RURAL DEVELOPMENT THROUGH AGRICULTURE:

A HISTORY OF MUNUNSHI BANANA SCHEME 1967 TO 2010

BY

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DECLARATION

I, Charles Kakulwa, declare that this dissertation:

(a) Represents my own work;

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ABSTRACT

This study attempted to reconstruct the history of Mununshi Banana Scheme (MBS) with a view of analysing problems that contributed to the failure of **Rural Development through Agricultural Projects in Zambia.** The study pinpointed the importance of agriculture in rural development. It demonstrated the essence and the origin of inequities of rural development in Zambia by analysing some early major economic developments in Luapula Province. It reflected on colonial legacy in particular agricultural sector's geo-political, economic and administrative position in determination of rural development policy. Post independence rural development was examined through the development of MBS under both government directed and liberalised economies. The study highlighted economic, political and social challenges that rural agro-industries like MBS faced by looking at the scheme's origin, economic history, pattern of organisation, intended outcomes and the end results of the scheme.

The study concluded that Luapula Province was economically marginalised during the colonial period. Government agricultural schemes after independence could hardly stand on their own because they were tailored to valued provision of their products to urban areas than addressing the real need of rural poverty alleviation. Local people derived some socio-economic benefits from the post independence rural agricultural projects like MBS though they were not sustained. The study demonstrated that rural agricultural schemes failed to bring meaningful and sustainable development because of poor economic status of the nation at that time and political interference in their management system. The concentration of human and financial resources on few projects like MBS sidelined the real needs of rural development because they served a small number of people and they could not give sustainable development to rural areas.

DEDICATION

To my late father, Julius Kakulwa Chabu.

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Abbreviations

AFC........................Agricultural Finance Company.

AFE........................African Farm Equipment.

AFIS........................African Farm Improvement Scheme.

BSAC......................British South Africa Company.

CGC........................Colwyn Group of Companies.

CP...........................Corporate Planning.

DRC........................Democratic Republic of Congo.

EEC.........................European Economic Community.

FAO........................Food and Agriculture Organisation.

FNDP......................First National Development Plan.

GRZ........................Government of the Republic of Zambia.

KTE........................Kawambwa Tea Estate.

KTC........................Kawambwa Tea Company.

MBE.......................Mununshi Banana Estate.

MBS........................Mununshi Banana Scheme.

NSE.........................Nakambala Sugar Estate.

N.A.Z......................National Archives of Zambia.

NRG........................Northern Rhodesia Government.

RDC....................... Rural Development Corporation.

RSTCC................... Roan Selection Trust Copper Company.

NERP......................New Economic Recovery Programme.

ZAD........................Zambia Agriculture Development.

ZIMCO....................Zambia Industrial and Mining Co-oporation.

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CHAPTER ONE

1.0 INTRODUCTION AND HISTORICAL BACKGROUND

Mununshi Banana Scheme (MBS) is a large farm in Mwense District of Luapula Province that was launched by the Zambian Government in 1967 under the First National Development Plan (FNDP) (1966-1970). It is 50 kilometres north of Mwense Township and 100kilomestres away from Kawambwa Tea Estate now Kawambwa Tea Company (KTC) in the northern part of Kawambwa district. The MBS is adjacent to Kaombe lagoon which flows into the Luapula River, thus the entire scheme lies within the Luapula Valley. The extent of the scheme is 406 hectares with class one soil type, suitable for irrigation. The soil has a high percentage of clay with PH of 4.5, deep, well drained and fertile.[1] The scheme started as a banana grower but later maize and Irish potatoes were also introduced. The produce was meant to be supplied to both local and distant markets and in turn provide direct and indirect employment to the local people.

The culture of growing bananas along the Luapula Valley was not introduced by the launching of the scheme or by any developmental project during the colonial period. The local people cultivated banana plants traditionally a few metres away from river banks, and some were grown on soils surrounding their villages. Following the development of fishing industry women and children have been using bananas together with other local trading commodities such as sweet beer (*munkoyo*), fritters (*ifitumbuwa*), cassava meal, roasted peanuts and firewood to barter for fish or sell them for money.[2] However, like in other rural parts of Zambia, the two colonial administrations, that of the British South Africa Company (BSAC) and the Northern Rhodesia Government (NRG) did not seriously think of tapping the local agricultural potential in line with the then emerging cash economy. This brought about inequalities in terms of socio-economic development between the urban and rural areas of pre-independence Zambia.

The post colonial government hoped the past neglect of rural areas' development and Luapula Province in particular could be corrected by boosting rural agricultural activities through state funded projects. Thus, the launching of Mununshi Banana Estate (MBS) grew out of substantial interest and quest by the post independence government to mitigate the effect of the lopsided economy which it inherited from the colonial government.[3] MBS was among agricultural projects designed to boost development through agricultural production in the First National Development Plan (FNDP) (1966-1970) in rural parts of the country. The other projects were: Mungwi Management Scheme; Chombwa Production Scheme; Lizimpi Farm Production Unit; Mpinga Production Scheme; Mangango Production Scheme; Kapara Burley Tobacco Scheme; Popota Virginia Tobacco Scheme; Serenje Turkish Tobacco Scheme; and Ngoli Coffee Scheme.[4] These projects were developed within the FNDP framework covering the period 1966 to 1970.

Two of the FNDP framework main objectives were: to diversify the economy so that the copper industry was not the main foreign exchange earner in the economy by ensuring that greater proportion of domestic demand was satisfied by domestic production from a large industrial base; and to minimize the inherited economic imbalance between the urban and rural sectors with a view to raising the capacity of the latter sector for transforming resources into social and economic growth.[5] To achieve the above objectives the FNDP regarded agriculture's role in the national development as essential basing on the following four factors: to aid in diversifying the economy away from copper; to increase personal incomes and employment especially in rural areas; to decrease the dependence on imports; and to increase purchasing power in the rural areas and thus provide an expanded market for the industrial sector.[6]

Due to this critical recognition of the agricultural sector's position in national development, its budgetary allocation was increased from K19 million in the Transitional Development Plan

(1963-1966) to K47, 214,000 million in the FNDP (1966-1970) excluding Government recurrent charges which was also allocated K18,624,000 million. Agricultural projects implementation in Luapula province were allocated K4, 058, 000 million from which the MBS estimated cash capital was drawn from.[7]

MBS was officially opened by the then Republican President, Kenneth D. Kaunda who was flanked by the then Vice Republican President, Simon M. Kapwepwe in August, 1967. The scheme was placed under the management of the Extension Services of the Ministry of Agriculture and later under the Project Division of the Ministry of Rural Development. In 1974 the scheme management was transferred to the now defunct Rural Development Corporation (RDC). This change was meant to transform MBS into a business venture through the Zambia Agriculture Development (ZAD).[8] In April, 1982 there was an internal change whereby the Kawambwa Tea Company (KTC) was charged with the responsibility to manage MBE within RDC regulations. Later in 1984 the scheme became a subsidiary of Zambia Industrial and Mining Co-operation (ZIMCO) but continued to be managed by KTC which was also a subsidiary of the same corporation. When ZIMCO was dissolved in 1993, MBS still remained under the KTC management. In 1996 it was among parastatal institutions, ventures, factories and companies that were privatised. The scheme was bought by Colwyn Group of Companies through the Privatisation Programme.[9] Although the estate's production has tremendously declined, its effect through the out grower schemes has continued to be noticed in Mwense District especially around Fisaka and Mubende areas.

1.1 Banana Plantations and use in Luapula Province

Luapula Province has good soil and ideal climate for banana production especially along the valley. The first source of banana plants in Luapula province is not clearly known. The available records only show that as early as 1920 bananas were locally grown in Luapula Valley. [10] Thom Ignitius a Black American Missionary of the Christian Mission in Many Lands (CMML) who set up a mission station at Mubende in 1921 is said to have collected local varieties and made a plantation at Loto in Chief Lubunda's area in Mwense district. Ignitius became a pioneer in farming in Luapula province and carried out orientations in general farming for local Africans. Through these activities Ignitius was leased Mubende area under Stewarts Trust Company that engaged itself into farming activities such as fruit farming and ranching. Stewarts Trust Company also did some mining but was not as successful as it was in farming. A good number of people from different places were recruited on a monthly basis to go and learn how to manage orchards. This is proven by areas such as Kalundu, Kaleba near Mambilima mission, and Chipunka near Mununshi, Sesa Chindoloma, and Lubunda where banana and citrus plant orchards which trace their origins from Mubende are still grown by the indigenous Zambians.[11]

Though the BSAC Agriculture department had set up Chilanga Experimental Gardens by 1920 with two plots planted with the Lady's Finger and Natal banana varieties[12] there was no programme to propagate these varieties in Luapula Province. The new varieties which appeared earlier in the province were the Dwarf and the Giant Cavindish under Ignitius banana propagation programme. Having completed the construction of a 3.5kms irrigation furrow in 1932 at Mubende which still exists today, Ignitius brought Dwarf and Giant Cavindish banana plantlets germinated under tissue culture process to Mubende. These plantlets came from Bermuda in America where Ignitius had come from. They were distributed to all indigenous African households in Mubende as it was his regulation that people who wished to settle around Mubende were to practice farming seriously. The other banana plantlets were distributed along the valley. Villages along the Luapula Valley such as Shichibangu, Lubunda, Musangu and

Chilengwe benefited from this project. At these villages demonstration orchards were set up through the people who had shown interest in fruit farming. Ignitius also introduced ranching project which aimed at introducing cattle farming in the Luapula Valley where grass and water were in abundant for the domesticated animals than on the edge of the plateau of Mubende area where he had settled. Musangu village was the first and the only village to benefit from the ranching project which was cut short by the death of Ignitius,[13] At the time of the research some herd of cattle which had roots from Ignitius' ranching project and owned mainly by the Kabalashi family of Musangu Village were still in existence.

Up to the time of Ignitius' death in 1948 the Northern Rhodesia Government had not shown interest in tapping this potential. The colonial government only came to consider agricultural development in the southern part of the valley in 1951. The agricultural development was necessitated by food shortages that loomed the area which was as a result of the development of the fishing industry in the northern part of the valley. The development of the fishing industry had serious consequences for the southern part of Luapula valley. By 1960 most of the people had migrated to the north on the Lake Mweru shores following the development of the fish trade leaving areas in the south almost empty and devastated in terms of food production and food security. The situation was made worse when there were disturbances in the Belgian Congo in 1959 which got worse in 1960. The political disturbances in the Belgian Congo affected the economic environment of the Luapula valley which largely depended on the Greek fishing industry and market of that country. The southern part of the valley which had been the most flourishing area was now in a state of a "depressed" area. A general dealer from Mwansabombwe (Kazembe village) in the Annual General Meeting of the African Businessmen Co-operative Credit Association (1960) referred to this scenario as a serious economic depression. The general dealer wondered how traders could be expected to repay loans when practically all trading activities were at a standstill and most of them had only a lot of Congolese *francs* left on their hands.[14] This unhealthy economic environment compelled the Northern Rhodesia Government to transfer the lease of Mubende from Stewarts Trust Company to the Agricultural Department in 1951 for the purpose of agricultural experiments aimed at food production multiplicity.[15]

In 1951 a Banana Scheme was proposed and a nursery for the purpose of suckers' distribution in line with Stewarts Trust Company's earlier programme was set up at Mubende with a working capital of £100 annually. Local farmers under the Banana Scheme were required to form groups and have a group banana plantation that was to benefit from the scheme supply of banana suckers and farm implements. A good number of other projects were carried out at Mubende such as palm oil and citrus fruits experimental fields. By the late 1951 *Duras* and *Tenera* oil palms trees from Nigeria were planted in experimental fields of Mubende and Mulwe and had shown progress by 1958 in terms of plant growth.[16] The banana scheme did not succeed as planned because of the resistance from the peasant farmers who never welcomed the conditions that were attached to the membership of the scheme such as individual annual rentals. The peasant farmers refused the condition of being charged an individual annual rental for the use of inputs and farm implements but preferred group annual rental. This was so because input and farm implement supply from government was based on peasant groups. Furthermore members of the scheme felt that the scheme management charged them too much in comparison with the inputs and farm implements that were supplied to them by the scheme management. The levy was to be paid after each harvest in form of produce through the Bangweulu Co-operative which offered low producer prices compared with what the Congo and Fish Trading Centres open markets were offering. This scared away not only banana growers but also cassava, beans and groundnuts peasant farmers.[17]

Nevertheless the banana project managed to distribute suckers to people through Mubende-Lubunda and later Kawambwa nurseries distribution and propagation programmes. From 1959 the Mubende-Lubunda project started collecting local varieties such as *Kalomeni, Chikoloshi* formerly grown at Chiposa under Ignitius' programme, *Malindi, Lukonge, Chuluba, Mukonowantembo,* Cavindish and four plants from Misamfu. It was during this time that the Lady's Finger and Large Natal banana plants became common in the province especially in Chief Mushota's area, in Kawambwa District.[18] Propagation of bananas continued after independence in the province. This time nurseries were extended to Mansa district. The policy of the Ministry of Agriculture was to encourage farmers to grow more bananas using suitable varieties like Dwarf and Giant Cavindish and new production techniques in banana plantations. A good number of farmers had been following recommended spacing, correct application of fertilizers and good pruning.[19]

The use of banana plants and fruits has never been widely explored by the Luapula people. Apart from eating bananas when they are ripe few people in Luapula Province have other uses for the plants and fruits. According to Kapula a peasant farmer in Lubunda village, green bananas only come of importance when there is a food shortfall. They are cooked as *Matokili* (boiled unripe bananas), which is not favoured by the people in Luapula province.[20] The tree that produces the banana fruit contains a certain amount of fibre which might possibly be utilised in the production of paper and twine. However, up to the present time this has never been developed in any form neither by the local community nor by the government.

Although not at a very high commercial level traditionally bananas in Luapula Province were mostly grown for the markets. Home consumption levels were not high for the fruit. By 1951 the province estimated banana production to be at 250 tonnes a year for the market. The biggest markets were the Northern Rhodesia mines which procured them for workers. However, there was a problem of the quality of bananas by the time they reached the clients. The poor quality at the market was caused by bruises incurred by the fruits during the transportation process. An attempt was made to attend to this by transporting the consignments in baskets to reduce bruises of the fruits.[21]

The other prominent markets were the fish trading areas along the Luapula River and on the shores of Lake Mweru and, across the Luapula river at Kasenga in the Congo to Asians and Greek traders. According to Muyembe the Asians and the Greek traders ferried the fruits to Katanga Copper mines markets or would sell them at Kasenga market to both local people and fish traders there.[22] The colonial banana market centres along the Luapula Valley have continued to perform the same role to date. Prominent banana traders for Lubunda and Chilengwe farmers are those supplying the Copperbelt and DRC mine markets. Its against this background that the post independence government decided to develop the rural economic potentials by setting up agricultural projects using state funds.

However, Government directed rural development through agricultural schemes had been a failure in Zambia. Initially schemes performed well but could not prosper a few years later, most of them folded up and those which survived only did so through government subsidies. The intended goals by the government were not achieved to any significant level. It is in this regard that the study endeavoured to find out the reasons that inhibited rural development through agricultural projects by the reconstruction of the history of Mununshi Banana Scheme. Thus, the study was anchored on the following objectives: to reconstruct the history of the Mununshi Banana Scheme to 2010, and assess its economic and social impact on the people of Luapula Valley and surrounding areas; to investigate and assess the economic and social significance of banana production in the Luapula Valley, before and after the launch of the Mununshi Banana Scheme; to assess the impact of Mununshi Banana Scheme on rural-urban drift; and to investigate the factors responsible for the collapse of the Mununshi Banana Scheme.

1.2 Rationale

The Mununshi Banana Scheme was chosen as the area of study because no specific study so far has been conducted on this scheme. The scheme also possesses many of the attributes of the post independence rural agricultural projects in Zambia that had shown potential economic growth in their early stage in the early 1970s but turned to be moribund economic ventures in the late 1980s and early 1990s. In addition Luapula Province where the scheme was set up acts as an epitome of a rural Zambian region that was in dire need of both economic and social development at the time of independence that could only be achieved through agricultural investment programmes.

This study is a contribution to the existing literature on **Rural Development through Agriculture**; and consequently fills the gap that existed in both written and oral sources about them. The study is unique in the sense that it hinges on the once viable and expensive venture of a rural province of Zambia whose records and history could be beneficial to Rural Economic Development Programmes in Zambia. Its therefore hoped that, the study will encourage scholars to engage their scholarly abilities into further research on the subject.

1.3 Literature Review

The role of the agricultural sector in socio-economic development of any country has been emphasised by a good number of scholars like Eicher and Witt[23] edited work, and Meir.[24] Both Eicher and Meir noted that there had never been a circumstance where major countries had successful development without a rise in agricultural production preceding or accompanying industrial and commercial developments. Meir went further by analysing and categorising the role of agricultural production in the development of an economy especially that of less developed countries like Zambia, in supplying food stuff and new materials to other expanding sectors in the economy; providing investable surplus of savings and taxes which support investment in various expanding sectors; providing marketable surplus thereby enhancing the demand of the rural population for the products of the expanding sector of the economy; and that, agricultural production earns foreign exchange through exports.[25] The works of Meir and Eicher were crucial to our study in that they provided us with salient points that were behind the establishment of agricultural schemes or estates in Zambia such as MBS.

Crawford discussed how a more dynamic and inclusive agriculture dramatically reduced rural poverty. He noted agriculture as a paramount sector in poverty reduction because most of the poor are engaged in it, thus, it can easily transform them.[26] Crawford further highlighted the potential contribution of agricultural and food marketing towards attempts to improve rural incomes in developing countries. He observed that inequality of incomes between the rural and the urban areas drew people away from rural agricultural production to search for work in towns. He pointed out that as more people left the rural areas for urban work that paid better than rural agricultural production it created urban unemployment because urban industries could not employ all the migrant job seekers a situation that contributed to the rise of social vices such as crime that called for government intervention. Thus governments took leading roles in improving rural agricultural production and distribution in order to keep away rural dwellers from migrating to towns. He concluded that the process contributed to economic distortion due to heavy subsidies and capital investments that never generated profits to retain people in rural areas. These sources were beneficial to our study in that they showed the relationship between agriculture and poverty reduction, one of the reason the MBS was set up in a rural area. They also shaded more light on the transition the MBS went through in the process of trying to make it a viable sector of rural development thereby helping us appreciate Zambia's post independence government decision to participate in agricultural production and distribution.

Clark and Haswell, [27] and Hoselitz, [28] justified the role of agriculture in economic development. They argued that until when agricultural productions considerably exceeded the required standards of consumption of the rural population, urban and industrial population did not grow in a desirable development because many people had inadequate food to feed on. The outcomes of this were high food prices and diseases caused by lack of adequate food. Hoselitz added that relative stagnation and poor living standards experienced by the mass of people in less developed countries emanated from rural trends which abhor change whose remedy lay in overcoming traditional system barriers, and replacing them with modern rational relationships. He observed that overcoming traditional barriers facilitated free flow and diffusion of new ideas and technical knowledge from the developed areas. These works were important to our study in that they helped us to critically assess how rural agricultural production affected urban development and, how the traditional and cultural trends of the people might have affected the operation of MBS.

Baldwin noted the failure of the agricultural project to have been caused by the lack of appreciation in the initial planning stages of factors such as, fundamental data on soil, suitable crop, and needs of the people in the area it was set in. Commenting on the constraints that inhibit rural based agricultural development, Baldwin analysed the socio-economic problems of the Mokwa Agricultural Settlement Scheme in Nigeria. He stipulated that the project was opened in 1949 and closed down in 1954 due to inadequate and non critical planning. [29] The work of Baldwin was significant to our study because it accounted for some of the pertinent issues which the Zambian Government might have over looked that consequently contributed to the failure of government directed rural agricultural projects like MBE.

