”

### **Foreign Policy**

*China* continued to be a strategic trade and investment partner. Zambia was currently China’s second-largest investment country in Africa, as China had invested heavily in modernising roads and other infrastructure. In March, President Lungu met with Tian Guoli, president of the Bank of China, and Yang Youming, the Chinese ambassador to Zambia, at State House and urged Chinese investors to partner with local private companies to foster economic growth in the country. The Bank of China would help finance the construction of 2,000 homes for Zambian military personnel, who faced a critical housing shortage. The K (kwacha) 1.5 bn (\$ 157 m) project would be financed by the Development Bank of Zambia with support from the Industrial and Commercial Bank of China. In June, Lungu met with Wang Yong, the Chinese state counsel in charge of China’s economy, and his delegation at State House. Wang Yong’s visit was aimed at strengthening economic investments. As result of this meeting, Zambia and China signed two economic and technical cooperation agreements worth RMB (yuan) 450 m for the expansion of the Levy Mwanawasa Hospital and the construction of an international conference centre in Lusaka to enable Zambia to host the AU summit in 2022.

Lungu’s international trips continued to raise controversy and criticism because of their cost, but they were justified by the government as being key for the country’s development strategy and economic recovery. Throughout the year, most of his overseas visits sought to boost mainly bilateral ties with *Southern African countries*. On 6-7 January, Lungu visited Ghana for the inauguration of President Nana Akufo-Addo. Between 27 and 31 January, he attended the 28th AU Heads of State meeting in Addis Ababa (Ethiopia), followed by a visit to Botswana (6-7 February), where Lungu joined Zimbabwean President Emmerson Mnangagwa and Botswana’s leader Seretse Khama Ian Khama to evaluate progress on the construction of the Kazungula Bridge, which would connect eight SADC countries. From 28 February to 5 March, he visited Israel, where he met with Prime Minister Benjamin Netanyahu to open the door for further cooperation, and he was in Swaziland on 17-19 March to attend the SADC summit.

On 17-18 May, Lungu attended the AU C10 Summit held in Malabo (Equatorial Guinea), and on 15 June he attended the inauguration ceremony of Lesotho’s President Tom Thabane. On 4-6 July, Minister of Agriculture Dora Siliya and Minister of Finance Felix Mutati visited Kenya to discuss agricultural trade. Kenya and Zambia eventually signed an agreement on trade in agricultural commodities that would allow Kenya’s private dealers to import maize and sugar on more convenient terms. In this new arrangement, the Zambian government removed 10% of the additional tax on maize exported to Kenya to enable a fast-track movement of the commodity.

In August, Lungu attended the inauguration of Rwandan President Paul Kagame and on 19-20 August he participated in the SADC summit in Pretoria (South Africa). In September, he attended the 72nd session of the UN General Assembly and the inauguration of Angola’s new President João Manuel Gonçalves Lourenço. On 18 October, he travelled to the Republic of the Congo to attend the Great Lakes Region Summit. By the end of the year, Lungu had also visited Egypt (14 November), Zimbabwe

for President Emmerson Mnangagwa's inauguration (24 November), and Kenya for President Uhuru Kenyatta's inauguration (28 November).

This was also a year in which several leaders paid *visits to Zambia*. On 19 June, Rwandan President Paul Kagame arrived in Lusaka for a state visit aiming at fostering a closer partnership and more cooperation, particularly with regard to imports and exports. Trade between the two countries was on an upward trend, with imports from Zambia growing from \$ 2.8 m in 2015 to \$ 11.6 m in 2016. As one of the means to promote interaction between the citizens of the two countries, flights by the national carrier RwandAir were increased to seven a week. The two heads of state witnessed the signing of three bilateral agreements: an air services agreement, a MoU on defence and security cooperation, and an extradition treaty between the two nations.

South African President Jacob Zuma came as a guest of honour to officially open the 91st Agricultural and Commercial Show, held from 2 to 7 August. The show was organised under the theme 'The Promotion of a Green Economy'. Two months later, he visited Zambia again to officially open the Oliver Reginald Tambo National Heritage site in Lusaka as part of a celebration of Tambo's legacy and the centenary year of the struggle. The visit was also expected to strengthen bilateral ties between the two Southern African countries, which share a long history of friendship. They shared economic ties that amount to at least R (rand) 30 bn and Zambia was among South Africa's top trading partners in the region. The two countries had signed 21 agreements and MoUs over previous years, including cooperation in the field of agriculture, which enabled them to share agricultural development experiences, capacity building and skills development programmes (among other areas of cooperation).

