# PRIVATIZATION IN ZAMBIA: A STUDY TO DETERMINE THE PARTICIPATION OF WOMEN IN THE ZAMBIA PRIVATIZATION PROGRAMME, 1993-1997

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# **APPROVAL**

This dissertation by **Dellia Mwale-Yerokun** is approved as fulfilling part of the requirements for the award of the degree of Master of Arts in Gender Studies of Studies of the University of Zambia.

# Examiner's Signature:

andura Date: 21 February 2003

Fay Gadsoller Date: 12 June 2003

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# **DECLARATION**

1, Dema Mwale- i erokun hereby declare that this dissertation represents my own work,
and that it has not previously been submitted for a degree at this or any other University.

Signature of Researcher:

Date:

12 June 2003

#### **ACRONYMS**

BAZ Bankers Association of Zambia

BPFA Beijing Platform For Action
CBU Copperbelt University

**CEDAW** Convention for the Elimination of All Forms of Discrimination

Against Women

**EBO** Employee Buy Out

FINDECO Finance and Development Corporation

**GDP** Gross Domestic Product

GIDD Gender In Development Division
IMF International Monetary Fund
INDECO Industrial Development Corporation

LAZ Law Association of Zambia

MBO Management Buy Out

MCTI Ministry of Commerce Trade and Industry

MINDECOMining Development CorporationMMDMovement for Multi-Party DemocracyNGONon Governmental Organization

PLC Private Limited Company
PS Permanent Secretary

PTF Privatization Trust Fund
SADC Southern African Development Community

SAP Southern African Development Commu SAP Structural Adjustment Programme

**SOE** State Owned Enterprise

**UNIP** United National Independence Party

**ZACCI** Zambia Association of Chambers of Commerce and Industry

ZCTU Zambia Congress of Trade Unions ZFE Zambia Federation of Employers

ZICA Zambia Institute of Chartered Accountants
ZIMCO Zambia Industrial and Mining Corporation

ZNFU Zambia National Farmers Union ZPA Zambia Privatization Agency

# **DEDICATION**

In loving memory of my dear mother

# EMMA MWALE

You were truly a woman of substance. Mother, I'm everything I am because you loved me

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#### **ABSTRACT**

In Zambia women represent fifty-two percent of the population, yet their inclusion in political, decision-making and high value economic activities has always been limited. This has been attributed to the negative stereotyping of female roles by society, exacerbated by long-term fiscal disenfranchisement. The introduction of the privatization programme in 1992, presented an opportunity to broaden women's participation in macro economic activities and in particular high value business activities.

This study was undertaken against a background where in most African countries, including Zambia, human development as it concerns gender equality is more in rhetoric than in practice. This is evidenced by the fact that there is very little literature on women's participation in macro-economic enterprise and no literature on women's participation in privatization. The objective of this study was to examine the levels of participation in this major economic development programme, to determine the extent to which females participated. It further investigated factors that influenced the comparative participation of females and males. The study was undertaken between June and December 1997. Data was collected using both the quantitative and qualitative methods, and involved the use of questionnaires and interviews, as well as review of Zambia Privatization Agency records and Government instruments on gender equality.

The study demonstrates that despite the fact that the privatization programme was implemented in an environment in which Zambia had signed and ratified a number of instruments for gender equality and empowerment of women, the programme was gender blind. In the period the study was undertaken, 191 State-Owned Enterprises (SOEs) were privatized. The study reveals that out of 459 individuals who bid for companies 40 were female and 138 were males. Fifty-one females and 230 males bid in the company of others, either their spouses or other business partners. In terms of actual purchasing of SOEs, only 1 female purchased as an individual while 22 males purchased as individuals. Fifty males and 11 females purchased in company of others. A total of 123 females and 592 males purchased shares in Chilanga Cement, Rothmans of Pall Mall and Zambia Sugar Company.

Factors that influenced the comparative participation include capital, experience in managing companies such as parastatals and political status. Although both the female and male respondents cited lack of capital as a hindrance to purchasing companies, the situation was worse for women. The study also reveals that a number of politicians and managers of parastatals had a higher participation rate than ordinary Zambians. However, women who are under-represented in political and decision-making positions, were again marginalized in this group of participants. There was no participation of females on the Board of Directors of the ZPA. Their participation in the administrative structure and on negotiating teams was negligible. This is explained by the discovery of the study that the government structure charged with the promotion of gender equality, The Gender In Development Division, played a minor role in the development and implementation of the Zambia Privatization Programme.

### **CHAPTER ONE: INTRODUCTION**

This study examines the levels of female participation in a major economic development programme, the Zambia Privatization Programme. The study was undertaken to determine the extent to which females participated and to investigate factors that influenced the comparative participation of females and males.

## 1.0 Background to the Zambia Privatization Programme

Women represent a majority of the Zambian population. This group represents 52% of the population (CSO Living Conditions Monitoring Survey, 1998). The country attained independence over 30 years ago, at a time when the economy was one of the richest in Sub-Saharan Africa. During the period 1965-1973, GDP grew at an average rate of 2.4% per annum, with the manufacturing sector growing at 9.8% (Gulalati 1989, cited in Jones 1994). With the attainment of political independence, the first government saw a need for economic independence as well and embarked on an aggressive programme to nationalize leading companies, including insurance companies and the copper mining industry. This was also seen as an avenue of providing employment opportunities for Zambians. A number of parastatal companies such as the Industrial Development Corporation (INDECO), the Finance and Development Corporation (FINDECO) and the Mining Development Corporation (MINDECO) were created all under the mother company called the Zambia Industrial and Mining Corporation (ZIMCO).

Two decades later this nationalization programme began to lose credibility with both the Zambian people and international creditors. The parastatals resulted in Zambia becoming one of Africa's most heavily state-run economies. By 1975, economic growth was declining as copper prices fell drastically while oil prices increased. Many of the parastatals were making losses and were a constant drain on the national treasury. This put the country in a heavy debt situation. In order to run her economy, Zambia was increasingly becoming indebted to international lenders such as the IMF. The IMF and World Bank set criteria and conditionalities for third world country borrowing and in this regard Zambia was forced to structurally adjust her economy so as to qualify for the loans. The Structural Adjustment Programme (SAP) was first seriously embarked upon in

the mid-1980s. It was discontinued due to the hostile reactions from citizens when mealie-meal prices were increased as a result of the removal of subsidies on agricultural inputs and price decontrols, as manifested in the riots on the Copperbelt in 1986 and Lusaka in 1990 (Mungule, 1995).

In 1991, the MMD Government, through it's Economic Reform Programme, embarked on the full implementation of the SAP. The SAP components include (a) improving economic performance of the parastatals through privatization; (b) stimulating investment from both domestic and foreign investors; (c) raising revenue to reduce government deficits; (d) permitting government to focus its attention on selected activities such as the provision of social services; and (e) raising revenue for an ailing economy. The SAP component that was quickly implemented was the privatization of parastatals. The privatization programme was established in 1992, through an Act of Parliament. Its main focus was to develop the private sector to be the primary engine for economic growth (The Privatization Act, No.21, 1992).

#### 1.1 Statement of the Problem

In Zambia, the inclusion of women in political decision-making and high value economic activities has been limited. Zambia has not had a national policy on women, which has resulted in limited efforts to empower women. Since time immemorial, the participation of women in high economic value business activities has been marginalized. This has been attributed to the historical negative stereotyping of female roles in society, which has been exacerbated by long-term fiscal disenfranchisement caused by the lack of access to capital and credit. Such a trend will firmly entrench the control of the national economy in the hands of men and the participation of competent women in high value economic activities will continue to be limited.

Given the above, there is need for government to consider deliberate policies that would expand the participation of women in high value economic activities. The Privatization Programme in Zambia presented an opportunity to encourage and support the participation of women in such high value economic activities. This study aimed at investigating whether this happened.

#### 1.2 Objectives of the Study

The main objective of the study was to investigate whether the Zambia Privatization Programme provided for popular participation and to what extent women participated. Specifically the objectives of the study were:

- (i) To determine the levels of female and male participation in the programme. Participation here means bidding for companies, purchase of companies or purchase of shares of companies, representation on the ZPA Board, representation on committees that reviewed bids and representation on negotiating teams.
- (ii) To investigate factors that influenced the comparative participation of females and males.
- (iii) To establish whether there were any deliberate efforts by government and/or the ZPA to ensure gender equity in participation.
- (iv) To suggest recommendations to address gender inequities.

### 1.3 Rationale of Study

In many African countries, including Zambia, human development as it concerns gender equality is more in rhetoric than in practice. The rationale of this study is that it will contribute to data on the participation of women in privatization, an area where not much literature is available. This study was the first of its kind in Zambia and therefore exploratory in nature. It will provide primary gender disaggregated data on the participation of women in the privatization programme.

## 1.4 Theoretical Approach

Since the 1970's, women's empowerment and gender equality has been an issue in the global development paradigm. During the UN-Decade for women (1975-1985), a greater awareness grew to integrate gender analysis, not only in policy making, programmes and projects, but also in evaluations and impact analysis (Touwen, 1996). In this decade, there was a shift from Women in Development (WID) Framework which focused on projects that were meant to change women's social, economic and political positions in society to the Gender and Development (GAD) Framework that focuses on gender roles

and gender relations and critically looks at the structural inequalities that exist between the sexes and the institutionalization of male power (Lodh 1996).

In the bid for women's empowerment a number of approaches were used by development planners and funding agencies to address the issues of women's needs and development. These include, the Welfare Approach of the 1950's, which assumed that women's roles in society were to be mothers, housewives and care givers. Therefore projects or interventions designed for women's development were centered around teaching them to knit, sew and bake. Such activities did very little to improve the economic status of women and further increased women's dependence on men, as well as their lack of confidence to participate in 'big' business ventures. This approach has been criticized for "widening the gender gap by restricting women's activities to the domestic arena, thereby accentuating existing inequalities (Tinker, 1976).

The Anti-poverty Approach linked the economic inequality between men and women to poverty and not subordination and hence emphasized increasing of women's productivity as a way of reducing their poverty. The problem with this approach is that it increased women's work because it introduced projects such as 'knitting clubs' that increased women's workloads as such activities were outside women's roles in their households. The Empowerment Approach, which is being used in current development planning, recognizes that people, including women, should have more control over and access to the means of production and they should have more say in the direction of the development of their countries (Touwen 1996). This approach therefore seeks to empower women and any marginalized groups through redistribution of power and resources in societies.

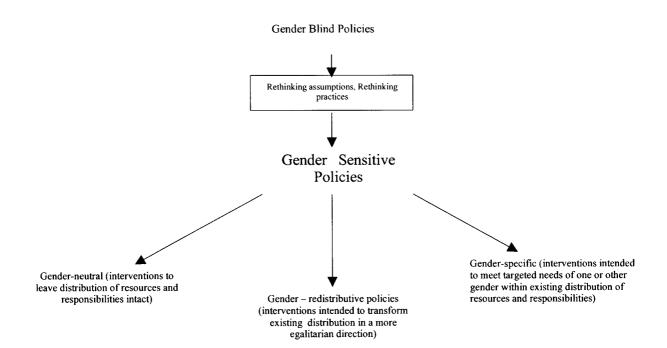
The GAD empowerment approach uses gender analysis to critically review roles and relations which are the basis for women's subordination and increase their marginalization in the distribution of resources, labour, opportunities and power. The approach uses the analysis to design interventions to empower women to improve their position in relation to men (Oxfam Gender Training Manual (1994)). To this end development planners and policy makers use the gender mainstreaming strategy as a tool.

Gender mainstreaming is a "process of assessing the implications for women and men of any planned action, including legislation, policies or programmes in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the designing, implementation, monitoring and evaluation of policies and programmes in all political, economic, and social spheres" (United nations ECOSOC, 2000).

Kabeer (1994) concurs with the strategy of mainstreaming gender as a means of moving towards the attainment of gender equality. She states "we need to not only pay attention to the unequal terms on which women and men enter the public domain, but also the formidable barriers within public institutions" (Kabeer 1994). She further argues that equity goes beyond equal opportunity, it entails the removal of discriminatory barriers to market participation. This is illustrated in fig.1 below.

This figure describes a policy review process that is undertaken with a gender perspective. It begins with an assumption that most policies are gender blind and at the center of this process is the 'rethinking of assumption and practices'. It is at this stage that a gender analysis is done to highlight gender imbalances that current policies perpetuate with a view of reviewing them and developing gender sensitive policies. These policies can be placed in three categories, namely: (i) Gender-neutral where interventions are intended to leave the distribution of resources and responsibilities intact; (ii) Gender-specific, the interventions are intended to meet targeted needs of one or other gender within existing distribution of resources and responsibilities; an (iii) Gender-redistributive policies in which interventions are intended to transform existing distribution in a more egalitarian direction.

Figure 1.1: Policy Review



This study will use the above model to evaluate the Zambia Privatization Programme from a gender perspective.

#### 1.5 Definition of Terms

Act: The term "Act" is often used as abbreviation for "legislative act" or "Act of Parliament".

**Bid/Bidding:** A quotation setting forth a price that someone (the bidder) is willing to pay for a company.

Collateral: Property, which is pledged as security for the repayment of debt

**Company:** A legal entity created by shareholders (whether individuals, companies or other legal entities) to carry on business activities.

**Divestiture:** Transfer of public or state-owned property (including SOE) to the private sector

**Nationalization:** Confiscation, expropriation, forced acquisition of a private enterprise or asset by a state

**Pre-emptive Right:** Right typically of a shareholder, to buy shares before they are offered to others.

**Privatization:** Any measure resulting in the transfer of ownership and/or control over assets or activities from the public to the private sector.

**Public enterprise:** Enterprise owned by the Public Sector.

Public Offering: Offering of stock securities to the public.