Magagula analysed rural development through agriculture and blamed the planners for failures of rural development projects. He pointed out that rural development strategy should not be based only on agricultural development but on the improvement of the quality of rural life and on the increased incorporation of non-farm enterprises in the rural areas.[30] Magagula further argued that unless non-farm enterprises were improved there could be no generation of capital nor evolution of the community atmosphere and reduced migration of young people to the urban areas. He observed that the majority of the people in the rural areas tilled the soil because of lack of economic alternatives for subsistence.[31] Magagula's work was cardinal to our study in that it enabled us understand that rural development goes well beyond agricultural development. It also helped us to investigate other sectors of rural areas that facilitated the growth of rural and agricultural development and consequently sustained agricultural rural schemes like MBS.

Chambers stipulated salient aspects of the relevant physical, human and government background of agricultural schemes in tropical British Africa after assessing the emergencies and the objectives of these schemes in both the colonial and post colonial periods. He concluded that though agricultural schemes were vital for rural development, most of them were meant to gain political mileage for ruling political parties than achieving real development.[32] This work was imperative to our study because it attempted to show the role of politics in derailing rural development by ruling parties setting up projects that would have been of no much interest to the areas and communities they were set in.

Broadly speaking, before and after independence Zambia tried to use rural agricultural projects in order to build a sustainable national economy but with very limited successes. Several scholars have written on the role of agriculture and rural agricultural schemes or estates in the process of building Zambia's national economy. Like in other countries there are divergent views on agricultural rural schemes' successes or failures as demonstrated below.

John A. Hellen attempted a regional analysis of the basis of development in the rural areas of colonial Zambia particularly those which were inhabited by the indigenous Africans. He noted that these rural areas covered a diversity of lands designated as native reserves, native trust land and forest reserve and the multi-million pound investment in the copper mines tended to crowd out these tribal areas whether on an economic key-point or a political key-stone of the country. Hellen added that this artificial dualism of society and land had persisted as much in literature as it did in fact. Thus, he called for the adoption of the holistic view to stress the artificiality of that dualism because it was bent to serve the needs of a small alien community seeking political control or financial profit which in the long term caused geographical imbalance that gravely retarded the tribal areas.[33] Hellen's work was imperative to our study in that it highlighted a firm foundation for an expanding economy in Zambia whose growth could only be assured by extensive rural development leading to the general improvement in cash earning above the subsistence level by the majority of people in the rural areas where most of the people of the country lived, which was the focus of this study.

Examining the performance of the agricultural sector in the post colonial period basing on colonial legacy, Dodge Doris stated that it was disappointing in terms of achieving the objectives and goals set by the Zambian government. He observed that the failure was not surprising when one considered the magnitude of the problems which had had to be faced in the brief post-independence period caused by inherited colonial agricultural policies. Doris attributed the failure of early post-independence agricultural schemes to alien approach (adopting modern European agricultural practices) used to present the Africans with the opportunity of raising their agricultural income, and the government inability to utilize the existed sources structures in African rural society in an attempt to raise agricultural productivity.[34] Doris's work was an invaluable source of information to our study in that it immensely sharpened our understanding and analysis of the experiences of rural agricultural schemes in both colonial and post colonial Zambia.

Klaas Worldring indentified some principle factors that contributed to the failure of State Farm Projects in Zambia. He concluded that political and management problems contributed to the poor record of rural development in Zambia. Worldring further observed that despite abundant resources the country lacked political will, managerial and financial discipline to enhance rural development projects.[35] Similarly David Evans observed that despite the repeated pledges from the country's political leadership that agricultural was a priority to rural development, the process was slow and faltering.[36]

Bwalya noted the problem of rural development that frustrated an effort aimed at improving peasant participation in production and in the distribution of the benefits of their own products to be through various programmes implementation such as co-operatives and agricultural settlement schemes. He observed that the structures and operations of agricultural programmes in rural areas did not adequately fit in with the philosophy of peasant participation on which they were intended to be based. This was so because peasants were excluded from sharing not only in decision making, but also in the benefit of such programmes. He therefore called for urgent devolution of government institutions or agents to lower organs such as district councils, ward development and village productive committees in order to enhance peasants participation in rural agricultural projects.[37] The works of Worldring, Evans and Bwalya were pertinent to this study because they gave invaluable insightful analyses into the expected performance from government and the role which the local communities were expected to play in order to sustain the projects meant to develop their areas.

Jonathan H. Chileshe's work provided this study with valuable information in regard to major influencing factors in economic reforms such as the country's legal system in which parastatals like MBE operated. He showed how government officers' interferences were responsible for the failure of parastatal institutions. He added that, like other developing countries, Zambia had made agriculture central in economic transformation. To enhance this economic transformation government injected funds into rural agricultural projects through public corporations. According to Chileshe the government hoped that since public corporations were already established they were in a better position to help in bridging the income gap between the urban and the rural areas through their direct supervision of rural agricultural projects with a view of alleviating rising unemployment pressures caused by rural depopulation. However, he observed that the outcome had not been fruitful.[38] Chileshe's work provided us with the insights into the genesis of government decision to place the operations of rural agricultural projects such as MBE under RDC and ZIMCO.

Wood and Shula's edited work provided our study with the information on how agriculture policies in both colonial and independent Zambia were influenced by the copper economy. They stipulated that in the colonial period the state increasingly intervened in the agricultural sector in order to support European settlers and mining industry. Wood and Shula described post independence Zambian agricultural policies to have been socialist oriented. They stated that the post independence regime sought to provide equal opportunities to farmers whatever their location or their social economic status. In order to achieve this, there was increased state intervention in the agricultural sector. They argued that in practice agriculture was neglected in terms of investments while urban political pressures dominated over rural ones which led to a major deterioration in rural-urban terms of trade. They also noted the limitation of agricultural sector caused by environmental, logistical and economic constraints.[39] Wood and Shula's work also helped our study in highlighting policies that had an effect on the management and operation of MBS.

Chipo Munzabwa Simuchembu examined commercial farming and social change in Mkushi District from 1945 to 1975. He showed how the white ex-service men were resettled in the Mkushi Farm Block to grow tobacco and examined how the colonial government intervened in this project through capital injection in form of farm implements, markets and training.[40] This work was cardinal to our study in that it provided valuable information that led European based unlike African based government supported agricultural projects succeed in the colonial era, a situation which seems not to have repeated itself successfully in post independence Zambia despite government directed programmes which were meant to support the rural people.

Elliot and Roberts outlined the basic features of Zambia's economy and economic policy problems. They also attempted to analyse the history of economic planning in Zambia by examining the emergence of a strategic developmental plan in the years immediately after independence in 1964. They observed that the structural adaptation of the Zambian economy, its continuing reliance upon imports to meet the rapidly growing demand for food in the late 1960s, the unabated drift of labour from the rural areas to the towns, and the failure of the agricultural sector to generate its own investment finance all indicated both the serious problems that the process of agricultural modernisation was raising, and the high priority that was to be accorded their solution. [41] The work of Elliot and Roberts was essential to our study as it brought up the enormous constraints in the Zambian agricultural sector which have been taken into account in this study.

Stephen C. Lombard examined the emergence of productive agricultural cooperatives and their role in rural development in colonial and post colonial Zambia. Lombard explicitly showed how both colonial and post independence governments played a role in the management of agricultural productive cooperatives in the process of developing rural areas.[42] Samuel N. Chipungu examined the role politics and government played in agriculture policies. Chipungu focused on farming technological changes, from a hoe cultivation to ox-plough and tractors that enhanced food production in Southern province.[43] These works were important to our study for they demonstrated the role of the state in the management of agricultural development programmes. They also helped the study in assessing reasons and circumstances that enabled rural agricultural developmental programmes to succeed or fail.

Robert Klepper analysed the Zambia agricultural structure and performance of the first fifteen years after independence. Klepper identified the root cause of underdevelopment of rural areas in Zambia to be the imbalanced colonial strategic developmental programmes which did not favour rural areas. According to Klepper colonial developmental programmes in Zambia lacked formal training programmes for African farmers or agriculturists and agricultural markets. He noted that the underdeveloped rural areas of Zambia suffered shortages of labour, they had virtually no fixed or working capital for agriculture, and agricultural technology and skills were limited to traditional subsistence methods. Klepper further noted that the continued dominance of the mining economy was the fundamental barrier to agricultural development in the post-colonial period. He argued that until Zambia broke the grip of mining on its economy, progress in rural development especially through agriculture was likely to be slow, uncertain and uneven.[44] Klepper's work was significant to our study in that it enabled us examine policies that the Zambian government applied that favoured urban areas and mining in particular rather than rural agriculture.

Bonnard Luckson Mwape examined agriculture policy and performance between 1960 and 1990. He identified the major constraints on the agriculture policy, planning and implementation; and suggested essential ingredients for a successful agricultural policy and performance which can enhance rural development.[45]Similarly Chungu S. Mwila made a significant study about subsistence and commercial agriculture and rural development strategies in Zambia. He looked at the poverty of the urban unemployed as a mere reflection of the poverty in the rural areas. [46] The works of Mwape and Mwila were significant to our study in that they enabled us develop the link between policy and planning, and the actual beneficiaries. They also enabled our study to appreciate the significance of the welfare of the rural population in development.

Joy Kalyalya studied Nakambala Sugar Estate (NSE) and noted that the intentions of agricultural estates were to provide employment to rural population and consequently provide import substitution and save foreign exchange. Kalyalya noted that agricultural estates projects were expected to have a trickle-down effect through provision of rural income which it was assumed was going to reduce the rural-urban drift. He also demonstrated how NSE enjoyed greater technical and financial advantages than Kaleya Scheme causing the latter to be dependent on the former.[47] Kalyalya's work was significant to our study in that it assessed an estate whose objectives, operation and production were similar to MBS that this study referred to.

Wickson Mulobelwa Mwandu demonstrated that rural agricultural projects faced numerous problems which affected their performance negatively. In reference to Kawambwa Tea Company (KTC) Mwandu cited poor management, political interference and the country's poor economic performance especially in the 1970s and 1980s as the main constraints that affected rural agricultural projects.[48] This work was critical to our study because MBS the corner stone of our study was created for the same purpose as that of the KTC in the same region (Luapula Province).

1.4 Research Methodology

The study used both primary and secondary data. Data collection started with the University of Zambia library Special Collections and Serials sections where journals, parliamentary debates, secondary books, News Papers and dissertations were consulted. Archival sources were of paramount importance to this study. Therefore, the National Archives of Zambia, UNIP and Faith and Encounter Archives were visited for sources like Annual Reports, Tour Reports, Secretariat Files and other variable sources relevant to our study. More primary data was collected from: Mununshi Banana Estate; Kawambwa Tea Company; Mwense Agricultural Offices; Luapula Provincial Permanent Secretary and Agricultural and Cooperative offices; Fisaka and Mubende Banana Estates; and through oral interviews with local people of Mununshi area and former workers of Mununshi Banana Estate. Further information was secured from Sunspan in Ndola, Ministry of Agriculture Headquarters and ZIMCO offices. Data collected was analysed to determine its value and relevance to our study before using it to write the dissertation.

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CHAPTER TWO

2.0 SOME MAJOR ECONOMIC DEVELOPMENTS IN LUAPULA PROVINCE TO 1964

2.1 INTRODUCTION

This chapter reflects on the economic activities that emerged in Luapula Province from the time the region became part of a colony (North East Rhodesia) under British South Africa Company (BSAC) in the late 1890s to the time Northern Rhodesia (Zambia) became independent in 1964. The chapter is divided into five sections: section one to section four examine the emerged economic activities of Luapula Province in the colonial epoch in the context of rural development such as Agricultural Development, Rubber Plantation, Labour Migrants and Fishing Industry, and the last section pinpoints on the performance of the Federal Government in the context of rural development in Zambia.

2.2 Agricultural Development in Zambia 1911 to 1948

Although the administrative history of the Ministry of Agriculture in Zambia dates back to the BSAC period in 1911 when J. de Jong was appointed Secretary for Agriculture under Company Administration, Luapula Province did not benefit from its programme because it did not cater for the entire territory. The BSAC agricultural programme was mainly concerned with arable farming in the railway belt. It was only after 1924 when the territorial administration was transferred from the Company Administration to a protectorate under the Colonial Office that agricultural policy engulfed the entire country. But even then Luapula Province hardly benefited because the first aim of the initial Colonial agricultural policy was to encourage European settlement on the land. The second aim of the Colonial agricultural policy was a flimsy policy of permanent raising of the standards of living of the indigenous rural population .[1] Thus the

Department of Agriculture operated on flimsy indigenous rural agriculture programme until in 1947 when the Ten Year Development Plan for Northern Rhodesia was approved by the Legislative Council on 11th February, 1947. The Ten Year Development Plan was published in November, 1947 thereby establishing the broad framework within agricultural development starting from 1948.[2]

African farming and in Luapula Province in particular was not favoured by the colonial administration due to the settlers' economic perceptions which favoured only few areas in the territory. Wood and Shula observed that the dominant Colonial economic considerations meant that African agricultural development could only be supported in a few favoured locations. The purpose of gradually building up of a rural African agricultural industry in principle was slow because of the necessity that such should be on a very sure foundation not to compromise mining and white settler farm labour.[3] This approach resulted in spatial and socially differentiated rural society which became a major challenge for the newly independent countries like Zambia. Thus, evolvement of rural inequalities and disparities in Zambia which seriously negatively affected Luapula Province was shaped by the politics of agriculture and rural development in general by the colonialists.

2.3 The Bangweulu Zone of Intensive Rural Development Programme in Luapula Province

Though the Ten Year Development Plan's programmes were commenced in 1948 in the country none of them was implemented in Luapula Province until after three years. An attempt at Rural Development through agricultural projects in Luapula Province seriously appeared through the Bangweulu Zone of Intensive Rural Development which was approved at the Meeting of the Sub-committee of the Development Authority held on January 9, 1950.[4] Thus Rural Development through agriculture came to Luapula Province in 1951 when Luapula-Bangweulu

Area Plan development projects were first put into implementation in Mwense District at Mubende with coffee, bananas, palm oil and citrus fruits experimental fields.[5]

The other notable projects were cassava, groundnuts and maize cultivation schemes in Mansa district. The vivid example was the maize and groundnuts scheme (1955) which was just in place for three years and then collapsed. The scheme was located in Lwela near Itemba. According to Jeremy Gould the scheme was conceived as farming cooperative under which progressive minded men were recruited to clear land and produce crops on predesignated plots with government support. Approximately ten men from adjacent villages were allocated 6-7 acres and provided with loans to commence the farming of maize and groundnuts in rotation. The colonial regime also provided credit for the hire of casual labour. However, the motivation of the members suffered due to a number of reasons ranging from jealous or being chided by neighbours for farming maize instead of putting up a good *citemene* system to unfair treatment from the scheme administrators. Co-operators were obliged to sell their produce to the Government at prices dictated by the Department of Agriculture and more seriously, perhaps, they were not given adequate information concerning the status of their debts. Participants of the scheme stopped because regardless of how hard they worked they still had outstanding debts. They never made any profit. The participating farmers expected maize farming to engender rapid wealth and capital accumulation. Instead they found themselves caught up in a cycle of indebtedness. These problems were compounded by the undoubtedly political tensions characteristic of the time which were as a result of the Central African Federation that soured relationship between administrators and the local people and affected crop production levels.[6] In Samfya District the Nutrition scheme for Shikamushile in N'gumbo Area never succeeded as planned because of poor soil fertility which could not support legume plants on a large scale production.[7]

The Northern Rhodesia Government (NRG)'s main motive behind the Luapula-Bangweulu Area was to improve the administration's image in the rural areas. According to Gould one of the contentious components comprised the introduction in 1953 of strict environmental conservation measures (the banning of small-mesh fishing nets, establishing a Game Reserve and a Protected Forest Area,). The 'rural development' element of colonial conservation measures related to the administration's conviction that the environmentally taxing practice of *citemene* (cutting down trees) slash-and-burn cultivation practices was to be stopped.[8]

However, among the Aushi, Kabende and N'gumbo people many felt that these conservation measures impinged unjustly on their spiritually ordained land, hunting and fishing rights. Gould noted that as a result of this perception, three traditional leaders led by Chief Milambo stood up in opposition and incited their followers to civil disobedience in 1953. This local act of resistance in Luapula Province belonged to the broader context of anti-Federation politics and African nationalism which were gaining momentum in the Northern Rhodesia at that time. Conservation measures were seen as a first step toward denying the African population's rights to their land. Anti-colonial politicians portrayed the campaign for Central African Federation by white settlers in both Rhodesias as a prelude to the annexation of African lands under a regime economic Apartheid of South Africa. Thus many of the projects under this programme could not be successful because relations between villagers and government officials were strained at best until Independence in 1964.[9]

The Bangweulu Zone of Intensive Rural Development programme was later financed by the Rhodesian Selection Trust Copper Company (RSTCC) in 1956 with a £2million interest free loan. The objective of this loan was to promote rural development in the Northern and Luapula regions of the country where it drew much of its labour. The driving force behind this programme was aimed at solving the mounting unemployment in the urban areas and the growing concern about the low level of agricultural development, and generally poor income-earning prospects in the rural areas. This was to be achieved through strengthening the economy of the province with the object of making rural life at least as attractive as that in the urban areas as it was stressed by the Government Financial Secretary in 1957.[10]

Mungwi Resettlement Scheme (1957) in the present day Northern Province benefited from the £2million RSTCC project fund that was allocated for five years Rural Intensive Development Programme for Luapula and Northern Provinces.[11] In 1958 the scheme opened the Mungwi Farmers Depot to train farmers from Luapula and Northern Provinces who could return to their homes and become living demonstrations in their Development Areas. However, the programme failed to achieve the desired goals. By 1961 the scheme only managed to settle ten trainees in the Northern Province and only two in Kawambwa District of the Luapula Province.[12]

Apart from the micro-fishing industry none of the above discussed ventures graduated into a commercial entity at the time of independence. They were only able to meet the shortfall in the subsistence requirements. According to Baldwin[13] and Dodge[14] these schemes like others in the colonial period failed to achieve targets because of the limited funds devoted to the individual programmes and inadequate manpower. There were only twenty-two non-clerical staff Europeans and eighty Africans in the country in the field of agriculture and only little prior research was carried out to determine the economic feasibility of the ventures. In case of agricultural projects the poor soils limited their economic potential.