## **Socioeconomic Developments**

Zambia experienced *economic growth* of 3.8% to 4%, up from 3.6% in 2016, underpinned by improved global conditions for growth and the easing of domestic constraints. The strong global demand for commodities, particularly from China, contributed to supporting the recovery of metal process prices, particularly copper, which accounted for 77% of Zambia's exports. Having declined between the first and third quarters of 2016, *exports* grew by 14% between the fourth quarter of 2016 and the third quarter of 2017, driven by increased copper prices. *Imports* also increased by 4% between the fourth quarter of 2016 and third quarter of 2017. This was driven by consumer goods (13% growth), raw materials (24%), and intermediate goods (85%). The kwacha was more stable than in 2016. It strengthened by 10.3% between January and the end of July. However, between August and November, the local currency came under renewed pressure and depreciated by 11.9%. *Inflation* stood within the Bank of Zambia's (BoZ's) medium-term target range of 6-8%. Internally, stronger performance from the agricultural sector, higher levels of electricity generation, and higher mining outputs helped economic growth. The mining industry performed better and was expected to grow by a yearly average of 5.5% between 2017 and 2021, which contrasted positively with the average decline of 5.4% experienced between 2012 and 2016. Maize production reached a record high of 3.7 m tonnes, up 27% from 2016, and electricity production increased from 3 m MW in the fourth quarter of 2016 to 3.69 m MW in the third quarter of 2017, according to Lungu's address to the nation on occasion of the New Year.

However, the year was distressing for many households. According to the Jesuit Centre for Theological Reflection (JCTR) 'basic needs basket', the national monthly average *cost of living* increased from K 3,471 in 2016 to K 3,511. Government policy

measures such as the removal of fuel and electricity subsidies, which resulted in subsequent tariff hikes, were major factors. People's ability to afford the high cost of living was also compromised by on-going high unemployment rates (particularly among youth) and few economic opportunities. In addition, the JCTR's 'basic needs basket' identified increases in prices of kapenta, fish, mealie meal and charcoal as major contributing factors.

In October, Minister of Labour and Social Security Joyce Simukoko stated that the government would soon make an upward adjustment to the *minimum wage* in its efforts to improve conditions of service for workers countrywide. The minimum wage had not been revised since 2012.

*Fiscal imbalances* and the accumulation of *debt* continued to present a challenge to the ability of monetary policy to achieve its objectives, according to the BoZ. Debt sustainability was at the core of Zambia's discussions with the IMF over a \$ 1.3 bn loan and economic programme. Finance Minister Felix Mutati stated that the government had submitted a proposal in May and was waiting for the IMF board to meet in August to make a decision on whether to bail out the country.

In June, the government launched as new *economic blueprints* the Economic Stabilization and Growth Program (ESGP) and the Seventh National Development Plan (7NDP) for 2017-21. The ESGP aimed at restoring macroeconomic stability and creating conditions for sustained growth, with a heavy emphasis on public financial management: enhancing resource mobilisation, refocusing public spending on core public sector mandates, scaling up social protection programmes, strengthening accountability and transparency in the use of public resources, and restoring budget credibility were its key points. The 7NDP offered a broad parameter for the government's development agenda. It had five pillars, namely: (i) economic diversification and job creation, (ii) poverty and vulnerability reduction, (iii) reducing development inequalities, (iv) enhancing human development, and (v) creating a conducive governance environment for a diversified and inclusive economy.

In September, an IMF Debt Sustainability Analysis assessed Zambia to be at high risk of *debt distress*, indicating that there were heightened vulnerabilities associated with public debt. The current value of public and publicly guaranteed external debt as a share of GDP was 34.5%. Though this value was lower than in 2016 (37%), it was expected to increase dramatically in the coming years and to reach 44.3% in 2021. In December, the *IMF* clearly stated for the first time that much of the anticipated \$ 1.3 bn loan deal with the Zambian government had been postponed. IMF Communications Director Gerry Rice confirmed that negotiations were on hold due to extensive borrowing by the PF government.

The government announced that Zambia was set to re-launch an airline carrier in partnership with Ethiopian Airlines. The long-awaited national airline would operate as *Zambia Airways 2014 Ltd*, as a successor to the defunct Zambia Airways, liquidated in 1994. Since then, Zambia had had no national airline. According to Transport Minister Brian Mushimba, the government would be the majority shareholder in the partnership.