**Securities:** Stocks, bonds, notes, convertible debentures, warrants or other documents that represent a share in a company or debt owned by a company

Tender: To make a bid.

**Vouchers:** A coupon, form or other document indicating that its owner may apply the amount specified on the voucher against future purchase or acquisition of certain items, such as share in SOEs.

#### 1.6 Structure of Dissertation

This thesis is divided into five chapters. The chapter that follows discusses the literature available on privatization programmes. Chapter Three presents the research methodology utilized for the study. Chapter Four provides an analysis and discussion of the findings of the study. The conclusion and recommendations are contained in Chapter Five.

### **CHAPTER TWO: REVIEW OF LITERATURE**

#### 2.0 Introduction

This chapter presents a review of literature on privatization. It has been discovered that very limited literature is available on the subject of gender and privatization, and in particular the participation of women in privatization programmes in Zambia and elsewhere. However, there are studies of women in business in Zambia and these will be discussed and compared with studies of women in business in West, East and Southern Africa, because they highlight the ability of women to participate in economic activities. Section 2.1 gives an overview of studies of the various privatization models that have been used in other countries, section 2.2 presents the participation of women in business and section 2.3 gives the conclusion to the chapter.

### 2.1 Models of Privatization

Below is a presentation of literature on privatization of state enterprises and the transfer of ownership to the private sector. These studies have mainly concentrated on the process of transferring ownership of state enterprises to private hands. They do not pay much attention to gender concerns. This has contributed to the lack of understanding of how both women and men have participated and benefited from privatization programmes. Hence the literature presented here, with the aim of highlighting women's participation in privatization programmes is placed within the wider context of privatization and private sector development. It looks at different privatization models and where these programmes have taken place with a view to highlighting models, which would have best facilitated wider participation including that of women and comparing them with the Zambian model.

Jose Pinera (1991) notes that by any standards the privatization effort in Chile has been the most successful privatization project of the Latin American countries and that property ownership in the population has been greatly increased; the number of individuals owning stock through the stock market grew by 77 percent. He does not, however, disaggregate the data according to sex to show the gender participation. Privatization in Chile is said, by Pinera, to have introduced more dynamic management

and increased motivation among employees who now work in their "own firms". But again no effort is made in the Chilean experience to show how many among the beneficiaries of the privatization were men and how many were women. Other forms of privatization in Chile include the privatization of the pension system. This change played a large role in strengthening the capital market and facilitated privatization by providing a source of private investment. However a large portion of this was owned by American companies, and hence did not bring about private ownership at the individual level. It set the stage for a considerable expansion of employee stock ownership plans, but there is no display of the extent of participation of women and men. Chile had a huge state sector and privatization was driven by efforts to raise fresh capital on the international markets. Powerful capitalist interests therefore basically dictated the type of privatization and participation was defined by the IMF/IBRD. All other considerations became secondary in this kind of environment. This is the situation in all Latin American countries, which by the time of privatization had very weak economies with little bargaining power. So the interests of their own people, as was in the case of Zambia, were sacrificed to accommodate powerful international capitalist interests and current IMF ideology.

According to Virayani (1992), Thailand privatized major state enterprises, including the following: (i) a telephone company that granted a concession for a three million telephone line expansion programme worth \$4 billion to the private sector; (ii) the Expressway and Rapid Transit Authority, which was established as a joint venture with a private company for an express-way expansion worth \$1 billion; and (iii) Thai International to publicly issue a series of new capital in the stock exchange of Thailand to mobilize equity funds from private sources to mobilize its \$4 billion program. Nowhere is there any data or information given concerning the participation of women and men in the process. There is just focus on financial and political outcomes of the process. This neglect apparently is a global trend.

Britain, took the lead in the privatization revolution by transferring about one-third of its nationalized workforce – 60,000 jobs – to the private sector. According to Fitzgerald (1988), with the aim of making Britain a nation of homeowners and shareholders, Prime Minister Margaret Thatcher's government introduced a form of privatization known as

popular or worker capitalism, offering to sell stock in some state enterprises to their employees. For example, in 1982, employees of Britain's largest trucking company, the National Freight Consortium, purchased 83 percent of the company stock, contributing about \$500 each. Since the buy-out, employee productivity has increased by 30 percent and the company is so profitable that the stock is now worth more than 40 times the price the employees paid for it. This study does not show the distribution of benefits and participation of women and men. At British Telecom, the world's sixth largest telephone company, in a large stock offering, the British government sold a 51 percent share to the public. The shares were under-valued and British Telecom employees were given first preference to purchase; 96 percent of the workforce bought shares. After privatization, British Telecom posted a profit of 25 percent, but again, the participation of men and women in this privatization is unknown as figures of participation in both the public flotation and employee purchases are not given.

Namoonde (1998), Malyamakono and Bagachwa(1996) have stated that privatizations in developing countries are usually carried out during recessions when markets are poor and the indigenous population lacks a strong capital base to participate. So the existing distribution of wealth will ultimately determine who buys the companies that are privatized and the capital gain will continue to accrue to the rich segment of the population. Luders (1980), suggests that countries which have weak capital markets and which want to ensure that a significant share of the privatized firms are transferred to local control, should use mass privatization models such as those used in Eastern Europe. The use of mass privatization is said by Luders to be better than the use of sales through competitive bidding as in the case of Zambia. Mass privatizations in Eastern Europe have primarily used the voucher system to transfer shares to larger segments of their populations.

Dhanji and Milanovic (1991) discuss the use of vouchers in privatization programmes. They state "spreading ownership makes the destruction of a newly formed economic system more difficult and that public attitudes are more positive when everyone is a property owner........... A society with dispersed ownership is likely to be more egalitarian than one with concentrates of ownership" (1991:5). They argue, therefore, that

vouchers have been used to facilitate the participation of a larger part of the population by using fair and equitable distribution of state-owned enterprises. Vouchers can take a variety of forms such as bearer securities or physical securities that can be traded or converted into shares in enterprises; registered certificates or books or coupons; registered bank accounts; and in pension funds. The latter provides a safety net for the poor and vulnerable in the population. Vouchers therefore allow for the transfer of shares to take place without the use of money. The researcher believes that this mode of privatization should have provided opportunities for greater participation of women, however this literature does not provide this evidence.

Dhanji and Milanovic (1991) also discuss the use of coupons, stating that coupons encouraged broad participation, as in the case of the Czech Republic. The system there involved the distribution of coupons to a large number of the population. The method that was used is as follows: (a) all adult citizens were eligible to purchase a book of coupons at a cost that was equivalent to one week's wages; (b) coupons were only denominated in points to prevent the trading of coupons at a discount of their value and; (c) coupons could not be sold for cash but only used for investment either by using them to bid for shares in the central or investment funds. This method has been widely used in countries that have embraced more social market capitalism than those that practice unadulterated market capitalism. There is more concern for the vulnerable and empowering them to participate. This is the case for the former Soviet Union and some Eastern European Countries.

Dhanji and Milanovic indicate that Poland and Kazakhstan both used the coupon system as well in the implementation of their mass privatization programmes. In Kazakhstan, people living in the rural areas were awarded an additional 20 percentage points on coupons, which was a measure to give the vulnerable groups a chance to purchase shares. However, there does not seem to be evidence of measures that were specifically targeted at women. In Russia, vouchers in the form of bearer securities were issued for a nominal face value of about 10,000 Rubbles and could be sold for cash, exchanged in an investment fund or used to bid for shares at an auction. While Hungary on the other hand, avoided the use of mass privatization and instead used competitive trade sales. It has been

seen here that there has been little local participation and because of this, the government is now using the stock exchange to publicly offer shares to the ordinary Hungarian citizens. It was felt that this would encourage wider ownership and access to domestic capital. The scheme in Hungary focused on credit rather than use of vouchers. The scheme allowed every Hungarian adult who paid a nominal fee to be entitled to purchase shares on the stock exchange. The scheme allowed for repayment to be spread over five years. It was thought that this type of privatization would attract participation from a large portion of the population. Although these programmes would have included a large number of women, there is no evidence of this in the literature. However, this is seen more of a practice of social empowerment, which to this researcher is the best model and which should have been used in Zambia.

Zambia, however did not use this model. A study by the Commonwealth Secretariat (1994), on the Zambia Privatization Programme indicates that government policy focused mainly on who could purchase the companies at the highest price possible. This system definitely would have marginalized and not empowered the vulnerable population of Zambia.

#### 2.2 Impact of Privatization Programme

Other literature relevant to this study focuses on the impact of privatization programmes on men and women. Economic Reform Programs such as Privatizations are said to have led to job losses through retrenchments. In Mexico studies show that privatization has had adverse effects on workers especially women, who are the majority of the garment factory workers, because after privatization many of the factories have closed down. Tirado (1994) argues that the situation of women in Mexico has been worsened by privatization. They are targeted for employment because they lack professional training and so are paid low wages. The working conditions in these factories are poor and women have complained of violations against them by the factory owners. The women are not allowed to join unions or organize themselves in order to advocate for better working conditions.

In a British Council report on gender and economic restructuring in the United Kingdom (1997), it was seen that a high social price is being paid for economic restructuring. Most women have not gained in wages, and have found themselves employed as contractual workers, mostly on short- term basis. New dangers to their lives in terms of gender violence have arisen. Due to increasing unemployment rates, the incidents of violence against women has increased, because there seems to be an increased consumption of drugs and alcohol by most breadwinners, to probably alleviate the depression they experience due to loss of jobs. There has also been a reported increase in suicide rates among the retrenched men, resulting in an increase in female-headed households

In Zambia, a study commissioned by the Zambia Privatization Agency (ZPA) (1997), on the social impact of privatization showed that privatization in Zambia resulted in the retrenchment of 6,000 people. The report indicated that "privatization has not led to a great reduction in female employment and we have found no evidence of systematic retrenchment of women before men." The study however contradicts itself by stating "despite this, the fact that women are concentrated in clerical posts has led to some privatized companies retrenching a higher proportion of women than men".

In the United States, an empirical analysis of the effects of privatization of social security on women was carried out by Ekaterina (1998), using a panel data set collected in 1991 of 3,577 individuals (1,992 women and 1,585 men) who first applied for social security benefits in 1981. The results showed that in every case the plan with a contribution rate of 10 percent of their annual income, delivered the highest amount of retirement benefits. It was the case also for all categories of women at a contribution rate of 7 percent. It was also seen that these earnings-sharing elements provided a higher disbursement to married women. Of the women with interrupted earning histories, single women accrued on average 35 percent less than married women or previously married women. These results imply that, in relative terms, single women may have been at a disadvantage under the privatized social security system. Not only did they receive lower benefits than married women, but they also faced higher cost of living because they did not enjoy economies of scale of living in a family. This study does not provide a comparison between men and women.

### 2.3 Participation of Women in Business

A global study done by Nowicka (1997), on the integration of women in private sector activities found that although adequate data is unavailable, less women than men are trying to look for new opportunities in the private sector. She states that the proportion of women working in the private sector as employees is smaller than that of men. Women's chances depend on education and that there are a number of success stories of female entrepreneurs but the majority are those who are younger with better education and living in urban centers. For the majority of women in countries undergoing economic liberalization programmes, however, in particular those with less education and who are older and living in rural areas or small towns, integration is more difficult and the number of new jobs is limited. Similarly, in most countries, self-employed women often run small shops, work as street vendors or offer social and personal services. These women face severe obstacles as they lack business skills and knowledge, supportive infrastructure and access to credit. Elson (1991) agrees that there is a connection between greater resource availability for poor women and their empowerment.

Studies of women's participation in business in Africa indicate that historically women have mostly been involved in the trading sector. In Uganda, up to date, women represent about 50 percent of all traders and they own many of the small trading businesses in urban areas. Robertson (1995), states, "One area of women's pre-colonial authority was in market trading, which has a long history in West Africa." This trend continued after colonization. Nigeria, where women have been involved in business activities since as far back as the 1900s is one such country. Mba (1982) in a study of the women's movement in Nigeria, shows that the Yoruba women of Western Nigeria were largely engaged in the manufacturing, processing and marketing of a variety of crafts such as tie and dye material, pottery, local beer and food stuffs. In Ghana, the same applies, where women's economic activities were in the trading of agricultural products, palm wine, which they made and fish and cigarettes (Bukh 1979).

Madzimbamto and Ndoro-Mkombachoto suggest that in Zimbabwe, business women are mostly concentrated in textile and garment activities such as tailoring, knitting and weaving, hairdressing and beauty salons, food processing, take-away, beverages and catering, pottery, handicrafts, curios and miscellaneous retail trade. A large number of these women operate both formal and informal cottage manufacturing industries. The technology used varies from simple to complex sophisticated machinery. Very few of these women export their products due to financial information and logistical constraints, so the majority tend to conduct their sales at the local level.

Beveridge and Oberschall (1979) indicate that before independence, the business activities of women in Zambia were marginalized to the prepared food trade and were entrenched in small-scale charcoal trading. Studies by UNICEF (1986) and ILO/JASPA(1981) show that female participation in the informal sector seems to follow a similar pattern to those found elsewhere in Africa, in that they are concentrated in retail trade, community and personal services.

However, the study by Mba, shows that women are capable of running 'big business.' Yoruba women are said to have largely controlled their own economic activities and women selling a particular commodity organized themselves into associations with the leadership structures headed by women. She mentions a woman, Mrs Obasa, who in 1913 "introduced the first private enterprise public transport service" in Lagos. In Zimbabwe women have also participated in the running of transport businesses being involved in transport trucks and operating minibuses. Reese, in her study of urban women in business in Zambia, showed that most business women were involved in service or sales industries which required minimal capital investment. Two indigenous women namely, Ms. Anna Chileshe of Mansa and Anna Lengalenga of Katuba (near Lusaka) are mentioned by Jonathan Chileshe (1997) to have owned medium-scale businesses in the hotel and restaurant sectors. It is therefore clear from this literature that women have demonstrated that they have a role to play in economic development, and given the opportunities, can venture into large-scale business activities.