2.4 Labour Migrants

Whereas elsewhere in the country the beginning and the end of the BSAC administration symbolised a new epoch of capital investment in terms of mining and farming that could provide employment and retain labour in the region, Luapula Province remained a backwater in relation to the emerged economy. The major role that Luapula Province played in the British South Africa Company (BSAC) period was the provision of labour and transit routes for this commodity to the mines in the Katanga region. The first co-operative formed after 1914 under the District Commissioner of Kawambwa did not impact on the economic development of the province.[15]

From the outset of the BSAC rule no great alternative development to African agriculture and fishing industry was considered in the Luapula Province which restricted the region to the selling of labour to other regions when need arose to participate in the emerged economy. According to John A. Hellen the Luapula Province stood on the direct link between the Congo and Fort Jameson (Chipata) built by the Tanganyika Concession Limited, in 1903, to supply labour to the copper mine at Kambove in Katanga. The Tanganyika Concession Limited, a subsidiary of the BSAC opened the labour recruitment depots in the Luapula Valley as early as 1906. Despite the closure of the Luapula crossing in 1907 and 1908 due to the sleeping sickness regulations, the local Africans readily developed this migrant labour tradition.[16]

The Luapula Valley became one of labour exporting areas in the territory after Mwata Kazembe accepted British protectorate in 1900. Cunnison noted that by 1901large number of Luapula residents were seeking work at the opened copper mine at Kambove in the Congo. He further noted that by 1910 the Lunda of Luapula Valley had started travelling far and wide. In that year aristocrat MWINEMPANDA (Mwata Kazembe XVI) was a waiter in a Cape Town Hotel in Port Elizabeth.[17] The labour routes through the Luapula Valley also serviced the northern tribe's men, some came with the British as camp followers doing government and domestic work for the officials, and others were on their way to the Katanga at Kambove mine. By 1911 caravans of very young men were passing through Chibote Mission and Kawambwa Boma from Kapatu and Kayambi in the Northern Province to *Kalale* (Katanga mines).[18]

Thereafter, Luapula residents answered the opportunities for paid labour which opened increasingly in the Congo and Rhodesia and here contributed notably to the labour force in mine, compound and location on the Copperbelt since 1929. According to Gann the major step in development of the Rhodesian copper was taken in 1923 when the BSAC decided on a new policy of giving out vast concessions to strongly capitalist concerns. In addition Britain was now conscious of her war-time dependence on American copper and became conscious to remedy this state of affairs at a time when she was still trying to maintain parity with the USA as the World leading naval power.[19] Chabatama stipulated that the rearmament and mobilisation programme undertaken by Britain between the war period more especially after 1937 led to enormous demand for copper and other minerals from Northern Rhodesia for weaponry production. This desire by Britain to be superior in weaponry production led to the expansion of the mining industry in the territory, and rising African proletarianisation at the Copperbelt from about 30,000 in 1941 to about 200,000 miners by 1946.[20] A large number of this labour force was imported from Luapula and Northern Provinces. (see also under Fishing Industry section)·

2.5 Rubber Plantation

Apart from labour recruitment and transit routes the only major economic activity that the BSAC attempted to set up in the Luapula region was rubber plantation based on the native trees and Brazilian plants which proved futile. Though during the BSAC period Luapula Province was endowed by the rubber and the vine trees that were in themselves valuable in the by then prevailing world rubber and timber industry resource requirements the Company Administration had not seriously considered this economic potentials of the province. Bates postulated that the entrance of the BSAC into central Africa had dislodged Luapula from its position at centre stage in the affairs of central Africa. To the BSAC, Luapula was not a viable area in which to invest in the production of most agricultural commodities. This was so because gaining access to areas with mining industries promising to develop into urban areas with preferred agro- markets involved crossing international borders. In addition to crossing international borders it required transporters to cross the Luapula River that made the province even more remote than its physical location implied.[21]

However, the BSAC revenue collection from Luapula was improving basing on the wild rubber taxation. According to Harrington revenue of the province was growing from its natural resources such as rubber and fish but little was done to integrate these resources into the world economy as the settlers attempt to fully commercialise rubber production failed.[22] Hobson noted that in 1907 attempts were made by the settlers to establish rubber plantations based on the native plants. Though rubber which was collected in small quantities by Africans was sold profitably on world markets it had serious impact on forest sustainability because unscrupulous traders caused vines to be cut down and roots to be boiled. As early as 1902 an export duty was placed on rubber and in 1904 the Rubber Regulation of 1905 was promulgated for North Eastern

Rhodesia. This regulation forbade the trading in and export of rubber because the forests were being devastated by unscrupulous traders.[23]

Hobson further noted that by 1912 there were several settlers experimenting with *ceara* trees on plantations totalling 2,000 acres but the rainfall proved inadequate for the Brazilian exotics. Consequently the Luapula Plantation (Nchelenge) folded up in 1923 and no commercial farming succeeded there after that date. A similar project in Mpika in the Northern Province whose production in 1916 reached 3,000 pounds and rose to 280 tonnes during the 1939-1945 war also failed like the former due to inadequate rainfall on the Brazilian plants.[24]

2.6 Fishing Industry

Though Luapula Province was endowed by fish the British South Africa Company and the Colonial Government had not considered developing this resource base to be part of the emerged economy in the territory. While the fishing industry on the Luapula River and Lake Mweru was commercialised on the Belgian Congo (Democratic Republic of Congo-DRC) side by 1926, organised by the Greek traders, the Northern Rhodesia's side was dormant in this industry. According to Hellen in 1926 a private Greek firm begun buying fish in Northern Rhodesia for sale in the Congo and as early as 1928, Greek firms were building boats there and operating successful fishing industry. For the long period the bulk of fish exports from Northern Rhodesia found their way into the Katanga where Europeans had a superior commercial organisation for collecting the wet and dry fish and transporting them via Kasenga to Elizabethville (Lubumbashi).[25] Approximately 90 per cent of the fish caught by indigenous Rhodesians before the Federation was sold to the Greeks on the Belgian Congo bank and re-sold by them to the U.M.H.K, C.F.K. and other firms in the Congo Belgium.[26] The table below shows how the Lake Mweru and the Luapula River fish industry of the Northern Rhodesia depended on the Congo markets during the federation period which is also a reflection of what was happening before this period

Table 1: Lake Mweru and Luapula River fish industry sales 1955 -1960 in tons.

YEAR	1955	1956	1957	1958	1959	1960
To Northern/Rhodesia	3,124	3,754	3,553	3,450	3,389	4,835
To Congo	5,531	6,616	4,194	7,476	7,922	3,100
Total Tons	8,655	10,370	7,747	10,926	11,311	7,935

Source: Rural Economic Development Report, 1961.

The Northern Rhodesia Government only thought of developing the fishing industry on its side between 1940 and 1943.The main reason for this idea was the desire to meet the anticipated meat shortages that was to be caused by the persistence of the Second World War for the benefit of the thriving Northern Rhodesia mines through the alternative of fish supply. However, this programme was not implemented until after the war due to various problems such as unreliable routes to the Copperbelt region. The route south from Nchelenge on Mweru to the Copperbelt was about three hundred miles and had suffered continuously from the unreliability of the Congo pedicle road which was subject to frequent wash outs and floods. After the war period, fishing industry had gone from strength to strength.[27] It was now by far the most important industry in the province with exports to the Belgian Congo and the Copperbelt as demonstrated by the table above. According to Hellen fish worth £300,000 at the waterside was realising over £1million on the market. This enabled the Lunda and Shila Native Authorities to collect about £2,000 each per annum from fish levies.[28]

Gravelling of the Kawambwa-Kashikishi road in 1949 was followed by the rapid development of the local fishing industry. In 1954 the Lunda Native Authority launched a 40ft long boat procured from Kasenga in the DRC at the cost of £540 on 11th January, 1954. This was the first step on the Zambian side towards African owned '*Chombos'* (boats) aimed at improving water transport for fish traders. The second step in improving water transport for both fishermen and traders was the establishment of a boat building school whose first African instructors (in carpentry) were trained from Barotse (Western) Province (Barotse Superior Loyal Authority). Thus in 1955 a boat building school was set up at Nchelenge by the Lunda Native Authority [29] through a Lake Marketing and Cooperative Credit Society Ltd. The Lake Marketing and Cooperative Credit Society Ltd facilitated short term loans to fishermen to enable them purchase boats and nylon fishing nets to replace those of the bark cloth cord.[30]

Transport facilities to handle the heavy tonnage of frozen and dried fish developed. Hellen noted that the Luapula Transport Co-operative Ltd. owned 43 buses and 18 lories by 1959. Bulk transportation of frozen fish to the Copperbelt markets was enhanced by an Ice Plant launched in 1954 at Kashikishi at the cost of £13,500.[31] Though some few local fishermen benefited from net and boat loans through the co-operative, the scheme did not perform well up to 1964 due to inadequate funds and financial mismanagement by the Lunda Native Authority. This was coupled with the political tensions towards the struggle for independence. Moreover the scheme offered these essential services mostly to the royal families' lineage and the people who were close to the Lunda and the Shila native authorities.[32]

However, individual local-fishing industries survived and by early independence period the quantity of fresh fish sold at Mweru destined for line-of-rail towns varied between 58 and 198 short tons. According to D.M.F. Beaty, in 1964 and 1965 Mweru was the most important source of fresh fish in Zambia in the period 1964 to 1965. Kitwe and Mufulira were towns where most Mweru fish were recorded having been sold and the latter town led in fresh fish sales. The weights of fish transporters took to the markets varied from 1,700 to 2,600 Ibs per consignment.[33]

In the south of Luapula-Mweru fishing industry projects the Bangweulu-Luapula water transport was seriously considered and was implemented as early as 1942. According to Hellen the shortage of food stuff on the Copperbelt region during the 1939-1945 War made the government to attempt to make a link between the two navigable stretches of the Luapula River (from Mpata to Kapalala) in order to transport fish and cassava supplies obtainable on the shores of Lake Bangweulu within reach of the Copperbelt mines. Accordingly a channel was started in 1942 to facilitate the export of 10,000 bags of cassava annually. By 1944 a channel was finally completed by hand labour. [34] Brelsford noted that shallow barges had actually begun to make journey before the completion of the channel and in a wartime shortage of motor transport gave stimulus to make more channels.[35] By 1960 there were five hundred miles of waterways maintained or excavated in the Bangweulu-Luapula swamps. The Bangweulu Water Transport Company was working a fleet of four vessels. This was a great deal cheaper than motor transport and its justification lay in the following carriage factors: from 1954 to 1961 about 1,500,000 Ibs of sun dried and smoked fish were transported annually through Kapalala in Milenge district,[36]

The communication development in the Bangweulu-Luapula swamps in itself was a considerable industry for both Africans and colonial government. The Unga, the swamp inhabitants were not slow to develop trade with the Copperbelt when the changed communication facilitated this interchange as export records for 1956-1962 period demonstrate below.

Table 2: Lake Bangweulu fish industry sales to Northern Rhodesia- Copperbelt Region1956-1962

YEAR	1956	1957	1958	1959	1960	1961	1962
TONS	3,100 (D)	3,244 (D)	3,272 (D)	2,597 (D)	2,209 (D)	671(F)	402(F)
						457 (D)	300 (D)

Sources: Annual Reports, Ministry of Native Affairs, Rural Economic Development Report, 1961; note1956 – 1960 = fresh weight equivalent, 1961 – 1962 F(fresh), D (dry)

Not only the Unga people benefited from these waterways but also other tribes like the Ushi. According to Kay the Kachunga an Ushi village situated on the River Luapula between Kapalala and the edge of the Bangweulu swamp in which there was 28 adult males benefited from this communication development. Kay recorded a total income of £322 to have been received during the year (1959) by all villagers from the sales of fish including the profits from the trading of fish. The total income was £795 for that village in one year. In this case, the sales of fish accounted for 40.5 per cent of the total income for the entire village. Kachunga village was in an advantageous situation to participate in both the catching and trading due to the new waterways.[37]

The weight of fresh fish from Bangweulu destined for the line-of-rail markets was very small compared with Mweru and had a maximum of 21tons in any one month. However, Bangweulu was the largest Zambian fishery contributing dried fish to the line-of-rail markets. According to Beaty the greatest recorded weight in one month was 597 short tons f.w.e. and the minimum weight in any one month was 57 short tons f.w.e. Maximum exports were in October, November and December but after December there was a sharp fall due to either fishermen engaging in crop production or the rising waters of the lake enabled the fish to disperse or drove fishermen from their camps. Thus the fishing industry in Luapula by the end of the Federation period was leading the country in fish production. In the 1963 Census of Africans in Northern Rhodesia, 46,660 people stated that they were fishermen and 20,820 (44.6 per cent) were Luapula fishermen.[38]

As for the government the Bangweulu-Luapula Swamp waterways provided a more direct and speedier access for the labour force to the Copperbelt. Since Luapula and Northern provinces were the largest labour supplying territories, the Bangweulu-Luapula Swamp waterways reached farthest of the greatest labour supplying districts; viz Fort Rosbery (Mansa), Luwingu, Kasama and Mpika. Thus within the territory Luapula and Northern provinces were to provide labour to mines on the Copperbelt through these channels. By 1953 the three districts, Fort Rosbery, Kawambwa and Luwingu had supplied over 14,000 labour recruits. The total of 14,000 labour recruits from the afore mentioned districts doubled the number from any other province in the country.[39] The route also provided cheaper transport for timber from Kasama to the Copperbelt. In addition to labour recruits and timber the government had a good opportunity to transport Mail and Bulk Store, and carry out commercial activities between Copperbelt region and Northern Province using the Bangweulu-Luapula Swamp waterways. However the service did not last successfully to independence due to the high cost of channel and barges maintenance. This was coupled with the improved roads more especially the pedicle road which was a shorter route to the Copperbelt mines from both Luapula and Northern provinces that offered faster mobility of the labour force and goods.[40]

2.7 Mining Industry

Mining investment in Luapula province was not a success. In 1953 the Rhodesian Vanadium Corporation commenced operations in the province and by 1960 the two mines at Manasasa and Bahati had reached a combined output of 12,000 tonnes of manganese ore per annum. According to Kay these operations stood at the end of a long line of unsuccessful prospecting in the periods

1906-1910, 1925 and 1930.[41] Unfortunately, from 1961 to 1962 all the mines were closed down. Musambachime noted that the closure of the mines was due to low world prices for manganese coupled with high transport costs and the depletion of the richer reserves. Operations proved uneconomic and were shut down, for instance in 1961 production dropped to 1,151 tonnes from 18,215 tonnes in 1960 with an adverse variance value of £208,225.[42]

2.8 Federation and Agricultural Development, 1953 to 1963: An Overview

At independence, the Zambian agricultural sector and in Luapula Province in particular was very underdeveloped. The only medium and large scale commercial agricultural activities in the country were concentrated along the main railway line that runs across the country from south to north. Commercial farming basically served the needs of the mining labour force and was dominated by the expatriate settler farmers. As alluded to earlier in this discussion the role of the indigenous Zambians especially from the Luapula Province in the colonial economy was mainly that of providing a reserve of unskilled manpower for use outside this region, and a limited market for consumer goods. This policy was strengthened during the Central African Federation in the manner the Federal government distributed developmental resources that made the Northern Rhodesia Government (NRG) unable to implement its outlined rural projects.[43]

The rationale given by Britain for the need to establish the Federation of Rhodesia and Nyasaland that lasted for ten years until 1963 was that considerable economic and social benefits would accrue from such an arrangement for all. However, it is important to realise that despite the strength of the arguments for the economic integration which included the provision of wider markets, the expansion of industrialisation and agriculture, and potentials benefits from economies of scale and specialisation, there were often considerable economic difficulties in federal schemes. It was quite common, for example, for one of the partners to benefit more than the rest to the disadvantage of the other parties. For instance A. Hazelwood noted that out of a total of £239,278,000 that the Northern Rhodesia mining industry contributed to the Federation over the ten years period in form of taxes, it received back only 37 per cent of that total. Southern Rhodesia took £115,958,000 or forty per cent of the total Northern Rhodesia contribution to the Federal pool. On top of that Southern Rhodesia in its capacity as a territorial unit received its federal share of the Northern Rhodesia copper industry taxes which was £23,961,000, or ten per cent of the total while Malawi received four per cent of the latter contribution during the ten year Federal period.[44]

This unfair distribution of resources from Northern Rhodesia disadvantaged its rural development and explains the weaker economic position of rural areas that included Luapula province at the time of independence. This was so because even the little that was received and allocated to agricultural development largely benefited the settler farmers along the railway line in this country as it shall be demonstrated later in terms of potential agricultural production by none African farmers. The other causality for lack of rural development in Zambia during the Federation period was in the manner that the Federal government economically linked her with the countries of Southern Africa especially Zimbabwe and South Africa. Zambia and Zimbabwe were so economically intertwined during the Federal period that it was difficult to consider them as separate economic units. The effects of the economic and fiscal links between the two Rhodesias and the fact that the European settlers were concentrated in Southern Rhodesia meant that Zambia was a potential victim of capital drain to the South where the capital of the Federation was located. Hazelwood observed that the Federal arrangement engineered massive fiscal redistribution from Northern Rhodesia to Southern Rhodesia and Nyasaland. He noted that the removal of restrictions on trade between the three countries and the institution of a common protective tariff stimulated development in Southern Rhodesia which was on balance, a disadvantage to the other territories.[45]

Thus, throughout the Federation period there was no substantial capital investment in rural agriculture and development. Consequently subsistence farmers in rural areas did not enter substantially the cash economy. Luapula Province in particular subsistent farmers remained static. Indeed, their only inputs were their own labour, seed hoarded from the previous season and ash as a result of *citemene* system of soil fertilisation. This entailed that at the end of the Federation and at the time of Zambia's independence the weight of the available evidence suggested very strongly that development in the money economy in rural areas like Luapula Province was unlikely in the near future to create enough employment opportunities. Nearly three quarters of the population in Zambia lived in the rural areas that included Luapula Province in the conditions which were basically those of a subsistence economy. Progress in raising the levels of productivity and earnings in rural areas during the Federation had been slow where progress had been made at all.[46]

The foregoing argument on rural agricultural underdevelopment in Zambia during the Federal period can be seen in the failure of the Federal Government Development Plan (1957) to attain the envisaged four-fold increase in the annual sales of African agricultural produce from £2million in 1959 to £8million by 1969. African agricultural produce had only reached £2.8million instead of £4.4 in 1963.[47] Thus in Zambia as observed by Roberts and Elliot, large scale farmers were almost exclusively of Non-Africans (i.e. Europeans and Asians) who produced over 60 per cent of the total commercial crop throughout the 1960s. Non-Africans produced all the milk and all the Virginia flue-cured tobacco, much of cotton, and most of the better-quality of beef and pork. None of these farmers hailed from the Luapula Province.[48]

Therefore it seems logical to conclude that the Federal resource allocation system and indeed the entire colonial regime development organisation were designed to maximise, not the well-being of Africans in the territories, but the European Settler interests. This conclusion tallies with a frank colonial government policy statement in 1930 when the Legislative Council of European representatives for Northern Rhodesia stated that in its dealings in this country (Zambia), the British Empire was primarily concerned with the furtherance of the interests of the British subjects of British race and only thereafter with other British subjects, protected races, and the nationals of other countries, in that order.[49] This revelation was repeated in 1950 by the Secretary to the Development Commission who cautioned the planners over the Bangweulu Zone of Intensive Rural Development not to engage in projects that were to compromise supply of labour to the mines and settler farms.[50] It was the foregoing scenario that compelled the Zambian government to engage the national resources into rural agricultural projects in order to improve the rural economies country wide.

2.9 Conclusion

This chapter examined some major economic developments in Luapula Province prior to independence. The chapter has demonstrated that in the last years of colonial administration some rural agricultural projects or schemes were set up in Luapula Province in accordance with the then national rural development programmes. It argued that Luapula Province was a labour reservoir in the Colonial Zambia while the rubber, fishing, mining and agricultural sectors received marginal attention from the colonial authorities. Consequently none of these economic ventures had graduated into a commercial entity at the time of independence. Therefore they were only able to meet the shortfall in subsistence requirements. Most of the schemes failed to achieve their targets because of limited funds devoted to them. This problem was also compounded by lack of human resource to supervise and implement the programmes accordingly.

The chapter has also shown that the federal structure of the Rhodesia and Nyasaland (1953-1963) gave rise to certain difficulties in the field of integrated economic planning and implementation of the much needed developmental programmes in the rural areas. Political and financial responsibility was divided between the Federal and Territorial Governments by virtue of the constitution thus made the degree of co-ordination in development matters difficult to achieve. This arrangement caused unfair distribution of development funds in colonial Zambia.

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CHAPTER THREE

3.0 THE EVOLVEMENT AND DEVELOPMENT OF THE MUNUNSHI BANANA SCHEME

3.1 Introduction

This chapter discusses essential elements that led the Zambian post independence government to set up a banana scheme at Mununshi in Mwense district in Luapula Province. The chapter examines the social and economic needs that arose just after independence that compelled government to commence costly rural agricultural projects. It illustrates how the Mununshi Banana Scheme was begun, its objectives and its transition from a Peasant Farmers' Cooperative to a Government supported scheme under the Ministry of Agriculture. The chapter discusses issues concerning the administrative and production development of the MBS, the challenges it faced, and the state reaction in order to create conducive economic environment for the rural agricultural schemes. It proceeds by examining the development of MBS under a government directed economy and concludes with the assessment of the scheme under private ownership period. Thus the chapter highlights on economic, political and social challenges that rural agro-industries like MBS faced in the process of achieving rural development that also necessitated economical management changes in their operations.

3.2 The Cooperative Stage of Mununshi Banana Scheme

Mununshi Banana Scheme initially started as a co-operative by 31 subsistence farmers who had answered a call from the government to form co-operatives. After independence President Kaunda's government aimed at integrating the majority of Zambians into economic and social development than they had been hitherto. The co-operative organization was identified as a quick strategic way of involving Zambians mostly those in rural areas into industry, commerce and commercial farming.[1] Government allowed ten or more people to group together, apply for registration as a co-operative and obtain loans from its coffers. The thirty men and a woman of Chipunka area answered the call by Kaunda at the first national rally since independence at Chifubu on 17th January, 1965.[2]

The first members of the co-operative were already settled subsistence farmers who did some subsistence farming and grew bananas near the river banks. According to Kebby Mpundu this group was assisted by Governor Mulilo to have their co-operative registered. The intention of the group was to form a cooperative whose principal crop was to be bananas. The idea of growing bananas subjected their cultivation area to verification by Mount Makulu Research Station. Initially the government through the Ministry of Agriculture had been persuading peasant farmers to take up banana cultivation seriously in the Luapula valley due to its expanding markets on the Copperbelt.[3]

The Ministry of Agriculture at the district level recommended the Kaombe Lagoon Area where the Mununshi Banana Scheme is located basing on the "Catchment and Conservation Plans" (CCP) records of the Federal Government. During the last years of its rule the Northern Rhodesia Government promoted the establishment of Regional Plan Areas. People were not allowed to move into these areas until such time when they were properly planned and the basic requirements such as roads and water supplies provided. Kaombe Lagoon Area was one such area and after independence the District Planning office was well aware of the importance of the plans the NRG had for it. Therefore, after Chipunka residents requested for a primary co-operative whose principal product were to be bananas, the District Planning office drew up plans for surveying Kaombe Lagoon Areas and soil samples were sent to Mount Makulu Research Station for tests. The results from the research station favoured banana growing.[4]

Thus a Co-operative was formed in 1966 and it started receiving subsidies through the Department of Co-operatives. Subsidies received by the Co-operative were in two forms. The first subsidy category was in form of farm implements such as wheel burrows, shovels and hoes in accordance with the membership of the co-operative. The second category was stumping subsidy which was given to each member depending on the land they had cleared, usually each member received £4 per month. During the stumping period the only woman member of the co-operative (*Banakulu* Chomba) had a prime duty of cooking for the men and she was paid basing on the rate of men.[5]

However, in 1967 the government decided to turn the Co-operative into a scheme whose chief crop product was still to be bananas. The salient basic reasons for this prompt change were that the estate was going to provide more jobs to the people than a co-operative and, more development was going to come to the area because an estate was going to act as a mining industry thereby attracting good social and economic essential amenities. Besides the scheme, a factory to process bananas and other products that were to come from the same and locally grown citrus fruits into various edible products like jam, biscuits and soft drinks was to be installed in the area.[6] It was assumed that after the scheme was fully developed it was to be handed over to the Department of Co-operatives. Due to this development the scheme was now made an entity of the Ministry of Agriculture under the Agriculture Extension Programme.[7] According to Mpundu and Mbolela former members of the defunct co-operative were promised compensation which came forth between 1968 and 1969. The old aged members were either rewarded with a hammer mill, irrigation equipment, or piggery project loans and some money to enable them settle on the land the government had prepared for them. The young members who opted for employment within the scheme were rewarded with bicycles and some farm implements for their domestic use.[8]

3.3 The initial development of the Mununshi Banana Scheme: 1967- 1974

The Ministry of Agriculture through the Agriculture Extension Programme Division established the MBS project in the early part of 1967. The ministry deployed a diploma graduate E.J. Mulenga from Natural Resources Development College (NRDC) who later became the Assistant Project Manager to supervise stumping and land clearance. A bulldozer caterpillar D12 was engaged in the stumping exercise and the general masses of the people in land clearance. After the launch of the scheme an expatriate from Israel, Sidi Tovoy was employed as the Project Manager. Tovoy was recruited under the Food and Agricultural Organisation (FAO) programme of empowering the rural areas while the Assistant Project Manager, the Accounting Officer (wife to Tovoy), the Agricultural Assistant and the Personnel Officer were maintained on the Ministry of Agriculture payroll. The scheme received a monthly imprest to cater for daily operations and paying of casual workers.[9]

The initial authorised expenditure for the Mununshi Banana Scheme in the financial year 1966/67 was K103,000, and the amount of money to be received for the unbudgeted activities was K10,000 per month. By 1969 the project had received K100,000 for the unbudgeted activities and about K65,588 had been spent.[10] The first phase of planning and initiation of the scheme was successfully completed by December 1968. However, there were some setbacks and heavy costs in the scheme. A total acreage of 165 acres had been cleared for banana plants. These acres required suckers which Luapula Province alone could not meet thereby compelling the management to embark on procuring suckers from Kaputa and Mporokoso districts in the Northern Province. Though suckers were bought cheaply at 5ngwee each, Mulenga recalled that the exercise was expensive due to the cost of fuel and allowances, which were compounded by the high cost of stumping and provision of infrastructure such as housing, workshops and irrigation schemes. [11] Because of these heavy costs there was a feeling of disquiet in some quarters about the possible success of the scheme. However, no second thought was allowed because it was believed the scheme would prove viable in a few years of initial heavy capital outlay. A large market for bananas already existed in the country which was a surety for the capital invested.[12]

Production of bananas from MBS started in 1969 from 80 acres which produced 450 tonnes. The harvest increased to 1,580 tonnes in 1970. From 1970 to 1974 only 80 acres on the average were in production causing insignificant variances in terms of progress between the years. The scheme incurred heavy wastages which were caused mainly by lack of transport to the market area which was usually the Copperbelt Province. The produce in some cases used to reach the storage station Sunspan in Ndola in a bad state due to either poor packing on trucks which caused bruises on the fruits making them black before ripening, or rotting as a result of longer periods of delivery causing fruits to ripe while on trucks. In addition the scheme transport in some instances could not cope up with the production making the bananas rot while in depot or in the field.[13] Below is the table indicating production, sales and wastages incurred for a four year period, 1971-1974 in tonnes.

Table 3: MBS Production, Sales and Wastages analysis 1971-1974

YEAR	ACRES	PRODUCTION	SALES	WASTAGES (ROTTEN)
1971	80	1,844	1,650	195 (10%)
1972	80	1,877	1,467	410 (21.8%)
1973	80	1,710	1,515	195 (11%)
1974	80	1,569	1,139	430 (27%)

Source: NAZ Box 144B Rural Development Annual Reports. Ministry of Rural Development: Department of Marketing Annual Report for the year ended 31st December, 1975.

Among the factors that militated against stable banana production at the scheme were lack of expansion of the production fields and inadequate funding from the National Treasury to facilitate both production operations and scheme administration. Due to inadequate funding the scheme management could not procure enough fertiliser and chemicals that were needed to either maintain or boost production levels of the scheme. Production picked only when new plants came into full production but unfortunately their production levels could neither be maintained because of the above stated short comings. From 1969 when production began to 1974 the scheme was not recapitalised due to insufficient funds from the Department of Agriculture. The sales which were made by the scheme did not translate into revenue for the project because the money was deposited in the GRZ account. In 1973 the revenue collected by MBS and contributed to the national treasury was K85,236 with about K12,000 not collected from the customers. Considering production and transport costs incurred the scheme was not realising enough revenue to sustain its operation costs worse still the scheme management could not cope up with the cost of farm implements and equipment without state assistance which could not come forth due to souring oil prices. However, the significant point about the scheme was that Zambia was as at that time self-sufficient in bananas. The country no longer imported this commodity as in the past and this meant a saving in foreign exchange. Furthermore the scheme provided employment opportunities for over seventy daily-rated staff, which was one of the aims of rural development. The value of current fixed assets by 1974 had exceeded K100,000 which was encouraging at that time.[14]

For all the recurrent expenditures of the scheme the Project Manager just made estimates and requested for funding from the Ministry of Agriculture and later the Ministry of Rural Development Headquarters. According to Mulenga requests for funds were honoured in the first five years of production though usually funds were released late because it was difficult to persuade senior officers to act promptly. He further noted that during this period the scheme was not seriously regarded as a business venture but as a service provider in terms of affording jobs to the local people and consequently losses incurred through high levels of employment were not queried.[15] Mulenga's view is reflected in the way personal emoluments were paid to senior officers from both the ministry responsible and the scheme management who all enjoyed fringe benefits such as leave and transport expenses to any part of the country catering for themselves and their families which bore no relationship to the productivity of the scheme. The scheme also incurred additional administrative expenses through expatriate conditions of service such as Christmas holiday expenses to enable the officers' travel to and from their countries of origin which also bore no relationship either to the level of output or efficiency of the scheme.[16]

Mununshi Banana Scheme just like other agricultural projects in Luapula Province faced a number of difficulties in its operations. The extension advice, supply of credit, distribution of fertilizers, seed and other requisites and marketing services were insufficient and unsatisfactory. Infrastructure in the way of good roads and water supplies were often inadequate. The service departments shared common faults: shortage of competent and well trained staff (1967-1970) to cater for the various cash crops under government promotion; almost total absence of suitable vehicles to enable them to perform their duties; while centralisation of authority in Lusaka robbed the actual 'do-ers' of the power to make and implement decisions suiting the development of the scheme.[17] The above challenges hampered further plans for MBS that included the implementation of the second phase of development in 1974 involving the planting of 40 hectares with the banana crop. If this had been implemented it might have resulted in Zambia being a net exporter of bananas.[18]

3.4 Early Economic and Management Challenges Faced by Mununshi Banana Scheme

The operational challenges for the MBS started in its initial development stage. For instance, in 1969 the Ministry of Agriculture was amalgamated with elements from other former ministries, such as Human and Natural Resources agencies, whose principal functions were concerned with rural development, thus the birth of the Ministry of Rural Development which lasted up to 1977.[19] Through this change all government directed rural agricultural schemes were later placed under Rural Development Corporation (RDC) in 1974 that included Mununshi Banana Scheme in order to make them viable business entities. This step was taken because the Department of Agriculture in the Ministry of Rural Development was unable to sustain the schemes' operations due to the inadequate funds to enable it transform them into commercial entities. The RDC was formed in September 1969. Through its subsidiaries such as the Agricultural Finance Company Ltd., the African Farming Equipment and the Zambia Farm Development, the RDC was charged with the responsibility of speeding up agricultural development in both rural and urban areas. Its operation covered a wide range of activities which included provision of agricultural credit, ranching and stock breeding, dairy farming, seed production, meat processing and distribution of farming equipment, agricultural spraying and general cash crop farming as the case was for MBS.[20]

The transfer of the government directed rural agricultural schemes to the RDC was as a result of economic difficulties the country was facing at that time that coincided with the launching of Zambia's First National Development Plan. The adverse economic trends were caused by the Unilateral Declaration of Independence of Rhodesia (UDI) by Ian Smith in November 1965. This political atmosphere attracted economic sanctions against Rhodesia, its oil refinery at Umtali ceased operation after Britain cut off supplies through the Lonrho Pipeline from Beira which was the main source route of Zambian procured fuels. This compelled Zambia to engage a multi-million pound air rescue. Planes of Britain, Canada and USA kept a day and night shuttle service of fuel in drums to keep Zambia's economy running. Zambia attempted at great cost (estimated at K60,000,000) to diversify its trade and transportation away from Rhodesia upon whom it relied heavily previously. These adverse economic trends raised consumption of tonnes of liquid fuels from 200, 000 to 300,000 tonnes yearly (1966 estimated figure). In addition to fuel the FNDP launching called for increasing amounts of material imports thereby raising import levels from 20 per cent in 1966 to 30 per cent in 1967. This had shown no signs of falling off in a shorter period of time that resulted into an escalation of inflation that threatened the implementation and continuity of capital projects under the FNDP in the later years.[21]

In a quest for surmounting Zambia's economic challenges imposed by the UDI sanctions the government embarked on economic permanent solutions such as the building of an Oil Pipeline from Dar-es-Salaam to Ndola with K32,000,000 project financed with a loan from Italy's Madiocca,[22]and the construction of the Zambia-Tanzania Railway (TAZARA) line a K100,000,000 project financed by China.[23]

These bold projects taken by the government to revive Zambia's ailing economy affected capital expenditure to be heavily cut. Outlining his tough financial measures in 1969, the Vice President (Simon Mwansa Kapwepwe) stressed that they were being introduced to curb the persisting inflationary spiral. He announced that Zambia was to embark on fewer development projects that year and concentrate on those already underway. In this way the new Ministry of Rural Development which was charged with carrying out agricultural projects and rural development in general saw its budgetary allocation reduced. In 1968 the Ministry of Agriculture was allocated K13,043,376 as a single ministry. But in 1969 the Ministry of Rural Development where

Agriculture sector was now a department was allocated K17,500,000 for its ten departments ie. Agriculture, Veterinary and Tsetse Control, Water Affairs, Co-operatives, Community Development, Forests, Lands, Surveys, Wild-Life, Fisheries and National Parks and Marketing Services.[24] The reduction in funding allocation from the national treasury to the Ministry of Rural Development and to the Department of Agriculture in particular posed a lot of challenges in the operation of its rural agricultural projects because it never improved throughout the 1970s.

Zambia's economy continued declining despite the completion of the TAZARA and the Oil Pipeline, and good revenues from copper in the early 1970s because it was hit by the World Oil Slump. Thus, high costs strangled the agricultural industry that included MBS. This industry faced increasing production costs which were estimated to be above the revised producer prices that posed a threat particularly to new farming enterprises like MBS. Between June and December 1975 alone, production prices went up by 90 per cent pushing production percentage rise to 196 per cent in four years (1972-1975). Increased costs involved fertiliser, installation on new machinery, irrigation and electricity facilities. In addition, the new regulation regarding minimum wages for workers in the agricultural industry aggravated production costs.[25] It is against this economic background that Ministry of Rural Development had no option but to transfer all government directed agricultural schemes to the RDC with a view that, it was going to sustain their operation since it was already in the field of agricultural business development supported by the government.

However, the transfer of MBS to RDC management did not help dealing with the insolvency situation the scheme was experiencing. From 1973 MBS production started declining and never improved until 1981. The major reason for the drastic decline of production of the scheme was lack of recapitalisation. The production fields were exhausted due to lack of replenishing of the old banana plant mats which led to the depletion of soil due to continuous usage of the same fields. The RDC could not fund the scheme as was expected because it was also experiencing a diversity of problems some of which were management oriented while most of them arose as a consequence of rapid growth of activities and vulnerability of agricultural operations to a multitude of factors.[26] Thus, many projects which were drawn up by the RDC came to a standstill due to non availability of investment funds. As a result the MBS production was extremely affected because fields became unproductive due the soil exhaustion which was compounded by ailing national economy that resulted into crippling scheme production as shown by the table above and the one below.

Table 4: Mununshi Banana Scheme Production, Sales and Losses in tonnes 1975-1984

YEAR	ACRES	PRODUCTION	SALES	WASTAGE
1975	80	989	859	130 (13%)
1976	80	940	853	87 (9%)
1977	80	577	473	104 (18%)
1978	88	326	--	--
1979	88	305	--	--
1980	88	15	--	--
1981	14	29.5	--	--
1982	41	163	--	--
1983	58	524	--	--
1984	52	324	--	--

Source: Department of Marketing and Co-operative –Annual Report Year ended 1977.[27] and Mununshi Banana Estate Production Management File 1978-1984..

The Role of the Corporate Planning Programme and the Kawambwa Tea Company in the decline of Banana Production at Mununshi Banana Scheme, 1982-1984

The economic growth in the subsidiaries of the Rural Development Corporation (RDC) was very low and had shown no signs of improvement since 1975. Due to this slack growth of RDC projects, in 1979, the Government instructed through the Third National Development Plan (TNDP) to start Corporate Planning (CP) in all parastatal institutions which was to be a continuing process in their budgetary systems but this also hardly achieved good result. The planning was introduced in the ZIMCO group in 1979 to afford government supported economic institution an ability to adapt to the changing economic environment and, increase their efficiency and long-run viability. The level of CP in the RDC group of companies that included the MBS had not been satisfactory due to various reasons, chief among them being, unsuitability of the standard format to the operation of the various subsidiary companies whose range was from manufacturing and production to rendering services to the farming community. [28]

Thus, it was agreed that in order to resolve the above problems in the RDC subsidiaries, the ZIMCO and the RDC were to hold series of meetings with managements of RDC subsidiaries. As the country's biggest industrial and commercial undertaking ZIMCO had now an important role to play and its performance bore a strong influence on the overall performance on the Zambian economy.[29]

Under the CP arrangement, L.L. Mukingo an Economist from the ZIMCO was charged with the responsibility to monitor the MBS project promotion through feasibility studies. However the initiation of CP did not assist the scheme much as little was achieved in terms of banana production that compelled the RDC to place the scheme management under the Kawambwa Tea Company (KTC) in April 1982. The Kawambwa Tea Company (KTC) was chosen to run the MBS due to its proximity (100km away from MBS). The KTC was granted authority to run the scheme within the RDC system with a view of improving banana production as a result of the CP series of meetings recommendations. Going by this arrangement the scheme lost its autonomy to KTC. The manager of the scheme was now appointed by the KTC General Manager. The MBS could not maintain its own bank account which it used to under the RDC arrangement. The promotion authority for its workers was now vested in the KTC management and it could not employ workers without consent from the latter.[30]

The three year period (1982-1984) of KTC management of MBS under RDC regulation though made some little progress failed to resuscitate the production levels of the scheme to that of 1970-1974. The recorded development at the scheme due to KTC management were the rehabilitation of infrastructure viz; housing, offices and a workshop, thirty acres of banana plants entered the production stage while the other forty were to enter production immediately after the 1984/5 rain season. The canal construction works were also completed. However the trend of using loans for non capital ventures such as salaries and administrative expenses persisted while recapitalisation suffered due to lack of or inadequate resource allocation.[31] This scenario brought about little improvement in the production of bananas during the early days of the KTC management of the scheme as demonstrated by the table above.

Planning had become extremely difficult for MBS subordinate management since it had no access to the banana sales arrangements nor to the bank statements to enable it evaluate losses or achievements of the scheme. This became a public concern such that in 1983 the area Member of Parliament Mr. J. Kapapula requested for the opening of a separate bank account for the scheme. Despite the logic behind this request KTC management declined to act positively basing their refusal on the flimsy reasons that signatories to that account were still going to be the General Manager and the Chief Accountant of the KTC, and that the manager at Mununshi could not on his own draw a cheque without reference to KTC management. Thus, the receivership mandate was now turned into ownership without legal authority. The KTC management now regarded MBS as its own farm and section and as such there was no need to treat it as a separate company. The Scheme Manager at MBS was only entitled to an imprest of K2,000 per month (1982-1984) to maintain administration and the number of employees that had declined from 416 in 1975/6 to only 130 during the period under review.[32]

The difficulties the MBS was going through ever since its initial stage was also a reflection of the weakness of the agricultural national economy and the lack of committed human resource to promote rural agricultural schemes. As early as 1970 the nation was made aware of the Rao Committee of Inquiry (1968) report which stated that Agricultural Statutory Boards had failed completely to operate as profitable commercial organizations. The financial position of each had been "unsatisfactory", from the beginning they depended on public resources for all their capital expenditure, working capital, medium term capital and all other finance requirements. The KTC management of the MBS reflected a similar situation to that of the Rao Committee of Inquiry report whereby Agricultural Statutory Boards furnished "highly detective information and scrappy data" which made it difficult to arrive at true picture of institution's transactions. [33]

The KTC management in their quarterly reports hardly reflected the total amount of money expended on the boards for managing the scheme, the scheme production costs and the sales records. During this period (1982-1984) the reports did not show how much KTC management got from MBS as a commission to run it and as how much of the loan funds were expended on the KTC project rather than on the former's programmes. According to Mwangilwa a former scheme manager (1989-1994), the KTC management in most cases used MBS loan funds and banana sales revenues to solve its problems especially for payment of salaries to its workers. The misdirection of MBS revenues caused much delay in implementing the scheme programmes especially recapitalisation of the banana fields because KTC Management rarely reimbursed the resources. He further noted that although sometimes KTC management used to assist the scheme with some money in needy times, this was usually repaid immediately the latter made some sales whether profitable or not. Mwangilwa's account could be related to a loan transaction between KTC and Agricultural Finance Company (AFC). In 1981 KTC applied for K3million loan from AFC for tea and banana fields' extensions but the company had no money to facilitate the loan so it sourced funds from European Economic Community (EEC). Through the assistance of the government K3.5million was obtained from the EEC in the same year for KTC and MBS for a similar purpose just mentioned. The loan was to be repaid between1984 and 1985 but the KTC asked for re-payment to be rescheduled to November 1990. However, KTC management utilized ECC funds on the extension of the tea fields only, but the ECC loan re-payment schedule of November 1990 from the KTC reflected the resources of the MBS.[34]

The prospects of the MBS remained precarious. Its parent company the KTC which was given a responsibility to ensure that it succeeded in 1983 was also in financial crisis due to poor tea sales as a result of world economic recession. Thus, the years 1983 and 1984 continued to be difficult ones for KTC to run both tea and banana production processes without sufficient funds. The MBS active production acreage reduced from 52 to 30 due to inadequate of inputs and lack of recapitalisation, and non maintenance of the irrigation system. This resulted in under operation of the Ndola Sunspan Banana Ripening Plant because the MBS could not supply sufficient bananas. The loan from European Economic Community (EEC) for irrigation renovations could not be fully utilised at the expected period of time. This was so because of the disagreement between the EEC and KTC management over the utilisation of these funds for the benefit of the Banana Scheme and not for the Tea Plantation as the case was for the field expansion loan.[35]

Though the EEC later released the funds the project was rocked by lack of irrigation equipment from the African Farm Equipment (AFE) stores. This problem was compounded by late access to seasonal loans for fertilisers from the AFC.[36] This situation hampered MBS production and the

KTC financial crisis meant that the little revenues from banana sales were shared between the two sectors. Below are direct figures showing KTC tea production and poor sales performance in the first three years it managed the MBS that caused it to depend on the latter's banana sales revenues for its administrative costs or payment of salaries to some of its workers.