In Zambia, at the advent of the economic restructuring programme, Lumbwe (1992) suggested that the inequalities that exist in Zambia would worsen with the economic restructuring that was to take place with privatization. He further stated that women did have an interest in the radical reformation of the economy but that he foresaw very little participation of women because of the unequal distribution of wealth, power and existing unfair business practices that make credit unavailable to women. This study aims to investigate whether this hypothesis is true in relation to privatization.

In the literature presented above, the emphasis of almost all studies has been on treating privatization simply as a process of divesting state enterprises and transferring ownership to the private sector. All policy objectives of the governments that have privatized have had this primary objective. Studies have focused on these policy objectives and process of privatization without analyzing the participation in these programmes by the various groups in the societies. Also there has been no consideration of the extent and level of participation of women in relation to men in privatization programmes in order to investigate who has benefited the most and who has been marginalized.

It is this neglect on the part of these studies that has reduced the whole privatization process and exercise to mere policy and programme studies, which gives this study its point of departure. It aims to fill in the glaring gaps that exist in the lack of analysis of the levels of participation of men and women. This study therefore investigates the levels of participation of females and males in the Zambia Privatization Programme.

#### **CHAPTER THREE: RESEARCH METHODOLOGY**

#### 3.0 Introduction

This chapter presents the research design of the study. It discusses the sources of data, and instruments used for data collection. The chapter also outlines the problems encountered in collection of data.

#### 3.1 Study Design

The study was undertaken between June and December 1997. Data was collected using both the quantitative and qualitative methods. Desk reviews of documents at the Zambia Privatization Agency and files of Companies that had been publicly floated were reviewed at the Registrar of Companies Offices. Since this was a first study on gender and privatization, the study was exploratory. The study focused on the privatization of State-Owned Enterprises (SOEs).

In selecting the SOEs to be privatized, the ZPA used The Divestiture Sequence Plan, which was prepared in accordance with Section 8(2)(e) of the Act. In September 1992, cabinet approved The Divestiture Sequence Plan, which comprised of 144 parastatal companies (Annex I). The factors that were considered in sequencing divestiture were the size of the SOEs, in respect of sales volumes and number of employees (small, medium and large), their type of business (trading, manufacturing, agricultural, mining, etc), whether wholly- or partially-owned (i.e. the presence of minority shareholders), the perceived ease or difficulty of divestiture (presence of or lack of complicating factors), and anticipated mode of privatization (ZPA Progress Report No.3, 1993, p19).

The modes of privatization according to Section 22 of the Act were as follows: public offering of shares, private sale of shares through negotiated or competitive bids, offer of additional shares to dilute the State's shareholding, sale of selected assets, re-organizing or break up of SOE, management or employees of the SOEs offering to buyout the government's interests, lease and management contracts, and any other means the ZPA might consider appropriate. Public competitive bid for trade sale was the preferred mode

when the SOE was wholly owned (i.e. 100%) and no other mitigating factors were present, while negotiated private sale was required in cases where there was the presence of pre-emptive rights or restrictive rights of minority shareholders (Ibid).

The SOEs were, in the Divestiture Sequence Plan, placed in Tranches for Privatization. A Tranche is a group of SOEs to be privatized. This study focused on SOEs in Tranches 1-7, because these were composed of mostly small and medium enterprises and were the first to be privatized. The researcher envisaged that these would have more participation from individuals. The composition of the Tranches was as follows:

#### 3.1 Tranches of Privatized Companies

	SMALL	MEDIUM	LARGE	TOTAL
TRANCHE 1	19	-	-	19
TRANCHE 2	9	15	7	31
TRANCHE 3	34	8	21	63
TRANCHE 4	8	-	5	13
TRANCHE 5	4	3	2	9
TRANCHE 6	6	-	3	9
TRANCHE 7	3	2	3	8

Source: ZPA Report No.9, 1996

The study was limited to the following modes of privatization: (i)Sales through competitive bids, (ii) Management/employee buyouts and (iii) Participation through purchase of shares of companies that were publicly floated. The study reviewed the privatization period from 1993 to 1997.

#### 3.2 Data Collection

Data for the study was collected by reviewing the files, records and bid documents at ZPA, corporate reports such as the ZPA Progress Reports and Quarterly Magazines, as well as reports of publicly floated companies, which were reviewed at the Registrar of Companies offices. The information that was obtained from these sources included (i) who were bidders for SOEs; (ii) who were the successful bidders and why; and (iii) general information about the privatization programmes such as the selection process of the privatized SOEs, and the sequencing of the privatization programme. The records at the Registrar of Companies gave information on who bought shares, and how many

shares each individual purchased. Other methods of data collection were person-toperson interviews and distribution of questionnaires. Interviews were conducted with the staff of the ZPA and the Gender In Development Division.

Two questionnaires (A and B) were distributed to two different samples of one hundred and fifty each. Questionnaire A (Annex II) was used to find out the awareness of the privatization programme and Questionnaire B (Annex III) was used to find out the constraints people faced in participating in the privatization programme. The Questionnaire A was distributed to a sample of businesspersons in Lusaka, Ndola, Kitwe and Mazabuka and Questionnaire B was distributed to people who submitted bids to the ZPA. This group was sampled from the ZPA records. The first three areas were selected because they are the major commercial cities in Zambia. Mazabuka was selected to represent the smaller business towns.

### 3.2 Sampling and Sample size

The total sample used for the study consisted of three hundred and fifteen people.

Questionnaire A was distributed to one hundred and fifty business persons (75 females and 75 males). This sample was drawn from people conducting the following types of businesses: marketeers, hairdressing salons, shops (boutiques, supermarkets, spares, groceries), bakeries, farmers, manufacturing, travel agencies and small-scale mining. The researcher endeavored to select seven people from each of these categories. In the categories where there were large populations such as marketeers, restauranteurs and hairdressers, a systematic random sampling method of selecting every fifth person was utilized. In the categories where there was a smaller population such as petrol stations, farms and bakeries, a purposeful sampling method was utilized. The researcher purposely looked for females and males operating in these lines of business and questionnaires were distributed to them. For small-scale miners, a list was obtained from the Ministry of Mines and the systematic random sampling method was also used to select the respondents from this group.

The total sample for Questionnaire B was also one hundred and fifty (75 males and 75 females). This sample was drawn from people who participated in the privatization

programme, by bidding for and/or purchasing SOEs. This sample was collected from the ZPA records and it involved the researcher going through the records and disaggregating the participants into lists of males and females.

It was discovered at the time of the study that 91 females and 404 males had participated in the privatization programme by either bidding as individuals, bidding in company of others or in the management/employee buyouts. The sample of 75 females from the total population of 91 was obtained by putting the names in a basket and selecting the first 75. The sample of seventy-five males was obtained using the systematic sampling method of selecting every fifth person. The difference in the sampling method was because there were fewer females than males in the sample. Therefore the sample of females was being obtained from a smaller population than that of males.

The review of records at the Registrar of Companies was also undertaken. The Files that were consulted were those of Zambia Sugar Company, Chilanga Cement and Rothmans of Pall Mall. These were the only companies that had publicly floated shares during the period of the study.

Personal interviews were undertaken with employees of the ZPA (Annex IV), where eleven people comprising of seven males and four females were interviewed. This sample was taken from the list of employees. The researcher endeavored to interview one female and one male from each of the professional categories of employees. At the GIDD, three males and one female were interviewed (Annex V). These were the only employees that were available as some were either on leave or away for studies. Efforts were made to interview the Permanent Secretary, who unfortunately declined.

The researcher also reviewed other policy documents on gender that the government has ratified or adopted. These include the Convention for the Elimination of All forms of Discrimination Against Women (CEDAW), which was adopted by Zambia in 1991; The Beijing Platform For Action (BPFA), which was adopted in 1995; and The SADC Declaration on Gender and Development that was signed in 1997. This was done to have an understanding of what environment, in terms of gender equality, the Zambia

Privatization Programme, was implemented.

## 3.3 Problems Encountered During Fieldwork

Some of the issues raised in the questionnaires were considered to be contentious and sensitive. As a result, there were some respondents who declined to complete the questionnaires. Another problem was that some of the sampled respondents had either died or left the country. Other constraints were on time; a large amount of time was used to disaggregate the data in the ZPA files. The researcher spent four weeks going through every file of the ZPA and had to do this within the hours of 09:00-13:00hrs and 14:00-16:00hrs when the ZPA Library was open. Hence the distribution of questionnaire B was delayed, which in turn delayed the analysis and writing up of the results and discussion sections of this thesis. The researcher was a self-sponsored student, and therefore had some constraints on financial resources.

## **CHAPTER FOUR: FINDINGS AND DISCUSSION**

#### 4.0 Introduction

This chapter discusses the findings of the study. Section 4.1 discuses the awareness of the privatization programme. Section 4.2 highlights the privatization process including the modes of privatization, bidding requirements, terms/modes of payment and negotiating teams and presents findings on the female and male participation in the various modes of privatization and in particular competitive tenders, management/employee buyouts, purchasing of shares as well constraints faced in participation in the privatization programme. Section 4.3 provides an analysis of the participation in the board, negotiating teams and the administration of the privatization programme. Section 4.4 discusses the linkages between GIDD and ZPA. The conclusion of the chapter is in section 4.5.

### 4.1 Awareness of the Privatization Programme

The advertising or creation of awareness of any programme is one of the critical factors of determining whether the programme will be a success or failure. The ZPA was conscious of the importance of creating awareness of the privatization programme. The ZPA Progress Report No.2 indicates that ZPA intended to undertake advertising campaigns. The campaigns were to:

inform the public regarding the privatization programme in general, in close cooperation with the Ministry of Information and Broadcasting, and the Zambian Information Services..... utilize the full range of media options in English and some vernacular languages, including radios and television programmes, newspapers and magazines, folders and leaflets, workshops and speaking engagements. The target audience was potential investors, unionists, government officials, parastatal staff members and media employees. The short-term objective was to sensitize the various audiences about privatization issues; what it is, how it benefits individually and collectively, and how one can participate. The long-term objective was to educate the target audiences about the privatization programme and to stimulate private sector development through public awareness and participation in the privatization drive

A discussion on privatization that was aired on the Africa Journal Programme (South Africa Broadcasting Corporation, 1997), agrees that governments need to have good publicity for their privatization programmes for them to generate local interests for participation and for the overall acceptance of the programme.

Interviews at ZPA revealed that various methods of advertising were utilized in an attempt to create awareness. Print and electronic media were used, which ranged from advertising in both local and international newspapers and business magazines (Annex VI).

Other forms of advertising that were used include publication of brochures, status and progress reports and newsletters. Radio programmes and television interviews with various stakeholders, including ZPA staff, were aired. Radio shows were undertaken and some of the publications and radio advertisements were done in the seven major local languages, to ensure that the rural populations were reached. Although the ZPA carried out various publicity campaigns, there were still some misunderstandings on issues concerning privatization. The ZPA Progress report No. 2 (1993) cites an example of the public misunderstanding trade sales with sales of shares. Its states that "Numerous requests were received from individuals for the purchase of small blocks of shares in Tranche 1... This was inappropriate as all those companies are not large enough, nor do they have a strong capital base to support public ownership."

Profit Magazine (October 1992) published some debates relating to the problems with the ZPA publicity campaigns. In one debate Bull (1992) questioned the ability of the publicity campaigns to put across the message in a manner that could be understood by the general public. He said ".... President Chiluba was right to put him (Mr. Penza) in overall charge of privatization, but we wish he had appointed someone else to put the policy across to the public... Mr. Penza does not use clear English for a Zambian audience. Even when he uses short words, which is not often, he easily gives a wrong impression for a Zambian audience." Simpson and Bull (1992) argue, "There have been uncoordinated and poorly prepared announcements." They felt that government should have taken steps to ensure that the publicity campaigns were clear enough for the understanding of the citizens. Another debate in the same publication discusses the comment by the Minister of Transport and Communications who stated that the controversy over the privatization programme would not have arisen if "everyone had read the Privatization Act carefully." Profit Magazine commented on this statement, as

follows "if government thought everyone should read the Privatization Act; it should have printed enough copies. The Act has been out of print for several months..." This statement suggests that there was inaccessibility of certain information on the privatization programme.

Of the respondents that participated in the survey, 98% said that they were aware of the privatization programme, while 2% of this population was not aware. Of these 46% were females while 52% were males. A total of 79% of the respondents said thewere made ware through television 41% of these were female and 38% were male. While a total of 69% of respondents were made aware through newspaper advertisements, 45% were male and 24% were female. A total of 66% of respondents were made ware through radio; 36% were males and 30% were females.

**Table 4.1: Sources of Information** 

SOURCE INFORMATION	OF	FEMALES (%)	MALES (%)	TOTAL
TELEVISION		41	38	79
NEWSPAPER		24	45	69
RADIO		30	36	66
OTHER		3	6	9

Source: Respondents of survey (Questionnaire A)

The possible explanation why women received their information mainly from television and radio is that they tend to stay at home more than men. Even if they are working women, in the evenings they tend to be at home with the children, while men are more often out socializing. Brett (1973) is also of the view that involvement in social clubs such helps men to advance in their business. This is view persists with Kabeer (1994) who suggests that "participation in informal networks and associations has been identified as a particularly critical means of creating intangible resources (contacts, information, solidarity, political clout) through which people defend or improve their material resource base" (1994:280)

The information in the ZPA advertising campaigns did not seem to encourage participation in the programme. Of the respondents that were aware of the privatization

programmes only 12% of the males and 8% of the females said that the information, from the various sources that they received, made them think about participating in the programme.