Table 5: Kawambwa Tea Company Production and Sales 1981-1984

YEAR	MADE TEA	PAST SALES	PROFIT(KWACHA)	LOSS(KWACHA)
1981-1982	497,765.5kgs	K1,826,231	NIL	155,617
1982-1983	495,881kgs	K1,673,857	NIL	663,463
1983-1984	392,682kgs	K2,959,867	NIL	84,133

Source: Kawambwa Tea Company Minutes of the Meeting held on 27/03 /1984 in the Tea Estate Conference Room.

3.5 Change of Scheme Management: From Rural Development Corporation to Zambia Industrial and Mining Co-operation Management, 1984-1996.

The strategy adopted in the First National Development Plan (FNDP) and thereafter by the Zambian Government was to establish in the shortest time possible a broad socio- economic infrastructure and institutions that could accelerate development in both rural and urban areas. Such a strategy it was hoped would provide Zambia with a solid base for further economic and social development. However, this was not achieved in the agricultural sector. The statutory boards and companies entrusted with this cardinal responsibility from time to time were on the rock due to various problems that ranged from their internal administrative faults, lack of trained and fully committed human resource, and above all the ailing national economy which was dictated by the world economic environment trends. In this way the Rural Development Corporation (RDC) was administratively dissolved on 1st April, 1984 and was officially dissolved on 28th June, 1984 by the then President, Dr. K.D. Kaunda. [37]

The dissolution of the RDC came as a result of loss making especially in its subsidiary companies. Despite the introduction of Corporate Planning in the RDC planning unit, its operations continued experiencing serious fiscal problems. In the financial year 1982/1983 RDC made a loss of K35 million with Agricultural and Finance Company being the largest contributor with a loss of K25 million.[38] After the dissolution all the subsidiaries of RDC instantly became subsidiaries of ZIMCO that included Mununshi Banana Scheme. Personnel in RDC were redeployed elsewhere within the ZIMCO Group. The Director of ZIMCO set up a committee to look into organization, restructuring and management of those companies which were now direct subsidiaries of ZIMCO.[39]

Before 1978 ZIMCO had experienced a serious lack of a sense of personal involvement and personal accountability and, the channels of communications were long, complex and confusing, leading to a maze of bureaucracy. But according to President Kaunda, after he re-organized ZIMCO in 1978 he was pleased it had emerged out of those dark days and the Group now had a good corporate image and structure. The Board of Directors were more committed and resourceful and were able to guide the companies through difficult times; and with worker representation on the Boards there was now a healthy consensus in respect of the steps which were being taken to further improve the country's economic operation by extending the responsibility of ZIMCO.[40] As a result of this arrangement the MBS was merged with the KTC, but the two entities were each expected to prepare separate Corporate Plans to reflect the ideas and intentions, and the expected activities as new separate sectors in ZIMCO.[41]

The above management changes for former RDC subsidiary companies were necessitated by the economic environment of the country and the world. The negative trends in the world economy triggered off a chain of problems in the Zambian economy. The steep rise in the price of oil in the 1970s through to the 1980s made costs of production to go up. This development was made worse by the steep rise in the cost of imported finished goods which, coupled with a steep drop in the price of copper on the world market, led to a major constraint in the country's ability to import key inputs for industries. Therefore, shortages of fertiliser and farm equipment with their spares became widespread in the country causing agro-industries like MBS to operate below the expected capacity. This economic atmosphere resulted in the reduced industrial output and failure to satisfy local demands for consumer goods. The inability to achieve break-even production levels and the price controls imposed on some essential goods either manufactured or farm produce like bananas from the MBS, compounded by poor workmanship forced various sectors into poor economic operations. These negative economic operations resulted in the depletion of their working capital and the inevitable financial woes.[42]

The foregoing economic woes underlined the disadvantage at which Zambia's economy was put as a consequence of the world economic structure more especially during recession times. The RDC was not able to import the required equipment for its subsidiaries. As such the ZIMCO Group of Companies because of its sound economic base both in the country and on the international market in terms of at least adequate foreign exchange was mandated to build a sound commercial and industrial base which was less vulnerable to upheavals in the world economy. This step was also necessitated by the development of cooperation amongst developing countries particularly within the context of the Preferential Trade Area (PTA) now COMESA and Southern African Development Coordinating Conference (SADCC).[43]

Thus the step taken to involve ZIMCO in reorganising the economy in the country constituted a pragmatic strategic approach for strengthening the regional economic structure and the development of resources at a domestic level. This was so because, it was believed that with an economic environment that was based on a sound domestic industrial structure and a strong regional economic structure the benefits that would accrue to the ZIMCO Group of Companies were bound to be many.[44]Therefore the expectation of the nation from the new expanded structure of ZIMCO was for its management to ensure that all economic sectors operating under its umbrella were viable and profitable. As such the basic objectives of the group were to increase the profitability in order to generate surplus so as, to create a solid base for current operations and expansion and to maintain a sound financial position, and, to expand and diversify operations effectively so as to satisfy the current and future needs of the nation.[45]

Although ZIMCO's sound economic base assisted MBE with soft loans and grants, the annual rate of growth of banana output hardly improved to the desired targets between 1984 and 1987. During that period bananas were produced against the budget estimates. Basing on the hectarage with banana plants from 1984 to 1987 the scheme management expected to harvest 5,600 tonnes of bananas but only 1,552.1 tonnes were harvested. The unfavourable variances between the quarters and also between the production costs and the selling prices were on account of the reduced acreage under active production. While the number of acres with banana plants was 60 per year on the average, the acreage in active production on the average was reduced from 48 to 28 by 1986. The other reasons for the production drop were that only new plants were giving good harvests. Fields planted in 1983 and 1986 (C and D blocks) in Phase 1 were passengers in the production arena. This was as a result of the soils being exhausted. Phase 1 had been under bananas ever since the scheme was opened in 1967.[46]

A vivid scenario for production drop can be drawn from the 1984/1985 first quarter production figures which the Acting Manager for KTC Mr. Muchaili described as "madness" in the production arena of MBS. The scheme management had estimated expected production of 172 metric tonnes, but when the quarter harvest was concluded the actual tonnage turned out to be 51 metric tonnes only for that quarter. The cost of production per kilogram was higher than the market price by K10.42. This discrepancy between the production cost and market sales per kilogram was too large for the scheme to maintain normal operation of banana production. According to investment and market selling expectations the scheme would have realised K1,792,240. However, from 51 metric tonnes it only realized K531,420 before considering any overhead expenses. This meant that even if the scheme had sold the harvested tonnage of bananas (51 metric tonnes) without any expense it had already incurred the loss of K1,260,820. Low production was attributed to inadequate fertilisers, lack of chemicals to combat worms that ate plant roots causing them not to bear good and enough fruits, poor weather especially in 1984 and 1985 that resulted into plants being vulnerable to sigatoka (drying of plant leaves). Below is the table showing hectarage and corresponding production that could not be matched with the early 1970s records despite showing almost the same hectarage during the period under review.[47]

Table 6: Mununshi Banana Scheme declined Banana Production against budgets 1984-1987.

YEAR	HECTARAGE	ESTIMATED PRODUCTION (TONNES)	PRODUCTION (TONNES)
1984	51	868	324
1985	73	1400	249.8
1986	73	1400	425.3
1987	44	610	553

Source: Mununshi Banana Estate Production Management File.

Though production seemed to have been rising even when hectarage dropped the market revenues from the banana sales could hardly support the workforce of the scheme in terms wages and salaries. The low revenues from banana sales compelled the management to lay off workers in order to reduce both field and administrative costs. Thus the labour force which stood at 346 by 31st March, 1987 was cut down to 243 by October-December, 1987.[48] The constraints faced by the scheme were many, some were inherited from RDC management period and some were as a result of unfavourable economic conditions prevailing during this period which ZIMCO and the nation at large thought would improve by this time in accordance with the Third National Development Plan projections.[49]

The scheme had experienced problems in transportation since it never had its own trucks. The marketing section of the scheme could sell not more than 2,666kgs of bananas per trip to the Copperbelt. Local transporters were not willing to transport bananas because of the 45 per cent GRZ tax which left little or no profit at all for them. This also (Government tax) worked to the disadvantage of the scheme because management had to increase payments for transport to cover the tax element thereby distorting the budget estimates. This crisis arose as a result of prices of fuel and oils that had doubled between 1984 and 1987 than the estimated cost which trickled down to increased expenses in form of the hiked cost of transport.[50]

The negative economic environment prevailing during this period meant that the merger between KTC and MBS suffered a double tragedy. KTC which might have come to the aid of MBS was also facing economic woes of its own on the world market. In 1987/88 the KTC approved budget incorporated an export programme which estimated selling price of tea at the London Auction floor at 135 pence per kilogram of tea and the average exchange rate at K13 per US Dollar. The prevailing exchange rates in March and April 1987 were in fact much higher than the average rated of K13 per US Dollar assumed in the budget projection. Profits were therefore, expected to be much higher than budgeted. However, following the announcement of the New Economic Recovery Programme (NERP) the exchange parity of the Kwacha was fixed at K8 per US Dollar. All subsidiary companies in the ZIMCO Group were directed to re-evaluate and revise their budgets for the financial year 1987/88 in view of the economic changes. Thus the exchange rate at K8 per US Dollar to KTC meant that, the realisation price of exports was to be below the cost of production of the made tea and was less attractive than the ex-factory local price. However, despite the possible losses, the management proceeded with the export programme in support of the Government's NERP with the projected loss of K416,000.[51]

The MBS and the KTC were sometimes subjected to losses because of their economic ties with ZIMCO which was mandated to implement Government economic policies and at the same time resuscitate operations of its subsidiaries. The economic difficulties the subsidiary companies were experiencing illustrated ZIMCO economic doldrums which were as a result of government directives arrived at implementing its ambitious economic programmes driven by the political environment. The economic difficulties ZIMCO group of companies was facing came about as a result of the Third National Development Plan 1979-1984 objectives for Zambia's economy which did not materialize on account of non realisation of its major assumptions due to the second oil shock of 1979/80 slump which led to declining in export earnings by 14.6 per cent in 1981 and to 20 per cent after the latter year. This led to an account deficit of 22 percent of the Gross Domestic Product (GDP).[52]

3.6 The New Economic Recovery Programme rescues Agricultural Sector from collapse

Due to poor economic indicators the Kwacha depreciated and terms of trade continued to deteriorate that demanded government immediate intervention to resuscitate the economy. In light of the above economic recession, Government embarked on the International Monetary Fund (IMF) and World Bank support programme of economic resuscitation and restructuring programme in 1983-1985, which was then extended to April 1987. However this programme also did not achieve the expectations and had to be abrogated with the launching of the New

Economic Recovery Programme (NERP) on 1st May, 1987. Thus it was between July and December 1987 that economic climate became favourable to ZIMCO Group of Companies that included KTC and MBS. ZIMCO Group of Companies started operating with some hope of making remarkable economic improvement in terms of the availability of operational funds and making substantial profits. This was due to the lower loan interest rates that were offered by banks as a result of the NERP at initial stage of the Fourth National Development Plan.[53]

The Fourth National Development Plan (1989-1993) marked the first medium term programme in the implementation of the country's NERP under the theme 'Growth from Own Resources'. This represented the country's commitment towards self reliance in all areas of Human endeavour in line with the objectives of the philosophy of Humanism as outlined in Humanism Part I and II at that time. Thus, the introduction of NERP was necessitated by a background of worsening economic crisis. Between 1980 and 1986 the Zambia economy sunk into deeper crisis caused mainly by continued high prices of oil. This crisis was characterised by worsening in the country's terms of trade. While export prices rose by 151 per cent between 1980 and 1985 this increase was more than offset by a simultaneous increase in import prices which saw the import price index rising to 990.57 as against the 1979 base of 100. This represented a rise in import prices of more than 800 per cent.[54]

By April 1987 the rate of domestic inflation had reached record levels while capacity utilisation in the economy declined with some key industries registering levels as low as 12 per cent. During this period higher interest rates on the world money market resulted in the country's external indebtedness rising from US $3.2 billion in 1980 to approximately US $5.6 billion at the beginning of 1987. It was against this background that the NERP was launched on 1st May, 1987. Notable achievements were recorded during the Interim National Plan and after almost a decade of economic decline the Zambian economy had for the first time registered a positive growth rate of 2.7 per cent in the 1988 fiscal year. In particular the agricultural sector, which continued to be accorded the highest priority in the country's economic development efforts in the 1980s, registered a remarkable improvement and was able to grow at 6.4 per cent in 1988 as against 2.2 per cent recorded in 1986/87 season.[55]

The MBS benefitted from the NERP and recorded success in banana production and market sales from 1988 to 1993 than the previous periods although acreage and production output never exceeded that of the period 1970 to 1974. There were a good number of factors that contributed to this progress. In January, 1988 following the NERP, the ZIMCO management decided to divorce MBS from the KTC management. This step led to the formation of Mununshi Banana Scheme Management Committee with a separate bank account from that of KTC and was accountable to the Agricultural Directorate of ZIMCO. Nevertheless the operations of the MBS were to be conducted by the KTC Management but the new procedure of managing the scheme brought in some transparency and accountability in the scheme's operations. This was so because KTC's role over MBS was now clearly spelled out to that of administrative contract only rather than the earlier purported ownership of the scheme. The responsibility of KTC over MBS carried a fixed commission to deter the later from misappropriation of MBS finances as the case was before.[56]

The MBS Management Committee composed of the: Group Executive Director (Agriculture) from ZIMCO Ltd as Chairman; Representative of the Group Financial Directorate from ZIMCO; the KTC General Manager; the KTC Chief Accountant; the MBS Project Manager; and a Representative of the Member of Central Committee (MCC) whereby Mwense Governor Winter

Chabala was the first appointee.[57] The table below shows commission entitlement of KTC from MBS.

Table 7: Commission entitlement of Kawambwa Tea Company from Mununshi Banana Scheme

ADMINISTRATION	BASIC SALARY	PERCENTAGE	AMOUNT PER MONTH
General Manager	K2,500.00	20	K500.00
Secretary	K 968.00	10	K 96.88
Personnel/Admin Manager	K1,330.00	10	K133.85
Finance Manager	K1,670.83	15	K250.62
Accountant	K1,266.66	15	K190.00
Stores & other Accts Staff	---------	---	-----------
Total			K1,501.35

Management fees to be charged to Mununshi Banana Estate K18,000 per month in addition to officers entitlements.
Source: Mununshi Banana Estate Divesture; Management and Assets, MBE/KTC Management Fees 1987-93.

The other salient factors that made banana sales profitable were: the donation of two 10 tonnes Suvi trucks by GRZ which improved dispatch quantities of bananas from the scheme to the sales depots; market demand for bananas continued to be favourable despite quality problems and the inflationary economic situation; there were very few and insignificant competitors in the market area; water supply was abundant because ZIMCO had provided a grant for the maintenance of the irrigation system; the NERP availed a favourable government policy and assistance to agro based industries through the provision of soft loans; and the fast expanding population particularly on the Copperbelt meant increased demand for the fruit.[58] Due to the afore mentioned favourable conditions for banana production and sales, in the 1988/89 financial year, the scheme managed to produce 800 metric tonnes, however in the 1989/90 production dropped to 635.9 metric tonnes but improved in 1990/91 to 800metric tonnes. The quantity sold from 1988 to 1991 increased by 12 percent compared with the preceding period (1981-1987), this indicated an improvement in the handling of the product. This was possible due to the introduction of boxes for transportation of bananas between the scheme and the sale points and, an improved management system.[59]

The increase in turnover was not necessarily due to the increase in production alone; rather, this was also due to the increase in the selling prices coupled with prudence management of administrative costs as a result of the introduced Management Committee and KTC Management fees incentive drawn from MBS. For the first time, MBS's operation administrative costs showed favourable variances. The 1992/3 financial year illustrated this progress when the actual expenditure was K1,851,000 against the budget of K2,790,000 giving a favourable variance of K939 000 which added to profits of that fiscal year.[60] In addition the Management Committee faced realities by reducing labour force in accordance with productive fields thereby reducing operational costs. In this vein the scheme had reduced its labour force from 475 in 1989/90 to 166 in 1992/93. The prudent management and favourable domestic trade conditions resulted in an average of over K6million net profit per year for the period 1988 to 1993.[61]

The scheme experienced a production drop from 1992/93 financial year due to field recapitalisation which aimed at replenishing old banana mats with new banana plantlets under tissue culture propagation from Lee Ways South Africa Company of South Africa. MBS attempted to resuscitate its declining production by buying bananas from the out grower schemes to maintain its market image and thereby try to maintain its profit margin (this is discussed at length in the next chapter). However, this was not possible due to enormous costs of inputs and the cost of field preparations for tissue culture plantlets which involved hiring of a tractor. This was compounded by an increase in personal emoluments such as salaries and wages and also the high costs of fuel and lubricants which had gone up rapidly. This situation unfortunately could hardly be controlled due to the inflationary factors which affected the general state of the economy, and labour force could not be cut because of the critical stage of the field preparation which in fact required an additional number of general workers. In this way the scheme incurred negative variance in administrative costs whereby the actual cost turned to be K5,410,000 against K3,630,000 budgeted amount for 1993/94.[62] This gave an adverse variance of K1,780,000 which contributed to the loss at that time, however this was treated as a normal and temporary setback caused by recapitalisation.

3.7 Mununshi Banana Scheme Under the Liberalised Economy, 1993-1996

3.8 Privatisation in Zambia: Background.

In essence Privatisation was the transfer of control of State Owned Enterprises (SOEs) from the state to the private sector that included the Mununshi Banana Scheme. The privatisation of SOEs in Zambia was being implemented as part of Government's overall economic reform programme. Privatisation programme begun in the UNIP government period in the late 1980s. The MMD government which was elected into power in 1991 had included privatisation in its manifesto as a centre piece of economic reform. The privatisation programme (liberalised economy) became law in Zambia with the passing in parliament of the Privatisation Act of 1992. To ensure transparency and minimise political interference, the Zambia Privatisation Agency (ZPA) was formed as government agency and was given the responsibility for all government privatisation issues. There were different modes through which this was achieved such as leasing, Concessioning, public offering of shares, sale of shares by competitive tender, sale of assets as the case was for the sale of Mununshi Banana Scheme, management or employee buyouts, and any other method the Agency had considered appropriate.[63]

It was a generally accepted view that privatisation was the only practical way to recapitalise the SOEs and to allow them operate more sufficiently and viably. It had also been shown by the international studies that privatisation as a worldwide trend had taken root in most of the world economies and was proving to be a successful economic tool in re-restructuring economies. Zambia had been no exception in this. Thus, the government of Zambia under MMD wished to let the private sector become the driving force of commercial and business activity whilst helping to provide enabling environment for businesses to thrive and help develop the economy.[64]

The dawn of privatisation was preceded by an era of rapid economic decline in Zambia. The general decline was compounded by falling copper earnings and an increase in the price of oil worldwide, which meant that government no longer had sufficient resources to prop up parastatals. Many of the SOEs were eating into the nation's resources by way of subsidies. These subsidies were using money that the Government could have used for infrastructure development.[65] The Parastatals became unsustainable by late 1980s and a number closed down following liberalisation in early 1990s. In addition several members of SOE management were allegedly not accountable for commercial return but for political patronage and, therefore, an important move was to remove political interference in the running of the SOEs. Private sector remained depressed. Zambia had already faced two decades of steady declines in per capita income, (US$900 in 1970, US$600 in 1980 and US$450 in 1990).With galloping inflation, devaluation, a general collapse of the local economy and a decline in the per capita income of the population it was clear something had to be done. Therefore, the privatisation programme was seen as a way to rescue parastatals and restore Zambia to a free market economy, with wide consumer choice.[66]

3.9 The Dissolution of the Zambia Industrial and Mining Co-operation and its Immediate Economic Impact on the Mununshi Banana Scheme

The Privatisation process did not leave out the Zambia Industrial and Mining Co-operation (ZIMCO). ZIMCO was abruptly dissolved in 1993 leaving indirect government supported agro-industries country wide to stand on their own. On 14th August, 1992 ZIMCO's Board adopted a resolution calling for a substantial transformation of its structure. This move shuttered the hopes of production growth at Mununshi Banana Scheme (MBS) despite its recapitalisation programme. ZIMCO was transformed into a slimmed-down investment holding company. Following this transformation, Industrial Development Corporation Ltd (INDECO), National Hotels Development Corporation Development Ltd (NHDC) and National Import and Export Ltd (NIEC) were disbanded, with the winding up of NIEC and NHDC effective December, 1992 and that of INDECO March, 1993. This was arrived at in order to show the efforts and policies of the Government of Zambia in the implementation of Economic Recovery Programme that the International Monetary Fund and the World Bank demanded as a prerequisite in the resuscitation of the country's economy. Thus, basing on the report which was presented to the Meeting of the Consultative Group for Zambia convened for 6th-7th April, 1993 dark days returned to rural agricultural schemes that included the MBS, their financier corporate (ZIMCO) was dissolve without any viable economic plan to enhance their existence put in place by the government for them.[67]

The changes which took place under the political will of the Movement for Multiparty Democracy (MMD) posed major challenges on MBS business management which required it to be anticipatory and responsive to the specific macro-economic changes arising from the Structural Adjustment Programme. Whereas the Gross Domestic Product recorded a negative growth rate of -28 percent, inflation soared to 20 percent against the 1991 rate of 118 percent and the kwacha continued to depreciate. In the absence of ZIMCO's assistance, the scheme was in a dilemma; its recapitalisation programme was crippled because much of the support in terms of grants and soft loans were expected to come from ZIMCO. Above all the status of the scheme was not known, the government and later the Zambia Privatisation Agency (ZPA) did not mind about any progress at the scheme thus it remained under the mercy of the KTC because dissolution of ZIMCO meant that the MBS Management Committee also ceased.[68]

The core effect on the scheme operations had been the extremely high cost of inputs arising from the liberalisation measures, liquidity problems due to inflation in the absence of enhanced sales and due to production shortfalls and high debtor positions. The 1993/4 business plan and budget of MBS were drawn basing on the past experience as the economy went through the initial liberalisation. The situation called for extreme adaptability to ensure production and marketing were not interrupted and that sales were to be mostly on cash basis or shorter credit periods to ensure survival. The reality of the situation called for this approach because the cost of borrowing were extremely high for the survival of the scheme if it chose to get loans.[69]

The Mununshi Banana Scheme through the KTC board of management continued adhering to strict administrative control measures from 1993 to 1996 in order to control over expenditure. However, despite the strict administrative controls which included labour reduction to the minimum number, administrative costs soared due to inflation. As the cost of living for employees escalated it became unavoidable not to increase of workers' salaries and wages. On the average, an increase of about 116 percent was made on salaries and wages for employees during the period under review which worsened the insolvency status of the scheme because banana production and marketing sales were rapidly declining.[70] The foregoing problem was compounded by lack of fertilizers. The Luapula Province Co-operative Union was unable to provide farm inputs because of the economic woes it was also facing; in addition to this the scheme irrigation system lacked maintenance, and cold rooms at Sunspan in Ndola were non functional which crippled the scheme's competition against emerging small scale and commercial farmers on the open markets.[71] Thus the scheme experienced poor cash flow such that at the time privatisation was effected (1996), production was extremely low as shown by the table below.

Table 8: Mununshi Banana Scheme recorded Banana Production 1991/1996 Fiscal Year.

YEAR	HECTARAGE	PRODUCTION (TONNES)
1991	66	879
1992	92	317
1993	60	125.9
1994	----	32.5
1995	----	31.8
1996	----	14.9

Mununshi Banana Estate Production Management File 1990-1996.

The operation of the MBS were extremely affected especially that ZIMCO never left any management board to guide its production process and administration while waiting for privatisation process. According to Daka (MBS manager 1989-1990 and 1994-1996) at the time the government issued an official instruction to privatise the parastatals in 1996, the MBS was not a viable economic agro-industry. This was as a result of the abrupt disruption of its recapitalisation arrangements of the banana fields with ZIMCO in 1993. Production had declined tremendously because the banana fields lacked sufficient fertiliser and adequate irrigation. The Scheme Management Committee had invested its meagre resources in recapitalisation hoping that the scheme was going to be facilitated with some grants and soft loans to support its cash flow following ZIMCO arrangements.[72] Thus the complete takeover of the scheme by Zambia Privatisation Agency meant that all activities of the scheme were to be suspended. In this situation KTC withdrew its seconded workforce in 1996 and the MBS was economically marooned. Mwangilwa noted that no formal arrangement was followed in the transition of this important estate to privatisation as such its fixed capital was at stake because it remained in uneconomical condition until the year 2000.[73]

3.10 Mununshi Banana Scheme under Colwyn Group of Companies, 1998-2010

Zambians seemed to have been convinced that market liberalisation was the most rational way to bring about positive changes in the economy as part of the economic structural adjustment programme. However, the hopes of so many Zambians were and have not yet been satisfied in the manner the parastatals were liberalised because a good number of them have never been resuscitated more especially rural agro- industries. The Mununshi Banana Scheme is one such rural agro- industries which were to be severely and negatively impacted by the economic structural adjustment programme initiated by the MMD Government.

Privatisation process for Mununshi Banana Scheme was not done in good faith. Chibwe and Nkandu who had been working at the scheme continuously from 1988 to the time of this research recalled that the scheme had two prospective buyers. The first was the Matijan Group of Companies which initially claimed to have won the bid in 1998. The would have been the first Matijan Group of Companies manager for MBS, Neetin Ashock Padcay and two other agro company officials with their families stayed at the schemes premises for almost a year but they never did anything in terms of production. However, the officials conducted land survey and made plans for their operations while waiting for the completion of the government process for their title deed as the official document for the acquisition of the scheme.[74] Unfortunately for the Matijan Group of Companies it could not manage to acquire the scheme but the Colwyn Group of Companies (CGC) did by the end of December 1998, a transaction assumed to have been completed in 2002. Colwyn Group of Companies bought the plantation and accompanying facilities at a cost of US Dollars 500,000. CGC took over the operation of the scheme in the year 2000. It embarked on infrastructure maintenance such as housing and the water system. The plight of ex-workers who previously served under the scheme's conditions and had been waiting for their service terminal benefits was not covered by the memorandum of the sale of the MBS.[75]

From the time Mununshi Banana Scheme was privatised up to 2010 the plantations were not productive as they were expected. CGC started land utilization for the purpose of agricultural production in 2001 whereby 316 hectares were cultivated and successfully planted with maize. The yield was good; over 18,000 x 90kg bags were realised from the 2001/02 production season. According to Mwansa and Nkandu the company had a bumper harvest such that it had a problem of transporting the bags of maize to the market because Luapula province had no adequate market demand for the produce.[76] The Company resumed banana and introduced Irish potatoes cultivation from the 2002/03 rainy season. About 16 and 5 hectares were planted with bananas and Irish potatoes respectively. By 2004 production had improved under Botha William as manager, workers pay roll was updated and back pays as far as 2001 were attended to.[77] Below is the table showing CGC pay roll for selected months for 2005 and 2006 that gave a bit of hope in the resuscitation of the scheme.

Table 9: Colwyn Group of Companies selected months Pay Roll for 2005/2006

YEAR	MONTH	NO. EMPLOYEES	AMOUNT PAID
2005	JULY	152	K3, 555, 600
2005	NOVEMBER	127	K9, 302, 000
2006	JANUARY	103	K8, 222, 000
2006	NOVEMBER	123	K9, 994, 000

Source: MBE, Wages File – Colwyn Group of Companies, 2001 – 2006

During William's period a tractor which at the time of this research was still running was procured and the three old ones were repaired. However William could not stay longer due to poor condition of service as the headquarters (Ndola) could not honour its contractual agreement. According to Nkandu, William also differed with the headquarters management on the waste of the scheme produce of 2005/06 harvest season whereby almost 3 hectares of Irish potatoes hardly found their way to the market and only few bananas where marketed due to transport inadequacy. In addition to this the headquarters failed to plough back resources into the scheme Recapitalisation programme they had agreed upon with the scheme management which made William uneasy because the future of the scheme was not promising.[78]

Botha William was succeeded by Patrick Gordant a close relative to the Director of the company Mr. Findlay in the late 2006. Under Gordant production dwindled and workers could no longer be paid their wages. There was extreme mismanagement of the scheme resources because the manager was not accountable to the director in Ndola. The group of workers found working under the breweries section recalled that the headquarters was not informed of the sold products and revenues realised were not known by the director, but the scheme manager continued requesting for imprest from him to facilitate payment of workers. Early in 2007 the Director released some funds based on the information that clients of the scheme had not made payment for the consignments supplied to them but this trend could not gain support any longer. Due to poor management, the frost, compounded by sigatoka disease (drying of plant leaves) destroyed 16 to 17 hectares of bananas that were planted in 2006. As the problems heightened at the scheme all the crop covering 17 hectares were burnt by bush fire in 2008. The major contributing factor to this loss was the inadequate labour. The scheme failed to recruit temporary workers because people had already withdrawn their labour due to non-payment of wages. Therefore, there was no manpower to attend to plants, hence banana and Irish potatoes cultivations were completely abandoned between 2007 and 2008[79]

The failure of banana cultivation crippled the scheme economically and the scheme could neither pay the outstanding debts in form of salary arrears to the ex-scheme employees nor sustain the wage bill for those who had remained in employment. According to Nkandu (the scheme's manager at the time of the research) the estate management failed to discharge the work force that had remained because it had no money to clear their salary arrears. To avoid the financial burden that was to be ironed out by itself the estate management decided to deploy the remaining work force into the brewing sector within the set up of the scheme.[80]The brewery sector was launched in July 2007 as Mununshi Breweries Ltd., and all the scheme workers were transferred to this section. The headquarter management of the scheme sought to introduce beer brewing with a view to utilising own grown maize as raw material to the brewing process. However, the prime objective of opaque beer brewing industry was to enable workers generate their own money for salaries and wages since production of bananas could not make it.[81]

Unfortunately the Mununshi Breweries Ltd project initiated in July 2007 did not achieve the intended objectives. The project faced a lot of challenges ranging from lack of transport; limited clients because pre-packed opaque beer like '*Shake-shake*' and '*Lusaka Beer*' commanded the market thereby disadvantaging Mununshi beer by offering unprofitable lower prices; three months fish ban (December to February) every year meant low or no demand for Mununshi beer since its clients mostly depended on revenue from fishing industry had little resources for their leisure moments at this particular period; the scheme had no capacity to grow own maize to depend on and the local maize was expensive it reduced the profit margins to a minimum level; above all the plant had no worker specialized in beer brewing and marketing. It can be concluded that no thorough research was conducted before initiating brewery project which had led to losses and where profits were made they were too little to support payment of workers' wages[82] as demonstrated by the table below for 2008/9 sales.

Table 10: Mununshi breweries Ltd Income, Expense and Profit analysis -2008/2009

BREWERY NO.	INCOME	EXPENSE	PROFIT (KWACHA)
01	2,709,000	2, 709, 000	NIL
02	3,495, 000	3, 495, 000	NIL
03	4, 140, 000	4, 140, 000	NIL
04	3, 762, 000	3, 762, 000	NIL
05	4, 007, 000	4, 007, 000	NIL
06	3, 960, 000	2, 740, 000	1, 220, 000
07	2, 850, 000	1, 569, 000	1, 280, 500
08	4, 140, 000	3, 140, 000	1, 000, 000
09	3, 954, 000	3, 350, 000	604, 000

NOTE: The expenses include transport, input (maize), diesel, firewood and advance salaries.
Source: MBE, Mununshi Breweries Ltd.

The brewery project of MBS was not able to sustain a big number of workers. By July 2010 only 15 workers in a unsecure employment were at the scheme. There was no field production programme, there was only one underutilised running tractor with workers houses in a dilapidated state, irrigation facilities were just in install condition with no viable venture for them and there were two but only one functional water pump. The irrigation system and most of the equipment such as the sprinklers and pipes were still intact. Generally, fixed capital to help recapitalise the scheme was on site, what was lacking was the 'will' from the corporate sector.

3.11 Conclusion

The chapter has shown that after independence the new government was zealous to promote agricultural projects in rural areas as a recipe for social and economic development in regions that had less economic ventures so as to reduce rural urban drift and at the same time raise rural income economic activities. The projects they embarked on had been tried before independence by the colonial authorities. Post independence government pumped a great deal of financial resources in rural agro-schemes but beneficial results did not come as expected. Though the MBS employed a good number of people at its inception, this labour was not retained due to poor management and the national economic woes the scheme faced. The foregoing reasons necessitated change of management of MBS in an attempt to make it viable and adaptable to national and international economies. The chapter has demonstrated that with good management and regulatory boards rural agro-industries like MBS proved to be viable and competitive. However privatisation in Zambia did not assist the rural agricultural schemes in terms of fostering rural economic growth or development that it was assumed by the nation would follow before liberalisation.

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CHAPTER FOUR

4.0 THE SOCIO-ECONOMIC AND POLITICAL CHALLENGES FACED BY MUNUNSHI BANANA SCHEME

4.1 Introduction

This chapter examines the factors that inhibited the banana market leading to wastages and heavy losses. It reveals that challenges the scheme faced did not only come from the technical and financial inadequacies of the scheme management but also from the government administration and political interference in the management and production process of the scheme. It further demonstrates that despite facing a lot of socio-economic challenges the scheme contributed positively in provision of jobs to local people which enhanced their monetary remunerations and expenditure that boosted commercial activities in the area. It proceeds on to show that because of the employment that was offered by the scheme and trade activities that accompanied the development of the scheme, a good number of people was kept from going to urban areas to look for employment or manufactured goods.

4.2 The Economics of Mununshi Banana Scheme

Generally the banana market system was not satisfactory, resulting in high wastage levels. This was in spite of the favourable sales recorded in some quarterly reports. A number of factors were at play. Prominent among which were problems related to the market area itself, price, diversification, the quality, storage and wastage of the fruit, distribution, promotion and lack of skilled human resources. This section therefore attempts to analyse these factors which were highlighted in various reports by the management to try and explain the failure of the scheme.

4.3 The Market –General Overview

From the inception of the Mununshi Banana Scheme (MBS) its products (bananas) enjoyed a wide market in the country.[1] The Ndola Depot of Sunspan served continuously as the scheme's major marketing and sales point while the Copperbelt Province had the largest market share of the scheme's production.[2] The scheme's attempts to externalise its markets to Northern Province at Nakonde Border and Dunduma in Tanzania between 1985 and 1987 failed due to high transport costs and poor road network. Similarly efforts were made to expand the market to Lusaka and Southern Provinces but met with setbacks that prompted the Market Department to concentrate much of its effort on the Copperbelt. The challenges that inhibited the expansion of the banana market in the latter named provinces were; the low prices that prevailed in these areas, few customers willing to take the product in its green form because of the problems associated with the handling and after-loss inherent in obtaining green bananas, the high rate of bruises that affected the quality of bananas and lastly the scheme management was not so responsive to the market dictates on the question of prices and when they did, it was rather late due to bureaucracy.[3] Thus while plans to increase production levels were underway, there was little done in terms of improvement in preparation for the logistical support to correspond with the anticipated upswing in production as the subsequent details revealed.

When fields came into bearing in 1988 and 2005, production assumed a remarkable upward trend posing a lot of challenges to both the Scheme and Ndola office. The Scheme's own transport proved too inadequate and did not often exist thereby creating a big problem in coping with increased production. This compelled the Scheme to rely more on hired transport and this had its own budgetary implications already alluded to. Almost every market space on the Copperbelt was covered but the ability of the depot in Ndola was always questionable in view of market service because it had inadequate transport and manpower. In addition, there was little systematic approach to order taking and customer visits largely due to insufficient support facilities such as transport and trained personnel.[4]

4.4 The Price

In the early years of MBS, banana production prices were state controlled and they were too low to realize profit for the industry to survive on. From 1970 to 1975 the average profit margin was between 1ngwee and 5ngwee per kilogram instead of 20ngwee and above.[5] Thus, the scheme depended on the grants from the government. When prices were decontrolled after 1991, the scheme production prices were challenged by competitors who were selling the same commodity at a much lower rate in Lusaka and Southern Provinces. For example, in 1991, the MBS production price was K35 per kilogram of bananas due to the high cost of overhead expenses but it reduced the selling price to K30 per kilogram in order to compete on the open market. But even this was also higher than the K25 per kilogram price which was being offered by Chirundu, Kafue, and Chongwe competitors. This led to most of the scheme banana customers on the Midlands to cancel orders for lower prices and more favourable terms of payment than cash basis for MBS arrangement[6] (see Appendix ‘A’).

However, while the general public could easily buy the fruits at K35 per kilogram in semi-ripe or ripe state, the scheme had no plan to go into a mobile sale arrangement because of the anticipated cost rise. The K35 per kilogram price was also high as bulk buyers the state shops and marketeers were getting the product at a much lower rate of K30 per kilogram or less. The Scheme was also disadvantaged by the high transport costs due to longer distances of the Midland markets such as Lusaka and Mazabuka.[7]

4.5 Diversification

Due to the poor economic trends of the country the Mununshi Banana Scheme (MBS) frequently experienced low banana sales that made the management to diversify its income activities other than selling bananas to the Copperbelt markets only. Although bananas were viewed as having a lot of health benefits they remained a luxury to those in the low income bracket who formed the bulk of consumers of the product. With the continued price increases on food in the late 1980s and early 1990s, the majority of the customers tended to spend their meagre resources on essential items as a matter of survival.[8] This sometimes resulted in decreased demand for bananas. This factor coupled with the problem of pricing which at times was also compounded by low production left the scheme with no choice but to consider the alternative of exporting bananas to Iran and Angola. This did not materialize because of the 1993 abrupt implementation of the non state controlled economy free enterprise, a development that drastically affected the scheme. The other alternatives considered were wine and banana jam production ventures which, however, were also disrupted by the afore mentioned change in the economic policy. The non state controlled economy free enterprise policy prevented the Zambia Council for Research from carrying out a feasibility study on a scheme whose management was in a dilemma. The only successful diversification venture was the buying of bananas from other farmers for resale. The prominent suppliers were Fisaka, Kaputa, and Mushili farmers.[9]

Management of the Scheme found it necessary to reduce the overhead expenses and enhance profitability by purchasing bananas from other farmers for resale. The main advantage from this venture was that direct costs of purchase were lower as compared to the production cost of the scheme and the profit per kilogram was therefore much higher than own produced bananas. A vivid illustration can be gotten from Kaputa purchased bananas for the 1991 to 1993 period. The average net income for the Kaputa bananas was K7.54n per kilogram compared to K1.95n per kilogram for own scheme produced bananas. This gave a distinct profit advantage of K5.59n per kilogram. Another example can be gotten from Kaputa and Fisaka Consignments analysis for third quarter of 1992/93 financial year below.