A possible explanation of why the advertisements did not encourage participation from Zambians is that they did not use images or language that could be understood or related to ordinary Zambians. An example is the magazine, "Privatization News", which was a publication of the ZPA. This magazine contained information on who bought SOEs. However, these magazines largely showcased the 'big' foreign companies that had bought SOEs. This type of information or advertising may have created the impression that not many individuals were participating in the programme and was therefore not encouraging to potential individual local investors. This is confirmed in the survey results in which 22% of the female and 28% of the male respondents in the survey felt that not many local individuals were participating in the programme.

The fact that the pictures used in these magazines, and the actors used in the television advertisements of the privatization programme were mostly of the male gender was discriminatory and insensitive to the female gender, and may have created the impression that the programme was a male domain. This could have discouraged more female participation

#### 4.2 Privatization Process

The Privatization Act, No. 21 of 1992 provided for the privatization and commercialization of state-owned enterprises (SOEs). In carrying out the privatization exercise, and in accordance with section 8(2) (e) of the Act, the ZPA prepared a long-term divestiture sequence plan that was approved by cabinet. The divestiture sequence plan was comprised of 11 Tranches of SOEs to be privatized and can be found in Annex VIII. The tranches were published in the Government Gazette to enable all minority shareholders and other parties with interests to register their claims.

#### 4.2.1 Modes of Privatization

At the time this study was being undertaken, a total of 191 SOEs had been privatized. Of these, 126 were sold through competitive tenders/bids. This means that companies were packaged for sale and bids were invited from prospective investors who competed for the purchase of the companies offered for sale.

Fourteen (14) were offered through "the right of first refusal to management and employee buyout teams." The management and employees of the SOEs were given the opportunity to purchase the SOE before it was advertised to the public.

Sixteen (16) were sold through "private negotiations with minority shareholders who had pre-emptive rights." In this case the minority shareholders were consulted on how best to dispose of the SOE. They could either purchase the shares from Government, or the SOE could be split into smaller component and be sold to the public as in the case of the National Milling Company. Table 1 below gives a breakdown of the modes of privatization of SOEs.

Table 4.2: Modes of privatization of SOEs

Mode of privatization	No. of SOEs privatized	
Competitive Tender/bids	126	
Private Negotiations with Minority Share holders	16	
MBO/EBO Right of First Refusal	14	
Liquidation	8	
Hand over to previous owner	8	
Lease by way of Right Refusal	16	
Right refusal by Previous Owner	1	
Mortgaged	1	
Investment Agreement	1	
Total	191	

Source: ZPA Progress Report No. 11, 1997

### 4.2.2 Bidding/Bond Requirement

## **Bidding**

When an SOE was advertised for sale, four to six weeks were allowed for the bidders to undertake their due diligence investigations and to prepare their bids. The bidders placed sealed envelopes containing their bids in padlocked, metal tender boxes. The bids were opened at public venues; the press and bidders were invited to attend (ZPA Progress Report No.2).

#### **Bid Bond**

The Zambia Privatization Programme required K10 million as a bid bond for each bid that was submitted for a competitive tender. This was required to ensure that the winning bidder would follow through with the purchase of the SOE bid for. The bond was applied towards the purchase price of the SOEs. If the bidder failed to follow through with the purchase, the bond was forfeited. The loser's cheques were also held but not cashed so that if the first winning bidder failed to purchase then the second winning bidder was offered the SOE and their bond would also be applied as part payment for the SOE. The bond of K10 million was quite high for ordinary Zambians, especially women. Also the fact that this money was held by the ZPA until all the steps of the sale were finalized meant that people's cash was tied up and so maybe limited their bidding for other SOEs.

### 4.2.3 Terms/Modes of Payment

The Zambia Privatization Act was very clear that shares of an SOE were to be sold on a cash basis only. "The shares of a state-owned enterprise shall not be sold on credit" (The Zambia Privatization Act, 1992 p468). However, it was clarified that for individual Zambians and for those participating in management/employees buyouts, deferred payments were accepted. For foreign investors and Zambian companies the condition still remained that they would pay in cash. The terms of deferred payment were usually negotiated upon with the team of negotiators or were clearly indicated by the institutions that were acting on behalf of the ZPA. Most of the time, the terms of payment were a hindrance to the buyer. For example the terms of payment of one SOE were stated as

follows "25% of the bid price within 48 hours from the date of offer and the remainder within 45 days." (See Annex VII). Conditions such as these proved to be quite difficult for most bidders, especially female bidders as narrated by Mrs. Anne Mung'omba, who purchased the Holdsworth Chemist in Mazabuka.

## 4.2.4 Negotiating Teams

The ZPA appointed a team of independent negotiators for each sale. The Privatization Act stipulated that "a person appointed on the negotiating team shall: (a) have proper professional qualifications, experience and good business standing; (b) take an oath of secrecy; (c) disclose any professional or personal interests before accepting the appointment" (The Privatization Act, p468)

### 4.3 Female and Male Participation in the Privatization Programme

## 4.3.1 Competitive Tender

## **Bidding**

Under the competitive tender mode of privatization, a total of 459 people participated. Of these 91 were female and 368 were males. Forty out of 91 females (44%) and 138 out of 368 males (31%) bid as individuals for the companies (see Table 4.3). In at least two cases apparently sound bids were made by women that were not successful. The females include Mrs. B.M Mwanashiku who bid for Zambia Ceramic Limited, the country's largest manufacturer of tableware, and the only producer of tiles, sanitary-ware and ceramic industrial products. Bids were also received from Mutende International Zambia Ltd, the MBO Team (Mr. E.M. Daka et al), Ital Terrazo Ltd and Mr. A.T. Desai. Mutende International Ltd, Ital Terrazo Ltd and Mrs. Mwanashiku were short-listed and invited to negotiations. Mutende International Ltd withdrew, Ital Terrazo declined to improve on the cash portion of their bid. Mrs. Mwanashiku maintained her original bid terms and was unwilling to improve her offer. From the reserve list the MBO Team was approached and they put together a new joint venture with Sanpoo Industries Ltd. However, the transaction with the MBO Team could not be concluded because the combination of the MBO and Sanpoo was unacceptable. Zambia Ceramic Ltd was re-

advertised for sale. It was eventually sold to the MBO Team with Phoenix Capital Limited as their equity partners.

Another female who submitted a bid as an individual is Miss. Lear Kabalata. She bid for the Zambia Consumer Buying Corporation (ZCBC) Ltd with a bid of K190 million. Others who bid were Shoprite with K148.3 million, Nayee Group with K95.4 million and Junior Delicatessen that bid K45 million. The records at ZPA show that only Shoprite was short listed and invited for negotiations which were successfully concluded for the total purchase consideration of SA Rand 127,000. The ZPA reports do not provide reasons for why Miss. Lear Kabalata, who had the highest bid, was not invited for negotiations; interviews with the Business Analysts also failed to answer this question. Attempts were made to interview her, but the researcher was unsuccessful.

These two are cases where the ZPA, if they had considered encouraging more female participation in the purchasing of SOEs, could have made concessions or offered the SOEs to these two women to improve the quota of this gender in the privatization programme.

Fifty-one females of the 91 (11%) and 230 males of the 368 who participated in this mode of privatization (50%) bid with either their spouses or in company of others. Table 4.3 below shows the break down of this:

**Table 4.3: Bidding in Competitive Tenders** 

	Females	Males
Individuals	40	138
With spouse or company of others	51	230
Total	91	368

Source: ZPA Progress report No. 11, 1997

## **Purchasing of SOEs**

One female and 22 males were successful in purchasing SOEs as individuals. The female is Mrs. Anne Mung'omba whose narration is given in Box 4.2. Fifty males and 11 females purchased with either their spouses or in company of others.

Table 4. 4: Purchasers of SOEs.

	No. of Males	No. Females
Individuals	22	1
With spouse or in company of others	50	11
Total	72	12

Source: ZPA Report No.11, 1997

The reason for the higher numbers in both genders that bid and purchased in company of others is explained by the ZPA Report NO.2, 1993 and the survey of the people who bid for SOEs and in interviews with ZPA staff, all of which highlight the major constraint in the privatization programme being the lack of capital.

Interviews with the ZPA staff indicate that the lack of capital was the major obstacle in participating in the programme for both men and women; this is also confirmed by the study survey. Of the respondents that answered the question on the constraints that males and females faced in participating in the programmes, 44% of the males and 56% of the females felt that lack of capital was a constraint. The ZPA progress report indicated "the lack of long-term capital in the local market has caused a shortage in the finance available to bidders to purchase companies" (ZPA Progress Report No.2, p16). The survey showed that of the people who did not have ready capital to purchase companies, more men than women sought financial assistance. Twenty percent of them were males while 5.6% of were female. The incidence of women seeking financial assistance from commercial banks was lower than that of men. It is observed that even though the issue of lack of capital was prevalent for women and men, the situation was more difficult for women, especially in seeking financial assistance from banks. This confirms the fact that because women lack control of resources such as land and property, they are unable to obtain loans to finance business ventures such as the purchasing of SOEs. Therefore bidding with a spouse or other partners was a way of raising the required capital. For both males and females seeking financial assistance, the commercial banks were the most frequent source. Box 4.1 below illustrates the responses by the survey respondents as to what they saw as problems faced by those who participated in the privatization programme.

Box4.1: Problems faced in participating in the Privatization Programme

WOMEN	MEN		
ese Lack of capital	∠∠Lack of capital		
≰≰ Lack of collateral	∠  ∠  ∠  Too much competition		
∠ Low levels of education	from foreign investors		
	∠ ∠ Lack of financial		
<b>⊗</b> ⊗ Marginalization	discipline		
positions			
	the commercial banks		
in types/sizes of businesses			
being privatized			

Source: Responses to questionnaires

The respondents cited more problems being faced by women than men. Women faced other problems such as low levels of education and the lack of experience in the business types that were being privatized. The lack of capital was common amongst both groups, however this compounded with the other problems faced by women such as lack of collateral, low levels of education, few women in managerial positions and limited historical involvement in types/sizes of businesses being privatized, made it even more difficult for them to participate.

Two females give an illustration of this: Mrs. Anne Mung'omba who bid as an individual and Mrs. F. Kazembe who bid in company of three males. Mrs. Mung'omba bid for the National Drug Company in Mazabuka. She was one of the seven who bid for the property; the others were Bhjagoo's Group, Mr. Musalilwa S. Siame, E.I. Dawoodje, Musungwa Ltd, MLN Laboratories and God's Ambassadors. When the list of bidders was reviewed and narrowed down to three, Mrs. Mungo'mba's bid of K42.5 million was second to Bhjagoos Group's, which was K66.6 million. Third were God's Ambassadors with a bid of K1, 910,000.

The three were asked to revise their bids, and re-submit their best and final offers. Mrs. Mung'omba re-submitted a revised bid of K67 million, while the other two maintained their original offers. This SOE was therefore sold to Mrs. Mung'omba. The ZPA records state that the reason for selling to Mrs. Mung'omba was that "she was the highest bidder, and she had presented a business plan, which could turn the property into a show-piece

chemist for the area" (ZPA Progress Report No.9, 1996:34). Box 2 below gives a narration of Mrs. Mung'omba's experience in her bid and purchasing of the property

#### Box 4. 2: Narration by female participant No.1

The property that I purchased is a chemist called Holdsworth Chemist of Mazabuka. I worked as branch manager for the chemist. I submitted a bid of K42.5 million in 1995. I faced stiff competition because the Bhjagoos Group, which owns almost eighty percent of the business in Mazabuka, drove the price up with their bid of K66.6 million. The negotiations for the property were tough, I was asked to raise my bid in order to match or better that of Bhjagoo's. I therefore changed my bid to K67 million. When my bid was successful, I was asked to immediately pay a 25% deposit, which amounted to K25million. This was contrary to the procedure for purchasing of property, which requires a 10% deposit.

In order to raise the required deposit, I approached several financial institutions for a loan. Most of the bank managers did not have time to discuss my business plan, one manager actually talked to me in his secretary's office and told me that I did not qualify for a loan. I was not given a chance to enter his office to discuss the matter further. I also approached other institutions like the Women's Finance Trust but I was informed that the amount that I required was too large because they only loaned out small amounts with a ceiling of K250,000. I did however manage to secure a loan from The First Merchant bank by putting up title deeds of my mother's house as collateral.

After payment of the deposit, I expected to be allowed to pay the balance on a deferred payment plan as stated in the ZPA policies for sale to a management buyout, but I was asked to pay the balance of K42 million within three months. I had no means of raising this amount all at once, so I went through a process of paying in small amounts of K1million to K500,000, depending on the turnover at the chemist. This meant that I had to travel to Lusaka frequently, to make the payments and to assure ZPA that I would be making another payment soon. All this was to ensure that the property was not repossessed. There was a time when I had to travel to Lusaka only two weeks after I had given birth, in order to request for leniency. At that time one of the ZPA employees questioned why I was putting my baby through such harsh conditions. I believe he was giving me hints to give up the fight to keep the property. I faced many other problems and challenges, record of my payments were sometimes missing and I had to always produce proof of how much I had paid and when I had paid the amount. ZPA did not give me peace of mind, because the property was re-advertised a number of times, the last being when I had already paid three-quarters of the price.

In my efforts to source for funding and to seek assistance in negotiating with ZPA to allow me to pay for the property over a longer period of time, I went through various channels from the Office of the Vice President to the Ministry of Commerce Trade and Industry, as well as the Ministry of Finance and the Gender In Development Division, but all was in vain because none of these offices could assist me. I finally managed to pay the total amount of K67 million, but I am still struggling to pay the loan, which has now amounted to K80 million.