Table 11. Kaputa and Fisaka banana consignment analysis October-December, 1992

MONTH	October	November	December	Total
QTY in Kilograms.	11, 324	3, 304	30, 722	45, 350
Cost of bananas	60, 650	39, 800	1, 536, 100	1, 636, 550
Labour hire	8,700	6, 800	------------	15, 500
Pontoon Fees	----------	---------	------------	--------------
Subsistence Allowance	9, 522	16, 500	10, 800	36, 822
Fuel and lubricants	37, 800	44, 940	6, 500	89, 240
Total	117, 112	108, 040	1, 553, 400	1, 778, 552

Profit and Loss

Banana sales	4, 535, 000
Cost of production	1, 636, 550
Gross profit	2, 898, 450
Less overheads	142, 002
Net Profit	2, 756, 448
Less 25% wastage provision	1, 113, 750
Profit	**1, 622, 698**

Source: ZIMCO, Mununshi Banana Estate 21st Management Committee Meeting, ZIMCO House, 04/03/1993.

The above analysis was arrived at after the 21st Management Committee Meeting of 4th March, 1993 noted that the report on Kaputa Banana Transaction in particular that Kaputa Bananas were trouble -some and highly prone to wastage. The committee asked the management to furnish the it, henceforth, with a profit and loss account for the Kaputa banana transaction. In relation to the negative report the committee cautioned the Management against venturing too far into the Kaputa Banana Transaction at the expense of MBS. However, in the 22nd Management

Committee Meeting, the Committee was informed that the Scheme Management was glad to report that the business from the procurement of Kaputa bananas was viable and it recommended that the Committee approves its continuation while the MBS plantation under-went rehabilitation or recapitalisation in 1993.

Thus, from Kaputa consignments during the period under review the MBS realised profit of K871,948 and K750,750 from Fisaka consignments. Because of the Kaputa and the Fisaka consignments the 1992 April-1993March financial budget had a cumulative actual profit of K4,553,000m despite the fact that the scheme had production problems coupled with poor weather and quality of bananas.

However, the objective of this venture was not to promote purchase of bananas from other farmers, rather, it was simply to meet shortfall in production and reduce market competition as the case was for Mushili farmers in Ndola who also wanted to gain advantage of Ndola market. The scheme benefitted from this venture because it helped to reduce its fixed overheads expenses during the low production period.[10]

4.6 Quality, Storage and Wastage

The quality of bananas from MBS was outstanding in the country but the product arrived on the Copperbelt in a state of low quality due to bruises caused on the fruits in the process of transportation. As a quality control measure, the box system of transporting bananas from the Scheme to Ndola and Kitwe depots was introduced in 1988 but it was abandoned in 1989 on account of the system not offering maximum utilization of transport. However, it was reconsidered in 1991. The absence of boxes in the transportation of banana from the estate to the market increased the wastage rate. In addition lack of trained staff on how to handle the fruits in all stages of production compounded the situation and put the scheme at a loss. Bruises on bananas adversely affected sales and had contributed to high wastage as customers were reluctant to make re-orders when the quality of the product was questionable.[11]

As from 1982 KTC Management appointed inexperienced officers from tea fields to go and run MBS as either field managers or as estate managers. This compromised banana field work and its management because there was a great difference between tea management and that of bananas. Further, hired transport was a disadvantage to the scheme because private transporters also carried passengers who sat on banana loads causing damage to the fragile green fruits and did not handle the product well when off loading them from trucks.[12]

Compounding the situation was the fact that, due to inadequate boxes at the Sunspan depot bananas were stuck or piled up in cold rooms giving rise to fungi development on the fruit causing eventual high wastage levels. Added to this were continuous breakdowns of cold room machines at Ndola, a state of affairs that often resulted in bananas getting ripe on their own while in cold rooms. Without ready orders most of the bananas would go to waste. The opening of the Kitwe depot in 1989 had provided some relief on the congested Ndola depot. However, there was no adequate transport to facilitate a regular or timely monitoring system on the ripening process at the Kitwe depot. This contributed to the high levels of wastage when production was at peak like in 1991 as demonstrated by the table below.

Table 12: MBS Production, Sales and Wastages analysis April-July 1991

MONTH (1991)	QTY B/F (KG)	QTY REC'D (KG)	TOTAL QTY	QTY SOLD (K)	WASTAGE (KG)	REVENUE K'000
APRIL	4, 166	101, 086	105, 252	55, 070	22, 470.5 (21.3%)	1.9
MAY	28, 643.5	142, 394.4	142, 394.4	66, 224.5	50, 687 (35.6%)	2.3
JUNE	28, 220	92, 498	120, 718	43, 641	32, 179 (26.7%)	1.5
JULY	45, 531.5	103, 209	148, 740.5	48, 019.7	65, 549.8 (44.1%)	1.6

Source: Kawambwa Tea Company, Report on Banana wastage for the month of July, 1991.

During the period of April to July 1991, the Scheme Marketing Department recorded higher levels of banana wastage than was the case in any given period. Reasons for this state of affairs varied from customers' reduced or cancelled orders to insufficient logistical support facilities to enhance marketing efforts. Competitors supplied the scheme's customers with bananas when it missed the delivery schedule due to transport and fund allocation problems. In addition, early in 1991 the Zambia Sugar Company could not continue obtaining the product (bananas) for their banana jam because of the line's short shelf-life-span. This reduced the sales and contributed to wastage because bananas took long to be distributed to customers.[13] (see Appendix 'A').

4.7 Distribution

The distribution of bananas to market areas was usually affected by inadequate vehicles and when the scheme had some vehicles it encountered problem of maintaining them due to lack of spare parts. The available scheme vehicles were usually adequate for operation between the Scheme and the Ndola depot only. The fleet at Ndola however was inadequate to effectively and efficiently carry out all the marketing functions such as order taking, deliveries, research and customer visits in addition to purchasing and administrative roles. In this way reports reflected high transport charges on selling and distribution arising from increased sales volume, and transport hire was the most contributing factor in this connection. Similarly transport inadequacy affected the local marketing depots such as Kawambwa, Kashikishi, Mwense and Mansa. Between 1988 and 1992 the scheme depended on the local transporters to deliver bananas to local markets. However, the local transporters started shunning transporting the products due to delays in payment. This was only normalise in January,1993 when a ten (10) tonnes truck was procured to improve transport situation.[14]

4.8 Promotion

The scheme had no significant promotional activity undertaken aimed at enhancing sales of its product. When marketing was liberalised there was increasing competition on the market. The Marketing Department of the scheme had no qualified staff to enable it adopt market economic strategies. The Management Committee in its 19th Meeting acknowledged this issue that a press briefing in the business column of the **Times of Zambia** (5th June, 1992), had helped push the banana awareness when an anonymous business reporter wrote positively about MBS bananas. However, this was not quickly picked up by the management so as to enhance the selling market environment for the product through the use of media which proved to be so effective. It was only in March 1993 that the management considered allocating more funds for a deliberate sales campaign, including advertisement (although not in the budget). [15]

4.9 Human Resource Problems

The MBS experienced a problem of the right personnel to handle the product at both the Scheme and Ndola depot especially starting from 1982 when the KTC Management took over the running of the scheme. In the initial stage MBS had qualified staff from the University of Zambia, NRDC and other related Agricultural Colleges who were headed by expatriates specialized in banana production with either first or masters' degrees qualifications as from 1967 to 1974. The transfer of the scheme to the RDC in 1974 made better qualified Zambians leave the scheme for greener pastures, leaving the institution under an officer with a diploma up to 1979.[16]

The situation of under or unqualified officers being appointed to head leading delicate sections of the scheme became rampant under KTC Management despite knowing that a banana was a difficult product to tender especially given that it was produced far away from the market. KTC Management took an advantage to off load its workers on to the scheme on the basis of promoting them. For instance, a total of forty-two (42) transfers were effected from the KTC to the MBS in the Second Quarter of 1993/94 financial year. The seconded staff sometimes never lasted long at the scheme and they were not specialized in banana production. Under such circumstances it was difficult to trace records because there were no handing or taking over(s). Report writing would take long to master causing adverse results in production. Lack of properly qualified personnel and unstable administrative staff left much room for maladministration and financial indiscipline leading to mass transfers back to KTC or summary dismissals from employment at the expense of the scheme.[17]

Due to the above stated constraints, which in some cases were over a long period of time the scheme lost orders sometimes in the range of 96,470 kg of bananas worth about K3.3million in a month between 1988 and 1993. The reduced market further meant that bananas would stay long in non-functional cold rooms, resulting in high shrinkage rate. It also resulted in bananas ripening on their own and subsequent high wastage on the same. For instance, the large volume of bananas handled during the month of July, 1991 already alluded to in this discussion, coupled with the constraints discussed therefore meant that much of the product would go to waste. (see order schedule at Appendix ‘A’).

4.10 Administrative and Political Challenges faced by the Mununshi Banana Scheme

Introduction

In order to understand the activities and events involved in organising production and growth of MBS from its inception in 1967 to 1996, it is important to take into account those political and administrative issues, internally and externally that had an effect upon its development. It is also important to note that the MBS mesh of activities and events were so interwoven that separations of strands for the purpose of analysis risk ignore distortion. Therefore this section will dwell only on some issues that may help explain how political and administrative decisions adversely affected the MBS.

4.12 Administrative Challenges

The administrative changes that most negatively affected the scheme occurred in the Ministry of Agriculture. From 1964 to 1989 the administrative structure and operational policies of the Ministry of Agriculture changed six times that posed a lot of challenges in the operations of agro-industries like MBS. This was so because most of the changes in the Ministry of Agriculture focused on fulfilling political ambitions of the ruling political party the United National Independence Party (UNIP) rather than economic ones. In 1969 the Ministry of Agriculture was abolished giving birth to the Ministry of Rural Development whose principal functions were concerned with rural development. Though this ministry centred on development it could not operate to the fullest. It was too large and it had too many departments that included agriculture which resulted in its being inefficient.[18]This situation translated into an unmanageable range of activities to be attended to by the Ministry of Rural Development. Therefore in 1974 it surrendered rural agro-industries like MBS to RDC an act which just created a bigger problem because the latter could not sustain its country wide projects.[19]

4.13 Political Interference

Due to its essential position in the economic restructuring efforts which were aimed at the national economic recovery the Department of Agriculture in the Ministry of Rural Development was made a focal point of the Party (UNIP) and its Government economic strategic plan. Unfortunately this did not end at viewing agriculture as an economic tool for development but projects under the Department of Agriculture were turned into vanguard of the party UNIP to win mass popularity. This move distorted the economic image of rural agro-industry like MBS because they hardly operated as profitable economic institutions and they were turned into semi political institutions. For UNIP and its government good political organization at the place of work was effective in making the people participate in directing the course of rural development.[20] Thus, the committee for National Rural Development under UNIP in Luapula Province, targeted MBS and KTC as sources which local people could benefit from economically while at the same time strengthening party politics. The committee made a plea to decentralise control of the Project Division of the Scheme for political reasons and managed to secure party representation in management committees of MBS and KTC. This situation vindicates Mwandu who observed that during One Party Participatory Democracy political problems became a factor in the administration of KTC whereby company resources were used for the benefit of the party a development which contributed to the poor performance of the company.[21]

The MBS was built on political promises and as such party structures were part of its operational organization. From the initial stage of the MBS, UNIP structures were encompassed in its operation. The whole general work system of the scheme was controlled by UNIP staunch supporters. Mpundu narrated that a UNIP card was a prerequisite to gain employment at the scheme. Thus even the first *Kapitaos* (supervisors) were drawn from the party. Some Ward Councillors got these jobs as a reward for the role they played in fighting for independence more especially during the Chachacha period. In this way Pides Chipunka and Nchima of Chipunka and Kaombe wards respectively were the first field *Kapitaos* and their overall supervisor was Mambilima Ward Councillor Richard Bwalya. These councillors scrutinized job seekers who came from various places of the province to make sure that they were in favour of UNIP before enlisting them with the scheme management.[22]

Workers paid much allegiance to political leaders such as the District Governor and the Member of the Central Committee (MCC). Mulenga who worked at the scheme from 1967 to 1974 as an Assistant Project Manager and up to 1979 as Project Supervisor noted party politics supremacy in the organisation of the project. He recalled that the scheme management was inferior in making final decisions on the work culture of its work force. Workers could abandon work for party functions but were to be considered as on duty with full pay because they had backing from senior politicians such the District Governors and MCCs. Mulenga further narrated that from time to time the scheme was incapacitated of its labour force causing it to under operate because political campaigns could engage more than twenty workers for one or two weeks. This resulted in poor operations of the scheme because workers were paid for doing party work rather than the scheme's routine works.[23]

The *Kapitaos* (supervisors) from time to time warned managers and employees at the scheme of risking their jobs once not in favour of UNIP. Loyalty to the party mattered more than the scheme's production, which made it difficult for the scheme management to lay off supervisors even if they were perceived incompetent. Mwangilwa who worked at the scheme as Project Manager (1989-1994) recalled that recruitments of managers and some senior employees at the scheme were based on political preferences which compromised the scheme's operation standards because these officers' execution of duties was more political than economic. He added that scheme's resources were abused for the benefit of party organisation, thus, in his view the scheme production paid for UNIP political organization thereby contributing to the losses suffered by the scheme.[24]

Political interference in the management of the scheme did not just end at labour organization but extended to the scheme's products and usage of machinery. The scheme was mandated to carry out some social work outside its premises thereby overstretching its budget estimates which contributed to its inability to fully make the anticipated profits. In 1988 a furious Kaombe Ward Councillor threatened to report the scheme management to the District Governor for not delivering water for moulding bricks and also for not making moulding boxes.[25] Nkandu who had been at the scheme since 1988 as Field Supervisor to the time of this research recalled that the scheme vehicles and tractors were sometimes engaged in ferrying party cadres to and from political meeting centres causing production to be at stand still. He further recalled that during these meeting periods the scheme was commanded to provide some tonnes of bananas for party members'consumption.[26] Thus, because of these complications KTC Management in its letters of appointments for MBS supervisors and managers reminded them that: Mununshi Banana Scheme was a problem estate in many ways such as finance, politics and manpower, which they were expected to not only make improvements on but also fulfil the party and government policy of making MBS self supporting.[27]

4.14 Labour and Cultural conflict at Mununshi Banana Scheme

Apart from problems of a political nature, the scheme also faced some problems of a social nature relating to traditional beliefs and conduct. Local people resented being supervised by educated young men and women who were field or section bosses on the basis that a child could not direct a parent. Thus, the 1st Committee Meeting held in the office of the General Manager of KTC Ltd on a Tuesday the 12th January, 1988 appealed to the Governor (Winter Chabala) to assist in educating the people accordingly in his capacity as a politician and at the same time as a member of the Scheme Management Committee.[28]

Another point relating to labour was reflected in Mwandu's statement that women labour was more advantageous than men's labour at KTC. On the contrary women labour at MBS was counterproductive due to truancy and abandonment of the day's work. Reacting to the Management's recommendation that the female labour force should be reduced on account of bad work attendance, the board declined to make a policy decision. Its members observed that doing so would be tantamount to discriminating on account of sex.[29] Male labour also became a problem when wages tended to be low and erratic. Chibwe who had been working at the scheme as secretary from 1989 to the time of this research noted that some men just aimed at raising money for fishing nets and left without following the formal procedure of leaving employment. These work attitudes affected production in the event of harvesting and planting seasons.[30]

4.15 The Socio-Economic Impact of Mununshi Banana Scheme

4.16 Introduction

This section demonstrates that through creation of employment the MBS became a corner stone in the socio-economic transformation of Mununshi, nearby areas and the other parts of the province. It further reveals that though wages were sometimes erratic due to difficulties faced in production operations that caused job cuts at the scheme as discussed in the preceding chapters they enhanced money circulation in the area. Exotic and local products gained market, and out-grower schemes became vibrant and have remained so in banana production.

4.17 Mununshi Banana Scheme and job provision in Luapula Province

The aim of the First National Development Plan (FNDP) was to provide an integrated society in which at least most Zambians were hoped to participate in a monetary exchange economy. This was to be achieved by increasing levels of production in the country especially in the agricultural sector which catered for most of the needy rural areas.[31] Luapula province had MBS and KTC as the significant projects in achieving increased production that were considered to have positive impact in job creation and provision, market promotion and reduce the rural-urban drift.[32] The establishment of MBS added a spice to fishing industry in the Luapula valley by creating different types of jobs rather than those that were offered by the latter industry. In 1967 the Project Division under Agricultural Extension Services employed some local people to clear the surveyed land in preparation for banana cultivation. When land became ready for banana cultivation, jobs increased from those related to bush clearance to planting of banana suckers, mulching, weeding, irrigation, spraying and administration.[33]

The available records clearly demonstrated that even though the scheme faced numerous problems in terms of technical and financial difficulties it provided job opportunities to the local people of Luapula Valley. People were recruited from various places that included almost the entire districts in Luapula Province. Thus, the MBS therefore became the first regional unifying venture for Luapula people after independence. At the same time the scheme contributed to ethnic integration and unification. This was so because some general workers and most of the officers who worked as field supervisors and administrators did not necessarily come from within the province but also from other regions in Zambia. On the average 416 men and women were employed per annum as from 1969 to 1977. However the numbers started decreasing after 1977 due to the operational and economic constraints already discussed. Below is the table demonstrating job creation by MBS in the eight months of 1990/91 production season for field and administrative workers.[34]

Table 13: 1990/91 Man hours catering for jobs created by the MBS

MONTH	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
MAN HRS	625.4	81.2	779.6	839	697.4	755	1022.4	1026.2	6,326.2
COST (ZMK)	133,140	119,105	18,620	30,082.5	26,425	21,525	26,057.5	13,877.5	388,832
RECURRENT	21, 890	20,342	27,286	29,365	24,409	26,425	35,784	35,917	221,418

Source Mununshi Banana Estate Capital Programme, Funding and Cash Flow File 1990 – 91.
NOTE: Man hours catered for jobs ranging from: chemical weeding; spot weeding; fungicide spraying; furadan and fertilizers applications, desucking, mulching, propping, male bud removal, trushing, infilling and field slashing.

During the period under review, the 6,326.2 man hours were executed by 85 permanent and 329 temporary workers. [35] Thus, it can be seen from the remunerations that were drawn by both workers in the field and administration (under recurrent charges) that some income was earned by the local people and those in surrounding areas. Below is the table illustrating the MBS' labour retention from 1967 to 2007.