Source: Personal interview with Mrs. A. Mung'omba

An analysis of Mrs. Mung'omba's case shows that she was competing with one of the 'big' businesses in the area, which had the ready capital to purchase the property. The fact that she was the former manager of the chemist gave her an edge over the others, as she was able to present a business plan that was superior to the others. However she had to match this with a higher bid and therefore had to re-submit a superior bid.

Her experience with the payment plan is an illustration of the effect that changes in ZPA policies, mid-stream, had on those who were participating. The Privatization Act provided for individual Zambians or management/employee buyout teams to purchase SOEs on deferred terms (ZPA progress report No.2, 1993). Being a Zambian individual

purchaser, she was correct in assuming that she could have paid the balance of the sale price in deferred payment over a longer period than three months.

However this policy was not applied and maintained for all individual sales in the privatization programme as in Mrs. Mungo'mba's case. Some other cases as recorded in the ZPA progress reports were able to pay over a longer period of time. Examples are of the purchaser of Coolwell Systems, his amount was "payable over 5 years including 2 years grace period" (Ibid). Others are the buyers of Supa Baking who were given a year to pay off the balance of the price. The purchaser of Zambia Clay Industries paid a 10% deposit and the rest was payable over a period of five years after a two year grace period. This policy should have been upheld and applied especially to female individual buyers who had difficulty in raising capital.

Mrs. Mungo'mba's experience of having to travel with a small baby to Lusaka, in order to make payments, was confirmed by the business analyst (male) at ZPA, who was handling her purchase. He indicated that he felt "sorry" for her having to put her baby through "all that". Mrs. Mungo'mba, however, was determined to purchase the property, and thus had to combine her roles of businesswoman and mother to achieve this.

Her experience with the financial institutions confirms the difficulty of obtaining loans in Zambia. At the start of the privatization programme, it was noted that: "lack of long-term capital in the local market has caused a shortage in the finance available to bidders to purchase companies (ZPA Progress Report No.2, 1993). Therefore borrowing from banks was rather difficult on the whole, and more so for women who tend not to have the collateral required as surety for the loan. Those who do manage to borrow from the banks have to pay the high interest rates that currently prevail on the market and if the loan is not paid on time, the loan becomes staggering, as in the case of Mrs. Mungo'mba.

Mrs. F. Kazembe bid for National Drug Company property in Mufulira, in company of Col. S Kazembe, Mr. M. Mambwe and Mr. E. Kazembe all under the name Sunbird Drug store for K25,000,000. Their bid was among three others including Mr. Musalilwa S. Siame (K13,600,000), MLN Laboratories (7,300,000) and God's Ambassadors (K1,910,000). The three short-listed for negotiations were MLN Laboratories, Musalilwa

S. Siame and Sunbird Drug Store. Negotiations were successfully concluded with Sunbird Drug Store for their bid price (ZPA Progress Report No. 8, 1996 p37). The narration from Col. S. Kazembe and Mrs. Kazembe is presented in Box 3 below.

## Box 4.3: Narration by female participant No.2

We participated in the Zambia Privatization Programme through the successful bidding for the former Holdsworth Chemist in Mufulira. This is now called Sunbird Drug Chemist Limited. We are four in total and drew inspiration from the only female member of the group who was, up to the time we took over, the manager of the chemist in Mufulira.

Immediately we became aware of the entire ZPA programme we drew up a plan to purchase the said outlet and in actual fact even opened up a small drugstore by way of contributing K1 million each. By the time we were bidding for the chemist (Holdsworth), our capital base had expanded. The rapport that existed between the bankers, Barclays, and us also helped out.

We paid a total of K25 million of which K15 million was a direct loan from the bankers. They (Bank) held the title deeds to the building, which houses the chemist as collateral. We managed to repay the loan on time and now the entire building and stocks are ours. Our group comprised of one who had a master's Degree in Chemistry, one with a B.A in Economics and a Master's Degree in Military Science.

Source: Personal interview with Mrs. F. Kazembe and Col. S. Kazembe

An analysis of Mrs. Kazembe's group's bidding and purchasing process shows that the group had prepared for the purchase of the property by pooling together resources to start a business of a similar nature. The competition in this tender was not as stiff as in the case of Mrs. Mung'omba. From the beginning the Sunbird Drugstore bid was the highest. They had established a rapport with their bankers, who provided them with a loan to pay off the balance of the bid price. Mrs. Kazembe, therefore, had support in this group bid in terms of capital and credit and in terms of moral support and advice.

## 4.3.2 Management/Employees Buyouts

Management Buy-Outs (MBOs)/Employee Buy-Outs (EBOs) are other areas of privatization in which females participated. There were 36 MBO Teams and one EBO Team that participated in the competitive tender mode of privatization.

Table 4.5: Modes of Management/Employee Buyouts

MODES	Management Buyout (MBO)	Employee Buyout(EBO)
Competitive Tender	36	1
Right of First Refusal	14	-

**ZPA Records** 

Males led 35 MBOs Teams; only 9 of these were successful in their bids. Only one of the MBO Teams was led by a female, Ms. Theresa Nyirenda, which bid for Cleanwell Dry Cleaners. The MBO Team bid K69 million, while Swan Dry cleaners, a Zambian company jointly owned by Mr. J.C. Chalansi and Mr. P.L. Ngandwe bid K62 million and Kabulonga Supermarket Ltd bid K5 million. The MBO Team was unsuccessful in its bid. The reason given by the ZPA Progress Report No.6 is that "The MBO Team proposed a deferred offer, that was insufficient and depended on an uncertain cash flow forecast of the business." Swan Dry Cleaners were the successful purchasers after they revised their bid to K100 million cash and took over the K89 million in liabilities.

The reason for the MBO Teams not doing well in the bidding is shown in the ZPA Progress Report No.2, which states that:

A number of bids from MBO and EBO Teams were not supported by realistic cash flows from the business operations. All teams proposed leveraged buyouts, which means that the profits from operations are used to finance the purchase of shares. The unrealistic cash flows showed that management did not have a real understanding of the earning potential of the business

This is even after they were advised that buyout bids would only be considered on their merit.

Government did offer some SOEs to MBO and EBO on the basis of "the right of first refusal." This means that the MBOs were given priority and were allowed to make offers on the SOEs. If they were unsuccessful or refused to make an offer, then the SOEs were offered on competitive tenders to the public, as in the case of the INDECO Milling Mongu Mill. In October 1994, Cabinet approved that it be offered to a Management Buy Out Team on the basis of right of first refusal. Negotiations with the MBO Team were unsuccessful and the mill was advertised for bid to the public. APG Motor Limited bid K450 million cash for the mill, Northern Farms Limited bid K350 million for assets of the mill payable in 30 monthly installments of K11.7 million and Lyambai Milling Limited bid K350 million for assets of the mill payable in K70 million cash and balance payable in three annual installments of K27 million each. APG Motors Limited purchased the mill. The records at ZPA do not show whether females were involved in this purchase.

Fourteen SOEs were privatized under the right of first refusal to MBO Teams (see Table 4.4); thirteen of these MBOs were successful. A female, Ms. Mary Pepala who bid for Mansa Hotel, led one of the successful MBOs. Mansa Hotel was owned and operated by the National Hotels Development Corporation (NHDC), which is in turn a subsidiary of ZIMCO. As already stated above, the hotel was offered on a right of first refusal to the MBO Team. According to ZPA Report No. 7, "the negotiations were successfully concluded with the MBO Team and the Equity Partners." The hotel was purchased for K225 million, 10% was paid on signing the agreement and the balance over a period of three years.

## 4.3.3 Purchasing of Shares

Privatization programmes are said to be the main vehicle for introducing many ordinary citizens to the stock market and hence partly enhance the equitable distribution of wealth. However this can be best achieved if pricing of shares is set with a large discount to encourage broad appeal and participation; "user friendly" promotional material; well timed floatations, in the case of Zambia the period May to October was thought to be best; and targeting of stakeholders by inviting farmers, civil servants, small investors and specific interest groups to buy shares (Lusaka Stock Exchange, Monthly News Flash, April 1998).

In the Zambia Privatization Programme sale of some SOEs through "private negotiations with minority share holders who had pre-emptive rights" was another mode of disposal undertaken. Sixteen SOEs were sold under this mode of privatization; these include Chilanga Cement, Zambia Breweries, Zambia Sugar Company, Rothmans, National Breweries and Lublend Zambia Ltd. In this mode of privatization, shares that were held by ZIMCO were offered to the minority shareholders to buy them back. However 30% of these shares were reserved for public flotation at a later time. The Zambia Privatization Trust Fund (PTF) was established, in 1993, for the purpose of acquiring the shares for sale at a later stage through public offering. This was in order to have a wider distribution among citizens of Zambia or eligible institutions. The shares of Chilanga Cement, Zambia Breweries, Zambia Sugar Company, Rothmans and National Breweries have so

far been floated to the public through the Lusaka Stock Exchange. Participation of females and males in buying of the shares in these companies is illustrated by Table 4 below.

Table4. 6: Participation in Purchasing of Shares

SOEs Shares	No. of Females	No. of Males
Chilanga Cement	10	42
Rothmans	58	320
Zambia Sugar	155	234
TOTAL	123	592

Source: Registrar of Company Files

Table 4.6 above shows that there has not been as much participation in purchasing of shares as was expected. Even though the figures for Rothmans are a bit higher, it is difficult to say how many of these purchased the shares during the privatization programme, because Rothmans sold shares even before privatization. The records at the Registrar of Companies do not give a break down of how many shares were purchased during the privatization programme.

Nevertheless an analysis of who is buying the shares shows that there is more participation from males than females. For Rothmans there was more participation from people based in Lusaka, Kitwe, Chingola, Ndola, Mufulira, Livingstone, and Kabwe than other parts of Zambia. This can be explained by the fact that the Lusaka Stock Exchange being based in Lusaka was only easily accessible to the people in these areas. For Zambia Sugar Company and Chilanga Cement PLC, more participation was from nationals of Zimbabwe, Australia, England, South Africa, Malawi and the Channel Islands, than those in Zambia.

The issue of capital also arises in this area, although the unit prices for the shares was reasonable at K65 for Chilanga Cement, K11 for Zambia Sugar PLC, K40 for Rothmans of Pallmall, K150 for Zambia Breweries, in order for one to have a meaningful investment, one would have to buy a large number of shares, which would cost a substantial amount of money. The perception that investing in shares is risky may also have been a reason why not many people were participating in purchasing of shares.

## Participation of Public Officers/Political Leaders

The participation of public officers and political leaders was allowed under the Privatization Act (Section 26) as long as the political leaders and public officers disclosed to the public their intentions to bid for SOEs (ZPA Progress Reports No.2). Hence there was participation of political leaders and public officers in the bidding for and purchasing of SOEs. The ZPA records show that of 6% males and 0.5% females who bid for SOEs were either politicians or senior government officials. Three percent of the males and 0.3% of females were senior officers in parastatals.

In terms of the actual purchasing of companies, records show that one female who was related to a senior government official was able to purchase two SOEs. Mrs. Jane Penza, the wife of former Minister of Finance, in company of Mr. Kambole Sikazwe purchased Consolidated Tyre Services (CTS) for an amount of K1,549.6 million on total package basis for 100% shares. The cash consideration was US \$889,000. They outbid three other companies the OBI Group, Gwena Lodge Enterprises and Tredcor (Proprietary) that bid US \$800,000, K150 million and US \$600,000 respectively. Mrs. Penza and her partners' bid was said to have provided a superior business plan which among other things included: a potential for future expansion, exports generation, increased tax revenue to the government, no retrenchment for employees.

Mrs. Penza in the company of her three children under RDS Investments Limited also purchased Nchanga Farms, Mbala Farm for the price of K510 million cash. They out bid Lt. Col Humphrey K. Mandona who bid K 460 million. Ten of the 22 males who purchased SOEs were politicians or senior government officials and 8 were or had been senior officers in parastatals. These include Hon. Gilbert Mululu of Gilbwest Holdings who bought Zambia Agricultural Development Limited, Hartley Farm, who bid K78 million but paid K68.5 million plus payment of terminal benefits to some employees (ZPA Progress Report No.5). Another political leader to have purchased an SOE is Lt.Gen. Hon Christon Tembo who, at the time was Minister of Tourism, purchased Chilongolo Farm for K276 million cash (ZPA Progress Report No.6).

Mr. Sebastian Kopulande, purchased The Zambia Steel and Building Supplies Limited (ZSBS) – Lusaka Door Manufacturing Unit for the price of US \$250,000 payable US \$25,000 cash on signing the agreement and the balance deferred. He beat the Lusaka Door Factory MBO Team that bid K220 million payable K100 million on signing and the balance in the first year and Margaret Mwanakatwe who bid K70 million payable K10 million on signing, three years grace period and the balance to be spread over a period of four to ten years (ZPA Progress Report No.8). These two people were occupying senior level positions in Zambian parastatal companies.

There have been arguments on the issue of political officers having an advantage in the participation in the privatization process. It is argued by critics of privatization programmes such as Malyamakono and Bagachwa that in most countries where privatization has taken place, the worry has been that politicians will be the ones to benefit most because of the offices they hold and they have the capital. In Zambia, the Privatization Act did provide for politicians to participate. However, the Act in section 26 required that the political leaders and public officers disclose their intention to bid for SOEs. The ZPA records show that 21 male and 2 female bidders were themselves senior government official/politicians. Two males and four females had family members who were senior government officials/politicians. Ten males and one female were senior executives in parastatal companies.

This group of people may, by virtue of their status, have had an edge over ordinary individuals in terms of negotiating for bank loans. Those who were senior officers in parastatals had gained business knowledge in their line of work and had also established business contacts, as well as the capital required to invest. However this group of people also shows a low level of female participation. This is because in Zambia, there is very low representation of women in political and decision-making positions. The results of this study show that women such as Mrs. Penza, although they had been in business for a long time, had an edge over others because she was married to a politician who was the Minister of Finance, a very influential cabinet post.

## 4.4 Participation in other areas of the Privatization Programme

### The Zambia Privatization Board of Directors

The Zambia Privatization Agency (ZPA) was established by the Privatization Act and it is governed by a Board of Directors that is composed of the following members: The Permanent Secretary in the Ministry of Finance and Economic Development; Permanent Secretary in the Ministry of Commerce Trade and Industry; The Attorney General; The Dean of Copperbelt University; Representatives of The Zambia Confederation of Chambers of Commerce and Industry, The Zambia Federation of Employers, The Law Association of Zambia, The Zambia Institute of Certified Accountants, The Churches, The Bankers Association of Zambia and The Zambia Farmers Union (Annex VII).

An analysis of the ZPA Board shows a heavy domination in male participation. Since the establishment of the ZPA, the Board of Directors has always been entirely male. Table 4.7 below illustrates the composition of the ZPA Board. For appointment of members of the Board, the Act states "… members who shall be subject to scrutiny of a select committee of National Assembly and ratification by National Assembly, be appointed by the President (The ZPA Act).

Table 4. 7: Participation on ZPA Board by Affiliation and Sex, 1993 and 1997

Position	Affiliation	1993		1997	
		F	M	F	M
Chairperson	ZACCI	0	1	0	1
Vice	LAZ	0	1	-	-
Chairperson					
	ZFE	0	-	0	1
Members	ZFE, Attorney General, PS Finance, ZCT,	0	9	-	-
	Dean CBU, BAZ, ZNFU, PS MCTI, ZICA				
Members	LAZ, Attorney General, PS Finance,	-	-	0	4
	ZCTU, Dean CBU, BAZ, PS MCTI				

Source: ZPA Progress Report No.2, 1993 & No. 11, 1997

#### The Zambia Privatization Act

The ZPA Act itself is biased towards males. Various sections in the Act that mention a position or person do so using the male pronoun. For example, Section 8(5) states "there shall preside at any meeting of the Agency (a) Chairman, (b) in the absence of the Chairman, the Vice-Chairman." Section 12(3) which discusses the position of Director, states "the Director in his absence... the Deputy Director" and Section 6(3) states "the office of the member, except an ex-officio member, shall become vacant (a) upon his death, (b) if he is absent without....(c) on ceasing to be a representative of the organization which represented him (d) if he is undischarged bankrupt." The constant use of the male pronoun in the ACT is not sensitive to the female gender and gives the impression that the posts being mentioned were to be only occupied by males. One can see that most of the institutions that are represented on the Board of ZPA are highly patriarchal. This gives the impression that the privatization programme was a male domain.

## The Zambia Privatization Negotiators

The negotiating teams did not have better representation of females. Of the 112 negotiators used by the ZPA, only five of them were female. Annex VIII lists some of the negotiators used by the ZPA. An analysis of this list shows that the majority of the negotiators were males. This may have contributed to the constraints on female participation because these teams of males may have been threatening to females. This was an area where efforts could have been made by government to ensure more female representation, either by purposely nominating females or by including organizations to participate on the Board that have a higher membership of women, such as civil society organizations or NGOs that represent women empowerment issues.

## Administration of the Zambia Privatization Agency

In the case of the administrative staff (Annex IX) of the Agency, the representation of females is better, but none of them are in decision-making positions. The first administrative staff of the Agency was transferred from the Technical Committees on Privatization, on a temporary basis until the posts were advertised. Males occupied all the

three statutory positions of: Acting Director, Acting Deputy Director, and Acting Secretary (ZPA Progress Report No.7). The post of Director, which is also Chief Executive Officer, was advertised in August 1992, and was filled by a male. The Post of Secretary was also advertised at the same time, but "was re-advertised in December 1992, as the members of the Agency wished to widen the selection" (Ibid). This was an opportunity for affirmative action, where a female could have been selected for the post, but again it was filled by a male. The administration of the Agency had not improved its gender balance at the time of the study (The Zambia Privatization Progress Reports No.2& No.3, 1993 and The Zambia Privatization Report No. 4, 1994).

By 1997, the ZPA had a total of 59 employees. The Chief Executive's Office, which is staffed by 5 people is headed by a male and has only one female – the head of public relations. The Technical Directorate is also headed by a male and has a staff of 19 people; only two are females, who are the Social Impact Manager and a Business Analyst. The Agency Secretary who is a male heads the Administration Directorate. This unit has a staff of 35, here also only two are females – the Chief Accountant and the Librarian.

Having such a highly male biased Act, a male dominated Board of Directors and administrative staff shows that there was no deliberate policy by government to engender the ZPA structure.

## 4.5 Linkage between Gender In Development Division and the ZPA

The Government of Zambia has ratified various instruments for the empowerment of women. These include the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which is the document for achieving equality between women and men, through ensuring that women have equal access to education, employment, political and public life; The SADC Declaration on Gender and Development which commits governments to promoting women's full access to and control over productive resources, formal employment and good quality life; and The Beijing Platform For Action (BFA), which calls for integration of a gender perspective into all economic restructuring and structural adjustment practices. The government also established the Gender In Development Division in 1996 as a division of Cabinet Office

to ensure that policies and programmes including major government macro economic programmes were engendered.

It can be concluded therefore that the 1992 macro economic policy announcements and the enactment of the Privatization Act of 1992 were made in an environment that had instruments to guide the promotion of gender equality and empowerment of women. The Gender in Development Division should have ensured that the language used in The Privatization Act was gender sensitive. However it seems that this was not effectively done, interviews at GIDD confirm this. The staff interviewed said that GIDD had no influence on macro economic policies such as the privatization programme. Even though GIDD had spoken out on the issues of female participation in the privatization programme, at various fora, no proactive action was taken. It was also noted that there was no particularly established mechanism through which female participation could have been ensured. It was confirmed that there had been no direct linkage between GIDD and the ZPA and as a result, gender issues were heavily sidelined in the programme.

Such situations imply that men continue to have an advantage over women when it comes to allocation of resources and more importantly, that policy development and implementation will continue to favour men. It also indicates that government is operating in oblivion of the various instruments that it has ratified and adopted for the advancement of women. Government should have, therefore, used the gender-redistributive policy, as suggested in the policy review approach by Kabeer in chapter One of this study. Kabeer suggests that the move from gender blind policies to gender sensitive policies occurs when policy planners have been equipped with gender awareness skills or tools that enable them to analyze and "rethink old taken-for-granted assumptions and practices, so that policies are better informed by an understanding of the social contexts in which they are taking place" (1994:267).

Kabeer further suggests that the move from gender blind to gender sensitive policies is usually facilitated by processes of "conscientization", when women are able to analyze their subordination or disadvantaged position and hence demand for redistributive policies in power and control over resources, to facilitate their self empowerment. This is

further strengthened with mandates of international development organizations like the United Nations that require governments to ensure that development programmes including economic reform programmes mainstream gender in planning and implementation. She also suggests that those in policy-making structures build strategic alliances across sectors, particularly with Non-Governmental Organizations (NGOs) and researchers who provide a resources base on analytical information as well as playing a strong advocacy role.

The Zambia Privatization Programme needed such a transition to be put in place in order to ensure that the privatization program had an egalitarian approach, which is having equal participation of men and women. Secondly the gender-specific policy should have been used to assist government to develop special strategies for facilitating the participation of women in the privatization programme.

This study shows that although the Zambia Privatization Agency utilized various methods of advertising, these were thought, by the respondents of the study survey and other evaluations such as those by Profit Magazine, to be inadequate in encouraging the participation of the local people, especially women because they did not target this population. The study also discovered that some women did participate in the privatization programme, but the number was very small compared to men and that the lack of capital was a constraint faced both by women and men. However women faced more constraints than men in the privatization programme such as lack of technical knowledge and management capacities. There was no female participation in the representation on the Board of Directors, and very minimal in the administrative staff and negotiating teams. Although the government had various instruments to guide it in ensuring the integration of a gender perspective in the privatization process, it failed to do so and so the disadvantaged position of women in this macro economic programme was not addressed.

## 4.6 Strategies for mainstreaming gender in the Zambia Privatization Programme

This study has shown that the Zambia Privatization Programme was gender blind and therefore very few women participated. This section therefore suggests some strategies that can be used to mainstream gender in the Zambia Privatization Programme.

In the first instance, the Government needs to undertake an audit of all the instruments that it has ratified for the attainment of gender equality and empowerment of women, and should include these in current and future policies, as well as national development plans. The National Gender Policy implementation plan should serve as a point of reference for all policy formulation and development plans.

The Government will need to review the Gender In Development Division, in terms of its structure and mandate. The current structure is not strong enough to influence any changes in policies or development plans because a Permanent Secretary currently heads the GIDD. This position cannot compel Ministers to mainstream gender in their programmes and activities. The Government should therefore consider the creation of a Ministry for Gender. This will provide for gender issues to be put on the agenda of high-level discussions such as cabinet meetings. An alternative would be the creation of an independent Gender Commission that would have the power to enforce the mainstreaming of gender not only in Government but also in private sector and civil society policies, programmes and activities.

In terms of mainstreaming gender in the Zambia Privatization Programme, the following steps are suggested. Firstly, if it is possible, the Privatization Act should be reviewed so that it's language is gender sensitive and is inclusive. The advertisements used should be inclusive of women by using female characters as well as those of males. The advertisements should also encourage women, in particular, to apply and participate in the Privatization Programme.

In order to use the gender redistributive policy in the Zambia Privatization Programme, there should be deliberate policies that provide an enabling environment for women to participate. This can be achieved by implementing affirmative action in the programme. This would include for instance ensuring that there is equal representation of men and women on the ZPA Board of Directors, in the decision-making position of the ZPA administration, and in the negotiating teams.

The affirmative action policy could also be extended to the purchasing of State-Owned Enterprises with inclusion of policies that set aside a number of the SOEs to be specifically purchased by women. The Manager/employee buyout that are led by women should be given priority in terms of purchasing and be given 'easier terms' of payment. This is not to suggest that a particular stereotype is attributed to women. This would be the sure way of implementing a gender redistributive policy which requires that there is an egalitarian distribution, and having special focus on people who are disadvantaged, in this case women, by providing an enabling environment for their participation.

#### CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

#### 5.0 Conclusion

This case study of the Zambia Privatization Programme has shown that the situation of women vis-à-vis economic participation is not improving. In reviewing literature on privatization, it was discovered that there is little attention paid to women's participation in macro-economic activities. Very little literature also is available on gender and privatization and no literature exists on women's participation in privatization programmes both in Zambia and elsewhere. This study therefore is a first of it's kind.

Though the Privatization Programme was launched in an environment that lacked a gender policy, the government at the same time had made various international and regional commitments towards gender equality and the advancement of women. However the study has shown that these commitments were not taken into consideration when implementing the Privatization Programme and hence the programme was gender blind. It is clear that gender was not considered in the implementation of the privatization programme. The ZPA has stated that the commercial aspect of the programme was more important rather than worrying about gender issues. As far as ZPA was concerned, there was no discrimination and hence the programme was open to anybody that wanted to participate and so there was no need to place special emphasis on either of the genders.

Although the ZPA undertook numerous advertising campaigns, including use of print and electronic media such as advertising on radio and television and in the local newspapers, awareness of the Privatization Programme was limited. Ninety-eight percent (98%)of the respondents of the survey were aware of the privatization programme. The publicity campaigns were also ineffective because there was confusion about the whole programme. An evaluation of the Privatization Programme by business persons such as Mr. Theodore Bull indicated that the campaigns were not clear enough for the understanding of the citizens. The ZPA Progress Report No.2 also indicates that there was a public misunderstanding of the privatization programme.

During the period in which the study was undertaken, a total of 191 SOEs had been privatized. One hundred and twenty-six were sold through competitive tenders/bids, fourteen were offered through 'the right of first refusal to management/employee buyout teams', and sixteen were sold through 'private negotiations with minority share-holders who had pre-emptive rights'. Eight were liquidated, another eight were handed over to previous owners, and sixteen were leased by way of right of first refusal. The rest were sold by mortgage, investment agreement and right of first refusal by previous owners.

The study results show that 178 people bid, as individuals for SOEs, of these 40 were female. Two hundred and eighty one bid with either a spouse or in company of others, 51 of these were female. Only one female and 22 males purchased SOEs as individuals. Fifty males and only 11 females purchased SOEs either with spouses or in company of others. In the management/employee buyout category of privatization, 37 SOEs were offered on competitive tender, while 14 were offered on the basis of 'right of first refusal'. Thirty-five of the MBO Teams were led by males of these 9 were successful in their bids. Only one of the MBOS Teams was led by a female but was unsuccessful in the bid. One female led an MBO Team that was successful in purchasing an SOE that was offered on the basis of right of first refusal. With regard to the purchasing of shares, only 10 females and 42 males purchased shares from Chilanga Cements. One hundred and fifty-five females and 234 males purchased shares from Zambia Sugar PLC.

The study results indicate the lack of capital as the major problem faced by both females and males in participating in the privatization programme. However the female respondents of the survey indicated that they faced more problems than males, such as lack of collateral, low levels of education, and limited historical involvement in the types and sizes of businesses that were being privatized. The study also reveals that a number of politicians and managers of parastatals had a higher participation rate than ordinary Zambians. However women who are under-represented in political and decision-making positions, were again marginalized in this group of participants

Participation of women in other areas of the privatization programme was also limited. There was no female participation on the Board of Directors of the Zambia Privatization Programme. Participation of women in the administrative structure and negotiating teams

was also not very limited. In administration structure, out of a staff of 59, only three females were in decision-making positions. Out of the 112 negotiators used by ZPA, only 5 were females.