Table 14. Labour Retention at Mununshi Banana Scheme

PERIOD	AVERAGE NUMBER OF EMPLOYEES PER ANNUM
1967-1977	416 employees on average per annum
1978-1987	70 employees on average per annum
1988-1993	150 employees on average per annum
1994-2001	nil record after the dissolution of ZIMCO, less production occurred at the scheme
2002-2007	below 50 employees on the average per annum

Source: Mununshi Management Files; 1967-82, 1983-87, 1988-1993,and 2002-2007

The records demonstrate that the establishment of modern agricultural farms like MBS afforded the local people cash earning jobs which stimulated and enhanced a cash economy in the limited areas in which they lived. This also to some extent kept some people from migrating to urban areas to seek cash earning jobs or just for accumulation of exotic goods that had lacked in their areas. The records also demonstrate that concentration of capital in a single project could not result in long term benefits. The ensuing poor economic conditions denied the rural masses potential income that they might have earned if of same capital was invested in individual based schemes. This argument is drawn from the comparisons of the average number of employees of the MBS which stood at 416 employees from 1969 to 1977; below 70 employees from 1978 to 1987; 150 employees from 1988 and 1993; and below 50 employees between 2002 and 2007 to the number of people that a few individual out-grower schemes managed to sustain. Taking this into account, one can argue that government misallocated public resources in a scheme that had no long term viability. The vivid example of the capacity of individual schemes to retain workers can be drawn from Fisaka Banana Scheme under Joseph Kutobeka Chisakula which between 1988 and 1993 had an average number of 120 employees while the Kaputa Schemes had close to 200 employees in the same period.[36]

4.18 Mununshi Banana Scheme as an Agent of Commercialisation in Mununshi and surrounding Areas

Though the MBS faced numerous problems in labour retention the local people of Mununshi and nearby communities benefited from it economically in the sense that retail commercial shops were opened in the area. One of the earliest leading retail traders was Lukwesa who came from the DRC in 1969 and built an exotic goods outlet in Chipunka area where most of the workers for MBS came from. According to Lukwesa retail trading proved to be very profitable and that prompted him to build a retail shop in 1971. His business was mostly driven by the earnings of the scheme workers who offered a market for essential goods ranging from soap, cooking oil, mealie meal, mattresses, bicycles, clothes, and blankets to luxury goods such as ointments, soft drinks and ornaments.[37]

Retail shops which mushroomed in the area as a result of the scheme generated income, afforded both workers and local people an opportunity of acquiring essential goods at the door step. Mpundu recalled that their desires to visit the Copperbelt or Lubumbashi in the DRC for the sake of acquiring similar goods were consequently cut off.[38] Mbolela upheld Mpundu's assertion and added that as young men with little Grade 7 qualification or no academic qualification they stopped thinking of going to the Copperbelt or Lubumbashi because the scheme offered them jobs that were better than houseboy jobs offered for their qualifications in the afore named mining areas.[39]

The MBS did not only provide a market for exotic goods but also for local goods that included fish and agricultural products. Dorothy Kapungwe recalled that she bought her first mattress from a local retail shop in 1976 using the money she earned from selling cassava and groundnuts to the scheme workers.[40] Stephen Mukange recalled that because of the high demand for agricultural products he increased the number of cassava and groundnuts fields to cater for both home and market requirements. The demand for locally produced crops such as cassava, groundnuts and beans which the Luapula valley subsistence farmers could not meet also stimulated crop production in other areas as far as Kawambwa and Mushota. Because the market for local crops was available at Mununshi Banana Scheme, the council built the Chipunka market in the early 1970s in order to give shelter to marketeers from distant areas. He further stated that it became a trend for local workers from Mununshi area to invest their earnings in farming and big fishing ventures which helped them to raise enough money for procuring capital goods like fishing nets and durable goods like bicycles and iron sheets for roofing their houses. [41]

In addition to bringing economic benefit the scheme also introduced a health care centre in the area. Before its inception the nearest health centre was Mbereshi Mission Hospital which is 30kms from Mununshi area. Through the scheme's health centre, the Ministry of Health supplemented drug kits and deployed a nurse to cater for both workers and the general public. The clinic was able to attend to over 2,227 cases per quarter ranging from diarrhoea, malaria and abdominal pains to injuries and sore eyes. In 1992 it was able to contain the outbreak of dysentery which was the only health problem that rocked the scheme in its history due to untreated water from the Mununshi River that caused a death of a male worker.[42]

4.19 Promotion of the Out Grower Schemes

Some areas within Mwense district benefited from the MBS agro-industry expansion projects which were aimed at diversifying the scheme's revenue. The vivid example is the current efficiency of small banana farms in Lubunda, Loto and Chilengwe areas. In 1990 the MBS started promoting out-grower schemes by buying in bulk farm products like citrus fruits, pineapples and bananas from them. Though small scale farmers had been engaged in these products before, the extent of hectarage was not as big as what was put under cultivation after the stated period. Wilson Bunda and Kapula (small scale banana farmers in Lubunda village) recalled that, though MBS never completed its programme as envisaged in its plan it opened a market for both citrus and banana fruits.[43] The statistics collected from the Agricultural Camp Officer at Lubunda and what was seen at the time (2010) of the field research in regard to the above mentioned three areas showed that they were doing fine at micro agro-industry level more especially in banana cultivation. For example Lubunda village with 26 banana cultivators had 3,800 banana mats at the bearing stage while 851 banana mats were not.[44]

The patronage of the banana traders was quiet encouraging. During the harvest period a single farmer could attend to three traders on the average per day. Most of the products were sold to marketeers who ferried them either to the Copperbelt or across the Luapula River to Kasenga town in the DRC in transit to Lubumbashi mine markets. Petty banana marketeers supplied Mwense, Kazembe, and Kashikishi markets. According to Bupe Mwenge one of the petty banana marketeers from Kankomba Village in Chief Lubunda in Mwense district who was found at

Kashikishi market selling, she liked that market because she was able to immediately re-invest money made from banana sales into *Chisense* (Kapenta from Lake Mweru) which later she sold back home thereby pushing up profits. The profits were used to buy essential goods like clothes, sugar, cooking oil and salt; besides these expenses she also saved money for school requisites for her two children.[45]

Thus the semi-commercial or emergent banana farmers in Chief Lubunda's area demonstrated that the surplus production in the agricultural sector in rural areas could be achieved by small scale farmers continuously than by the highly mechanized commercial farms which cannot be sustained in times of economic hardships. From this picture it was deduced that the earlier programme of individual scheme and a cooperative at the marketing stage for Luapula Valley banana growers would have survived because it was driven by the desire and affordability of both the rural masses and environment. The government would have achieved its objective through agricultural extension work because this would have catered for a large number of individual farmers who are able to adapt to both environmental and economic changes without much help coming from the government.

The individual banana schemes were more resilient to economic woes than the modern agricultural projects imposed by the government on rural areas. Even though individual schemes did not attract any funding from public resources they contributed much more to the cash economy especially if we take into consideration the banana growers not captured by this study. For instance the 27 Lubunda banana growers who mostly depended on family labour but also engaged other people for cash more especially during the weeding and planting periods and later sold their products to the local traders provided a basis for the emergence of a long lasting cash economy which was well suited to the rural environment.

However, the initiation of MBS did not bring good things only to the area but also some social vices that affected the Mununshi area adversely although not at a very alarming rate. The views of Mbolela were that prostitution became prevalent in the area because some workers never came with their spouses, so they could cohabit with either local women or those who came from other areas on business ventures which could easily win them men. Women who could not find employment stayed in the area and carried out beer selling businesses where men drunk from and at the same time met their concubines. The repercussions of this situation were rampant divorces and occurrence of sexually transmitted diseases in the nearby villages. The situation came under control when women were forbidden to carry out such businesses in 1982. However this worked to the disadvantage of the scheme because workers became truants and difficult to control especially after pay day when they would leave for far away drinking sprees in Mwansabombwe.[46]

4.20 Conclusion

The chapter has demonstrated that generally banana production and marketing by the MBS was not satisfactory though the product enjoyed a wide market area. A number of factors related to difficulties in marketing and inadequate preparation by the scheme in terms of provision of adequate logistical support corresponding to the anticipated upswing in production were at play. Most of the diversification ventures did not materialise restricting the scheme management to a mono business culture of selling bananas either in their raw or ripe form causing stunt profits. The quality of bananas was compromised due to poor transportation and storage, thus raising the wastage rate due to bruises and breakages while in transit. The poor packing of bananas in cold rooms added to the scheme woes over the marketing of bananas due to Fungi problems. On the other hand distribution of bananas to the market was hampered by inadequate of transport and lack of any advertisement by the scheme thereby limiting the product to few marketing areas. Most of the workers who were deployed by the KTC management to the MBS were not only incompetent in banana production and handling which caused problems at all stages of production and marketing but also failed to improve the prosperity of the venture.

The chapter has established that the Ministry of Agriculture as an administrative agent in promoting agro-industries and party politics had a role in the poor management and production of the scheme. The changes that took place in the administrative arrangement and policy implementation through the Ministry of Agriculture were aimed at promoting political ambitions rather than economic viability of the ventures. The Ministry of Agriculture and later its agent in rural development the RDC were over loaded with a lot of responsibilities beyond their capacities which caused poor coordination and maladministration in the process of administering rural agro-industries like MBS. Politics at party level in the local area also adversely affected the operation of the scheme. Party politics incapacitated scheme labour by engaging it in political organisation rather than scheme production while drawing its resources in form of wages and its product.

The chapter has further demonstrated that although the scheme faced many challenges, it brought about a good number of opportunities which contributed very much to the social and material well being of the people. It created employment for the local people a development which improved the cash flow in the southern part of the Luapula Valley. Commercial activities were promoted and crop production enhanced in the area through worker's earnings and their desire to spend their remunerations on both manufactured and locally produced goods. Some people were made to remain in the local area rather than go to the urban areas for the sake of seeking jobs and material goods because these could be acquired within. Health care was brought nearer.

However, these positive developments were accompanied by some social vices such as prostitution, increasing divorces and sexually transmitted diseases though not at an alarming rate.

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39. Interview with Wilson Bunda, Mubende Village, Kawambwa District, 5/8/2010

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45. Interview with Mbolela, cited.

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CHAPTER FIVE

CONCLUSION

The study has demonstrated that no more than a very modest start had been made with the development of rural agriculture in Luapula Province during the colonial period. Though in the last two decades of the Colonial rule some economic development were attempted in agriculture, mining and fishing industries they were not transformed into sustainable economic development that could enable the province fully participate in the emerging economy at the time of independence. During the BSAC rule Luapula Province was not considered for any substantial economic developmental programmes apart from labour recruitment for deployment to other regions or territories. Before 1924 the BSAC regarded Luapula Province as a labour reservoir for its subsidiary mines in the Katanga region in the Democratic Republic of Congo. This trend was perpetuated by the Northern Rhodesia Colonial Government when mining industry developed on the Copperbelt region. The low economic activities in the province that could not provide adequate jobs nor raise the earning income of the local people prompted the post independence government to set up the Mununshi Banana Scheme. The government hoped that the Mununshi Banana Scheme was going to be one of the economic baseline in the Luapula Province in raising both the economic and social development of the local people.

The study has demonstrated that the issue of rural development through agriculture does not lie in elaborated propagation of lofty goals and ideals as they were reflected in Zambia's First, Second and Third National Development Plans. Thus to translate the idea of upgrading rural economies and integrating them in both national and international economies requires serious practical and tenable agro-economic policies rather than political driven agricultural policies. Such agro-economic policies should go with both political and administrative structures which should be adaptable to the world economic dynamics and balance the national requirements with programmes that rural areas and its masses can sustain. If the real economic aspiration of the masses are not considered in project implementation; and indeed if what the rural environments cannot sustain are imposed as rural agricultural developmental programmes they are doomed to fail like the Mununshi Banana Scheme.

The problem which rural development faced in Luapula Province through the MBS was the idea of the government and its planners that provision of modern agricultural enterprises was more effective and quicker in developing rural areas than encouraging traditional farm set up with new commercial crops. No lesson was learnt from the earlier schemes during the colonial period such as the Mungwi Settlement Scheme in the Northern Province of Zambia which did not succeed because they were based on European or mechanical set up that was completely cosmetic to African rural conditions. The idea that rural people and their environment only needed incentives of all sorts because they were inert citizens who needed all the succour from the government or from those who know much was more likely to fail than succeed. The lesson drawn from this scenario was that centralised management of rural agricultural projects did more harm than good.

Generally the study of the modernized rural agricultural schemes directed by government showed that rural poverty could not be permanently solved through them. Modernized schemes like the MBS attracted a bigger capital investment from the national treasury resources which mostly aimed at maintaining a tiny unit of employees that emerged as the supreme determinant of the new society but did not reflect rural realities. This new society disappeared as soon as operations of the schemes declined. Thus, the foregoing argument proposes that there were a lot of urban-element inherent in the schemes which meant that they could hardly survive in African rural conditions. The schemes were tailored to valued provision of agriculture produce to urban areas more than to the alleviation of poverty for a large number of rural masses thereby ranking rural needs secondary to those of urban dwellers.

Thus, the idea of reducing rural-urban migration through the establishment of rural agricultural schemes was not a viable or lasting solution. This was so because concentration of human and financial resources on few projects like MBS sidelined problems of rural poverty which caused rural-urban migration. Therefore, it was imperative that government rural development oriented programmes were based on rural realities. Added to these problems were poor road network within the Luapula Province and to distant markets. If these were taken care of bearing in mind the delicate nature of the product (bananas), wastages and overhead expenditure on administrative and operations would have been avoided by the government. The actual production of bananas should have been left in the hand of individual schemes. Governments would have concentrated much on market promotion for the product rather than taking both roles of production and marketing.

The study showed that Party politics if not controlled become a liability rather than a supportive factor in the development process as the case was to MBS. Party politics also diminished people's innovative spirit because people tended to believe that their survival depended on government hand outs. This made them not even carry out their tasks ably because they did not see the difference between those committed to work and themselves when it came to their rewards or wages.

It has been deduced from the study that problems of rural development through agricultural projects in Zambia, and hence reasons for their decline or failure can be traced to the manner the government introduced these programmes in the rural areas. While rural agricultural projects were perceived as economic ventures by the public the ruling party (UNIP) perceived them as vanguards of their political ambitions. This political trend made schemes operate as non profitable ventures.

This move which was aimed at gaining political support from the masses misdirected rural economic development and consequently contributed to the failure of the schemes. In addition the scheme management gave themselves fringe benefits which bore no relationship to the productivity of the scheme.

The study showed that though privatization of rural agricultural schemes could have brought good fruits to the rural development process the government of the day (MMD) did not seriously consider what was lacking in government run projects. It can be argued that those who bought the schemes had no rural economic vision for them which led to their drastic production drop and bankruptcy. Thus 'rural development through agriculture' implementers should have striven to address the above discussed factors in order to assess and evaluate the failure of rural agricultural schemes before privatising them for the benefit of the rural masses.

Finally the study demonstrated that the MBS and other late 1960s rural agricultural projects in Zambia were designed with no recognition of real needs of the local people apart from their provision of labour. The demonstration from small banana farmers of Chief Lubunda's area showed that the government when introducing rural developmental projects left out of the consideration the great variety of essential needs within the rural life set up that take priority over any demands from outside. In the light of these faulty assumptions, it was no surprise that one agricultural programme after the other in Zambia failed to transform rural economy.

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APPENDIX

APPENDIX 'A'ORDER POSITION AS AT 31ST JULY, 1991.

TOWN ORDER	CUSTOMER	ORDER(KG)	ACTUAL ORDER/CREDIT	CANCELLED/UNSERVICED
NDOLA	MUKUBA HOTEL	240	175	65
	HENRY MAKULU	240	190	50
	FOYLES	200	150	50
	NEW SAVOY HOTEL	240	210	30
	MOLU	400	350	50
	ARMY	4,000	3,500	500
SILVER ARROW	SILVER ARROW	200	50	150
	GOOD MILILE	800	550	250
	LYASHI	400	200	200
	MATILILO	240	---	240
	RICKENS	200	50	150
	LBS SHOP	400	---	400
	CENTRAL HOSPITAL	800	---	800
	ZCBC	1,200	- --	1,200
	FASHION BAZAAR	40	-----	40
	NAZININA HOTEL	240	-----	240
	LYATITIMA	400	----	400
ZAMBIA	ZAMBIA SUGAR	8,000	----	8,000
	VI F FARMS	800	-----	800
	KAFUBU VALLEY	800	-----	800
	TASHAS	400	----	400
	PANKEN FARM	400	----	400
	STANDARD CHARTERED.	120	----	120
	BARCLAYS BAANK	120	----	120
KITWE	CHISOKONE MARKET	12,000	200	11,800
	MINDOLO	800	----	800

APPENDIX 'B' CONTINUES...

TOWN ORDER	CUSTOMER	ORDER(KG)	ACTUAL ORDER/CREDIT	CANCELLED/UNSERVICED
	WATCH TOWER	400	-----	400
	LUELA FARMS	400	100	300
	BUCHI HOTEL	200	----	200
	MFUMU	400	250	150
	CHIMWEMWE	1,200	----	1,200
	N.H.S	1,200	750	1,450
	EDENBURGH	200	----	200
	FOYLES	400	200	200
	WASHIPA	200	-----	200
	ZCBC CENTRAL	1,200	600	600
	ZCBC BUCHI	400	100	300
	ZCBC BUYANTANSHI	400	100	300
	ZCBC RIVERSIDE	800	----	800
	ZCBC CHIMWEMWE	400	100	300
	TWIKATANE COOP.	1,600	-----	1,600
	WONGANI FFARMS	2,000	-----	2,000
	CENTRAL HOSPITAL	1,200	900	300
	MPELEMBE SEC. SCH.	2,000	1,700	300
KITWE	NORTHERN CYCLES	40	----	40
	MWAISENI	800	315	485
	NCHANGA	1,200	300	900
	NKANA HOTEL	200	-----	200
	NKANA HOSPITAL	240	120	120
	MPD	800	600	200
	WUSAKILE	560	140	420
	BAWAKA	1,200	-----	1,200

LUANSHYA	CHIPUNDU	1,200	500	700

APPENDIX 'B' CONTINUES...

TOWN ORDER	CUSTOMER	ORDER(KG)	ACTUAL ORDER/CREDIT	CANCELLED/UNSERVICED
LUANSHYA	ROAN HOSPITAL	400	200	200
	ROAN CLUB	200	100	100
	MWAISENI	600	----	600
	SATKHAAM	400	310	90
	ZCBC	1,200	350	850
	LUANSHYA HOSP.	400	200	200
	SHAINTON SUPER	400	50	350
	LADY 'O'	400	100	300
	DAGAMA	1,200	----	1,200
	GRACE LAND	800	----	800
	MR. CHEWE	1,600	----	1,600
	ZAONE MARKET	2,000	----	2,000
	GZ	4,000	-----	4,000
MUFULIRA	MUFULIRA DEALERS	1,200	600	600
	MINORS FAMILY	4,000	----	4,000
	MALCOM HOSPITAL	1,200	300	900
	RONALD ROSS	4,000	100	300
	ESTATE FARM	1,200	----	1,200
	MUFULIRA D.COUNCIL	400	----	400
	ZCBC	1,200	----	1,200
	N.H.S	240	----	240
	BULANGILILO	1,200	----	1,200
CHINGOLA	SCH. OF ACCOUNTANCY	800	----	800
	ZCBC	1,600	----	1,600
	MICKEYS	200	----	200
	PROTON	200	----	200

KALULUSHI	KALULUSHI HOSPITAL	200	50	150

APPENDIX 'B' CONTINUES...

TOWN	CUSTOMER	ORDER(KG)	ACTUAL ORDER/CREDIT ORDER	CANCELLED/UNSERVICED
KABWE	RACHIES	200	......	200
KABWE	LUANO	12,000	----	12,000
	CHIPAKAMA	4,000	-----	4,000
	ZAF	300	-----	300
	ELEPHANT HEAD	160	-----	160
	KIFCO	400	-----	400
	COMMODITY SUPPLIES	1,600	-----	1600
	KACHRY	600	-----	600
LUSAKA	ZAF	3,000	2,150	850
	ARMY	3,000	------	3,000
	CHILENJE SERVICE	1,200	300	900
MAZABUKA	MASH	12,000	-----	12,000
	TOTAL	**114,000**	**17,630**	**96,470**

SOURCE: KAWAMBWA TEA COMPANY LTD., Report on banana wastage for the Month of July,1991, Ndola: 02/09/91.