The study also discovered that there was weakness in the Gender In Development Division (GIDD), which is the highest body for the promotion of gender equality in Zambia. There was no linkage between GIDD as an advisory body and ZPA as an implementing body of the privatization programme. Therefore gender issues were completely omitted from the privatization programme. The study argues that economic policies before the privatization programme were gender blind and were biased in terms of male participation. It suggests that at the time the privatization programme was being formulated, government had ratified a number of instruments for gender equality, including the Convention on the Elimination of All forms of Discrimination Against Women (CEDAW), the Beijing Platform For Action (BPFA), and the SADC Gender Declaration, which should have guided the formulation of a more gender sensitive programme. It proposes that government should have used the gender-redistributive policy, as suggested in the policy review approach by Kabeer in chapter one of this study. In order to ensure that the privatization program had an egalitarian approach, that is having equal participation of men and women. Secondly the gender-specific policy should have been used to assist government to develop special strategies for facilitating the participation of women in the privatization programme. In conclusion, it can be clearly seen that the economic position of women as it concerns their participation in high value business continues to be marginalized.

## 5.1 Recommendations

The following recommendations have emerged from the study:

- There is need to strengthen the Gender In Development Division (GIDD) by increasing its staffing levels, as well as building their capacities and those of the gender focal points in ministries, so as to enable the Division play a much wider role in advising policy makers on gender issues. Another recommendation would be to create a Ministry of Gender so that such issues can be discussed at Cabinet level.
- 2. GIDD should be more proactive in ensuring that future policies are gender sensitive. GIDD must participate fully in all policy formulations and must screen all policy documents to ensure that they are gender sensitive.
- There should be an independent Gender Commission set up that should ensure the
  mainstreaming of all Government policies, programme and activities as well as
  those of the privates sector and civil society.
- 4. There should be deliberate efforts to ensure that bodies such as the Board of ZPA and its administrative staff have a gender-balanced composition, so that they do not appear to be a male domain.
- 5. There should be an increase in information about privatization that is targeted especially at women in order to de-mystify the whole process and hence make it more accessible. Advertisements should be worded so that they encourage women, in particular, to apply and participate in the Privatization Programme
- 6. There is need to seriously consider providing financial support at reduced interests rates, especially to women to enable them participate more. This could be in the form of a women's bank.

- 7. There should be deliberate policies that will encourage the participation of women. In particular, the gender-redistributive policy approach should be adopted by the ZPA. For instance, the special conditions that prevail for Management Buy Outs. Allowing long periods of deferred payment plans, reduction in the deposit requirements and reduced bid bond requirements should be extended to women as a special group.
- 8. Since this is the first study on gender and privatization. There is need for more research in order to provide further information on the privatization programme as it progresses, so that the gender gaps are kept in check.
- 9. There needs to be follow-up research to see how the SOEs purchased by women have fared as compared to those purchased by men.

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NEA 1

Appendix 1

# ZAMBIA PRIVATISATION AGENCY DIVESTITURE SEQUENCE PLAN

## nche 1

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9

- S Crushed Stone Sales Limited
- S Consolidated Tyre Services Limited
- 4 S Eagle Travel Limited
  - S Mwinilunga Canneries Limited
- 6 S Nkwazi Manufacturing Company Limited
  - S Poultry Processing Company Limited
- 8 S Zambia Clay Industries Limited
  - S Auto Care Limited
- 10 S Cleanwell Dry Cleaners
- 11 S Coolwell Systems
- 12 S General Pharmaceuticals Limited
- 13 S Monarch Zambia Limited
- 14 S National Drum & Can Company Limited
- 15 S Norgroup Plastics Limited
- 16 S Prime Marble Products Limited
- 17 S Zambia Maltings Limited
- 18 S Zambia Ceramics Limited
- 19 S Zuva Zambia Limited

## nche 2

## Agriculture/Agro-industry

- 20 S Antelope Milling
- 21 S Jamas Milling
- 22 S Olympic Milling
- 23 S Chimanga Changa Milling Limited
- 24 S Kabwe Milling
- 25 S Chico Milling
- 26 M Amalgamated Milling Company Limited
- 27 M Indeco Milling Limited
- 28 M United Milling Limited
- 29 L National Milling Company Limited
- 30 L Zambia Breweries Limited
- 31 M. National Breweries Limited
- 32 🛴 Zambia Sugar Company Emited

- 33 M Mpongwe Development Company Limited
- 34 M Nanga Farms Limited
- 35 M Lint Company of Zambia Limited
- 36 S National Tobacco Company Limited
- 37 M Dairy Produce Board
- 38 M Premium Oil Industries Limited
- 39 M ROP Limited
- 40 M Zambia Agriculture Development Limited
- 41 S Zambia Cashew Company
- 42 M Zambia Cold Storage Corporation Limited
- 43 M Zambia Horticultural Products Limited

#### Construction

- 44 L Chilanga Cement Limited
- 45 M Zambia Engineering & Contracting Company Limited (ZECCO)

## Chemicals

46 L Kafironda Limited

## **Packaging**

47 S Kapiri Glass Products Limited

### **Tourism**

48 L Zambia Hotel Properties Limited

## Engineering

- 49 M Lusaka Engineering Company Limited (LENCO)
- 50 L Metal Fabricators of Zambia Limited (ZAMEFA)

## anche 3

## Manufacturing

51 S Mansa Batteries Limited

## Agriculture/Agro-Industry

- 52 M Zambia Seed Company Limited
- 53 M Supa Baking Company Limited
- 54 L Nchanga Farms
- 55 S Kawambwa Tea Company Limited
- 56 S MEMACO Farms
- 57 S Zambia Coffee Company Limited
- 58 S MIL Sawmilling and Joinery Limited
- 59 S Duncan Gilbey & Matheson
- 60 S Ntingila Fisheries (Lot No. 4714/M)
- 61 S P C Sichivula (Lot No 4715/M)
- 32 S K M Katal (Lot No 3724)
- 33 3 Ndoie Bay (Lot No 2200/M)

- 64 S Chimba Crocodile Farm (Lot No 4716/M)
- 65 S Cape Kachese (Lot No 3710/M)

## Engineering

- 66 M MIL Construction
- 67 S ZAL Elevators
- 68 S MIL Engineering and Tooling Limited

#### Tourism

- 69 S Lake Hotels Limited
- 70 S Mundawanga Zoo & Botanical Gardens
- 71 S Intercontinentsal Travel Limited
- 72 S Circuit Safaris Limited
- 73 S Africa Bounds Limited
- 74 L National Hotels Development Corporation Limited
- 75 Pamodzi Hotel (Lusaka)
- 76 New Savoy Hotel (Ndola)
- 77 Elephant Head Hotel (Kabwe)
- 78 Rainbow Lodge (Livingstone)
- 79 Mfuwe Lodge (South Luangwa)
- 80 Chichele Lodge (South Laungwa)
- 81 Mufulira Hotel (Mufulira)
- 82 La Hacienda Hotel (Mumbwa)
- 83 Lyambai Hotel (Mongu)
- 84 Mansa Hotel (Mansa)
- 85 Kacholola Hotel (Kacholola)
- 86 Luangwa Lodge (South Luangwa)
- 87 Lochinvar Lodge (Lochinvar Game Reserve)
- 88 International Catering Services

## Transport

- 89 S Zambia Concrete Limited
- 90 S Mulungushi Traveller
- 91 S Lusaka Urban Rail Transport
- 92 3 Mines Air Services Limited
- 93 S Rycus Heavy Haulage Limited
- 94 S Zamcargo Zambia Limited
- 95 S Zambia National Shipping Company Limited

## Construction

- 96 S Buildwell Construction Limited
- 97 VI Mpelembe Properties Limited
- 38 M Zambia Steel and Building Supplies Limited

59

## Trading

- 99 L Consumer Buying Corporation of Zambia Limited
- 100 L Zambia National Wholesale and Marketing Company Limited
- 101 S National Drug Company Limited
- 102 L National Home Stores Limited
- 103 M Mwaiseni Stores Limited
- 104 S Redirection Placement Limited
- 105 S City Radio & Refrigeration Supplies (1975) Limited
- 106 S NIEC Agencies Limited
- 107 S NIEC Overseas Services Zambia Limited
- 108 S NIEC Farms Limited

## **Packaging**

109 M Kabwe Industrial Fabrics Limited

## Mining

110 S Mindeco Small Mines Limited

### **Textiles**

111 L Kafue Textiles (Z) Limited

## Energy

- 112 M AGIP (Zambia) Limited
- 113 L BP Zambia Limited

## Tranche 4

## Agriculture/Agro-industry

- 114 S Zambezi Sawmills (1968) Limited
- 115 L Zambia Forestry and Forest Industries Limited (ZAFFICO)

## Energy

116 S Lublend Limited

## Engineering

Scaw Limited

## Manufacturing

117 S Luangwa Industries Limited Zambia Detonators Limited

## Mining

Ξοa

118 L Maamba Collieries Limited
Ndola Lime Company

#### Telecommunications

19 Posts and Telecommunications Corporation

60

#### **Tourism**

123 S Mukuba Hotel

### Finance

- 124 S Africa Inter-continental Insurance Services Limited
- 125 S State Insurance Medical Trust Fund Limited
- 126 L Zambia National Building Society
- 127 L Zambia State Insurance Corporation Limited
- 128 S Zambia State Financing Company Limited
- 129 S Zambia State Property Development Company Limited
- 130 S Zambia State Security Limited
- 131 S Zambia National Insurance Brokers Limited

## Publishing

132 S Zambia Educational Publishing House

# **Transport**

133 S Mpulungu Harbour Corporation Limited

#### 1che 5

#### Chemicals

134 M Zambia Oxygen Limited

# Mining

- 135 M Kagem Mining
- 136 S Kariba Minerals Limited
- 137 S Kariba Amethyst Marketing Limited
- 138 L Reserved Minerals Corporation Limited Group
- 139 S Zambia Emeralds Industries Limited

#### **Transport**

140 M Dunlop Zambia Limited

#### nche 6

#### Manufacturing

141 L Nitrogen Chemicals of Zambia Limited

# Real Estates

142 S Anros Industries Limited

#### Transport

- 143 3 Livingstone Motor Assemblers Limited
  - 44 L National Airports Corporation

#### Construction

145 3 Zimco Properties Limited

# Energy

146 S Zamlube Re-refiners Limited

#### Real Estate

147 S Indeco Estate Development Company Limited

#### ranche 7

## Communications

148 M Zambia National Broadcasting Corporation

#### **Finance**

149 S Zambia Housing Development Fund Limited

# Mining

- 150 L MEMACO Group
- 151 L MEMACO Trading Limited, London
- 152 S MEMACO Trading Limited, USA

# Agriculture/Agro-Industry

153 S MEMACO Services Limited

# **Transport**

- 154 L Zambia Airways Corporation Limited
- 156 M National Air Charters (Zambia ) Limited

#### Cabinet Resolution

- 157 L Zambia Consolidated Copper Mines
- 158 M Mulungushi Textiles

# Timing for privatisation to be Scheduled

- 159 L Indeni Petroleum Refinery Company
- 160 L Tazama Pipelines
- 161 L Zimoil Division
- 162 L Zambia Railways
- 163 L Zambia Electricity Supply Corporation
- 164 L National Savings and Credit Bank
- 165 L Contract Haulage Limited
- 166 L National Hotels Development Corporation Limited:
  - Fairview Hotel (Lusaka)
  - Mulungushi International Conference Centre (Lusaka)
  - Mulungushi Village (Lusaka)
- 167 S Makeni Clothing Manufacturers Limited
- 168 M Lukanga Investment and Development Company
- 169 3 Chanyanya Rice Company
- 170 3 Airport Farms
- 171 3 National Building Brigade Company Limited
- 172 \_ Zambia National Commercial Bank Limited (ZANACC)

- 173 M Indo-Zambia Bank Limited
- 174 M Development Bank of Zambia Limited
- 175 M Export and Import Bank of Zambia Limited
- 176 M National Savings and Credit Bank

# (ey:

- L Large company
- M Medium size company
- S Small company

# ANNEX II

# **QUESTIONNAIRE (A)**

# FOR BUSINESS PERSONS IN GENERAL

1.	AGE:
	<ul><li>a) 18-24 years</li><li>b) 25-34 years</li><li>c) 35-44 years</li></ul>
	d) 45+ years
2.	GENDER:
	a) FEMALE
	b) MALE
3.	MARITAL STATUS:
	a) SINGLE
	b) MARRIED
	c) WIDOWED
	d) SEPARATED e) DIVORCED
4.	EDUCATIONAL LEVEL:
	a) PRIMARY
	b) SECONDARY
	c) TERTIARY (specify)
5.	NATIONALITY:
6.	WHAT TYPE OF BUSINESS ARE YOU INVOLVED IN?
7.	WHAT IS THE SIZE OF YOUR BUSINES?
	a) LARGE
	b) MEDIUM
	CL SMIALL



8.	HOW LONG HAVE YOU BEEN IN BUSINESS?
9.	HOW WOULD YOU DESCRIBE YOUR BUSINESS BACKGROUND?
	<ul><li>a) STRONG</li><li>b) GOOD</li><li>c) AVERAGE</li></ul>
10.	ARE YOU AWARE OF THE ZAMBIA PRIVATIZATION PROGRAMMES
	a) YES b) NO
11.	IF YES, FROM WHAT SOURCE DID YOU GET THE INFORMATION ON ZPA?
	<ul> <li>a) NEWSPAPER</li> <li>b) TELEVISION</li> <li>c) RADIO</li> <li>d) NGO CAMPAIGNS</li> <li>e) OTHER (specify).</li> </ul>
12.	HAVE YOU SOUGHT FURTHER INFORMATION ON ZPA?
	a) YES b) NO
13.	IF YES, FROM WHERE?
	a) ZPA b) OTHERS (state source)
14.	HAS THE INFORMATION BEEN HELPFUL?
	a) YES b) NO
15.	IF YES, DID IT MAKE YOU THINK ABOUT PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
	a) YES b) NO

16.	IF YES, IN WHICH WAY?
	<ul><li>a) BIDDING FOR COMPANIES</li><li>b) BUYING OF SHARES OF PUBLICLY FLOATED COMPANIES</li><li>c) THROUGH MANAGEMENT/EMPLOYEES BUYOUTS</li></ul>
17.	IF NO, WHY?
18.	DO YOU THINK THAT THE PRIVATIZATION PROGRAMME HAS BEEN WELL ADVERTISED?
	a) YES b) NO
19.	WHAT NUMBER OF ZAMBIANS DO YOU THINK ARE AWARE OF THE PRIVATIZATION PROGRAMME?
	<ul><li>a) A LARGE NUMBER</li><li>b) A SMALL NUMBER</li></ul>
20.	OF THIS NUMBER WHO ARE THE MAJORITY BETWEEN MEN AND WOMEN?
	<ul><li>a) MEN</li><li>b) WOMEN</li><li>c) BOTH</li></ul>
21.	WHY DO YOU THINK THIS CATEGORY (MAJORITY) OF PEOPLE IS MORE AWARE OF THE PRIVATIZATION PROGRAMME?
22.	IN YOUR OPINION, HAS THE PRIVATIZATION PROGRAMME BEEN A SUCCESS?
	a) YES
	b) NO c) IDON'T KNOW

23.	EXPLAIN YOUR ANSWER
24.	IN YOUR OPINION, DO YOU THINK MANY ZAMBIANS ARE PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
	<ul><li>a) YES</li><li>b) NO</li><li>c) I DON'T KNOW</li></ul>
25.	IF YES, WHO DO YOU THINK ARE THE MAJORITY OF THESE PARTICIPANTS?
	a) WOMEN b) MEN c) BOTH
26.	WHAT CONSTRAINTS DO YOU THINK WOMEN FACE IN PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
27.	WHAT CONSTRAINTS DO YOU THINK MEN FACE IN PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
28.	SHOULD GENDER BE AN ISSUE OF CONSIDERATION DURING PRIVATIZATION?
	a) YES
	b) NO c) I DON'T KNOW
	C) I DON I KNOW
29.	EXPLAIN YOUR ANSWER

# ANNEX III

# **QUESTIONNAIRE (B)**

# FOR BUSINESS PERSONS WHO PARTICIPATED IN EITHER BIDDING OR PURCHASING OF COMPANIES OR SHARES OF PUBLICLY FLOATED COMPANIES

1.	AGE:
	a) 18-24 years
	b) 25-34 years
	c) 35-44 years
	d) 45+ years
2.	GENDER:
	a) FEMALE
	b) MALE
3.	MARITAL STATUS:
	a) SINGLE
	b) MARRIED
	c) WIDOWED
	d) SEPARATED
	e) DIVORCED
4.	EDUCATIONAL LEVEL:
	a) PRIMARY
	b) SECONDARY
	c) TERTIARY (specify)
5.	NATIONALITY:
6.	ARE YOU OR ANY MEMBER OF YOUR FAMILY POLITICALLY ACTIVE?
	a) YES
	b) NO

7.	IF YES, WHO?
	<ul><li>a) SELF</li><li>b) SPOUSE</li><li>c) OTHER (specify)</li></ul>
8.	AT WHAT LEVEL ARE THEY POLITICALLY ACTIVE?
	<ul> <li>a) MEMBER OF PARLIAMENT</li> <li>b) COUNSELLOR</li> <li>c) MINISTER</li> <li>d) OTHER (specify).</li> </ul>
9.	WHAT KIND OF BUSINESS DO YOU OWN?
10.	HOW LONG HAVE YOU OWNED YOUR BUSINESS?
11.	WHAT IS THE SIZE OF YOUR BUSINESS?
	<ul><li>a) LARGE</li><li>b) MEDIUM</li><li>c) SMALL</li></ul>
12.	HOW WOULD YOU DESCRIBE YOUR BUSINESS BACKGROUND?
	<ul><li>a) STRONG</li><li>b) AVERAGE</li><li>c) GOOD</li></ul>
13.	WHAT PART OF THE PRIVATIZATION PROGRAMME DID YOU PARTICIPATE IN?
	<ul><li>a) PRIVATE PURCHASE BY COMPETITIVE BIDDING</li><li>b) BUYING OF SHARES IN PUBLICLY FLOATED COMPANIES</li><li>c) MANAGEMENT/EMPLOYEE BUYOUTS</li></ul>
14.	WAS YOU NEGOTIATOR:
	<ul><li>a) FEMALE</li><li>b) MALE</li><li>c) PANEL OF MALE AND FEMALE</li></ul>

15.	WERE YOU SUCCESSFUL?
	a) YES b) NO
16.	IF YES, WHAT DO YOU THINK MADE YOU SUCCEED?
17.	IF NO, WHY WERE YOU UNSUCCESSFUL?
18.	IF YOUR BID WAS SUCCESSFUL, DID YOU HAVE READY CAPITAL TO PURCHASE?
	a) YES b) NO
19.	IF NO, DID YOU SEEK FINANCIAL ASSISTANCE?
	a) YES b) NO
20.	IF YES, FROM WHERE?
	a) COMMERCIAL BANKS b) FAMILY c) OTHERS(specify)
21.	WHAT TYPE OF COLLATERAL WAS REQUIRED?
	a) TITE DEEDS b) PROPERTY c) OTHER (specify)

22.	DO YOU FEEL THAT THE PRIVATIZATION PROGRAMME HAS BEEN A SUCCESS?
	a) YES b) NO
23.	DO YOU THINK THAT MANY ZAMBIANS ARE PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
	a) YES b) NO
24.	IF YES, WHO DO YOU THINK ARE THE MAJORITY PARTICIPANTS?
	a) MEN b) WOMEN
25.	DO YOU THINK MEN AND WOMEN HAVE AN EQUAL CHANCE OF PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
	a) YES b) NO
26.	EXPLAIN YOUR ANSWER
27.	WHAT CONSTRAINTS DO YOU THINK WOMEN AND MEN FACE IN PARTICIPATING IN THE PRIVATIZATION PROGRAMME?
	a) WOMEN
	b) MEN
28.	IN YOUR OPINION, SHOULD GENDER BE AN ISSUE IN PROGRAMMES SUCH AS PRIVATIZATION?
	a) YES b) NO c) I DON'T KNOW

EXPLAIN YOU ANSWER:
IN YOUR OPINION, HOW DO YOU THINK THE PRIVATIZATION
PROGRAMME CAN BE IMPROVED TO PROMOTE THE EQUAL
PARTICIPATION OF WOMEN AND MEN?

#### ANNEX IV

## INTERVIEW GIUDE - ZAMBIA PRIVATIZATION AGENCY

Good morning/afternoon. My name is Dellia Mwale-Yerokun. I am a candidate for a Master of Arts Degree in the Department of Gender Studies at the University of Zambia. I am carrying out a study on the Zambia Privatization Programme. The aim of the study is to establish awareness of the privatization programme and the level of female participation in the programme. I would appreciate it if you could spare some time to answer some questions.

1. AGE				
a)	18-24		•	
	25-34			
c)	35-44			
	45+			

- 2. GENDER
  - a) FEMALE
  - b) MALE
- 3. MARITAL STATUS
  - a) SINGLE
  - b) MARRIED
  - c) WIDOWED
  - d) SEPARATED
  - e) DIVORCED
- 4. EDUCATIONAL LEVEL
  - a) PRIMARY
  - b) SECONDARY
  - c) TERTIARY (specify).....
- 5. NATIONALITY

6.	HOW LONG HAVE YOU WORKED FOR ZPA?
7.	WHAT IS YOUR POSITION AT ZPA?
8.	WOULD YOU KNOW THE EXACT NUMBER OF COMPANIES THAT HAVE BEEN PRIVATIZED?
	a) YES b) NO
9.	IF YES, HOW MANY HAVE BEEN PRIVATIZED?
10.	WHO DO YOU THINK ARE THE BUYERS OF THESE COMPANIES?
	<ul><li>a) INDIVUDUALS</li><li>b) LOCAL COMPANIES</li><li>c) MULTINATIONAL COMPANIES</li><li>d) ALL OF THE ABOVE</li></ul>
11.	AMONG THE INDIVIDUAL BUYERS, WHO ARE THE MAJORITY?
	a) MEN b) WOMEN c) BOTH
12.	HAS THE NUMBER OF FEMALE BIDDERS BEEN INCREASING OR DECREASING SINCE THE BEGINNING OF PRIVATIZATION?
	<ul><li>a) INCREASING</li><li>b) DECREASING</li><li>c) DON'T KNOW</li></ul>

13.	WHAT SO YOU THINK HAS LED TO THIS SITUATION?
14.	WHAT PROBLEMS/CONSTRAINTS DO FEMALE/MALE BIDDERS FACE?
	a) FEMALE
	b) MALES
15.	SHOULD THE FACT THAT FEW FEMALES BID/BUY COMPANIES BE OF CONCERN?
	a) YES b) NO c) DON'T KNOW
16.	. WHY? EXPLAIN YOUR ANSWER
17.	HOW MANY FEMALES ARE EMPLYED AT THE ZPA?
18.	. HOW MANY FEMALES ARE IN DECISION MAKING POSITIONS?
19.	WHAT POSITIONS ARE THESE?

20. H	IOW MANY MALES ARE EMPLYED AT THE ZPA?
 21. H 	OW MANY MALES ARE IN DECISION MAKING POSITIONS
22. V 	VHAT POSITIONS ARE THESE?
23. A	RE THERE COMMITTEES THAT REVIEW BIDS FOR ZPA?  a) YES b) NO
24. II	F YES, HOW MANY?
25. H 	OW MANY PEOPLE SIT ON THESE COMMITTEES?
26. H 	OW MANY OF THESE ARE FEMALES?
27. H	IOW MANY OF THESE ARE MALES?
28. D	O ANY FEMALES HEAD THESE COMMITTEES?  a) YES b) NO

F YES, HOW MANY?	
HOW MANY MALES HEAD THESE COMMITTEES?	
	)N
a) FEMALES	
b) MALES	
a) YES	
b) NO c) DON'T KNOW	
F YES, HOW WAS THIS DONE?	
F NO, WHY?	
•••••••••••••••••••••••••••••••••••••••	
DEVELOPMENT DIVISION (GIDD) IN THE IMPLEMENTATION OF TH	
a) YES	
b) NO c) DON'T KNOW	
	b) MALES

36.	IF YES	S, WHY? ON WHOSE ADVICE WAS THIS DONE?
37.	IF NO.	, WHY?
38.		LD GENDER BE AN ISSUE OF CONSIDERATION DURING THE ATIZATION PROCESS OR NOT?
	b)	YES NO DON'T KNOW
39.	CAN	YOU EXPLAIN YOUR ANSWER
40.		UR OPINION, HOW CAN THE SITUATION OF FEMALE/MALE ERS/BUYERS BE IMPROVED IN PRIVATIZATION?
	a)	FEMALES
	b)	MALES
		ADVERTISING
41.		T TYPE OF ADVERTISING HAS BEEN USED FOR THE ATIZATION PROGRAMME?
	b)	PRINT MEDIA (NEWSPAPERS, MAGAZINES) ELECTRONIC MEDIA (T.V., RADIO) OTHER (specify)

42. WHY WAS THIS PARTICULAR TYPE OF ADVERTISING US	SED?
43. DO YOU FEEL THIS TYPE OF ADVERTISING WAS EFFECT	TIVE?
a) YES b) NO	
44. EXPLAIN WHY?	
45. DO YOU THINK BOTH MEN AND WOMEN IN RURAL ANI AREAS COULD HAVE BEEN REACHED BY THIS TYPE OF ADVERTISING?	URBAN
a) YES	
b) NO c) DON'T KNOW	
46. IF YES, HOW DO YOU KNOW?	
47. IS THER ANY THING THAT COULD BE DONE TO BROAD AWARENESS OF THE PRIVATIZATION PROGRAMME?	EN THE
	· · · · · · · · · · · · · · · · · · ·

48. HAVE	YOU ATTENDED ANY GENDER AWARENESS TRAINING?
a) b)	YES NO
49. IF YES	, WHAT KIND?
•••••	
50. HOW 1	LONG WAS THE TRAINING?
•••••	
51. IF NO,	WOULD YOU BE INTERESTED IN ATTENDING SUCH TRAINING
a)	YES
	NO

# ANNEX V

## INTERVIEW GUIDE - GENDER IN DEVELOPMENT DIVISION

Good morning/afternoon. My name is Dellia Mwale-Yerokun. I am a candidate for a Master of Arts Degree in the Department of Gender Studies at the University of Zambia. I am carrying out a study on the Zambia Privatization Programme. The aim of the study is to establish awareness of the privatization programme and the level of female participation in the programme. I would appreciate it if you could spare some time to answer some questions.

- 1. AGE
  - a) 18-24
  - b) 25-34
  - c) 35-44
  - d) 45+
- 2. GENDER
  - a) FEMALE
  - b) MALE
- 3. MARITAL STATUS
  - a) SINGLE
  - b) MARRIED
  - c) WIDOWED
  - d) SEPARATED
  - e) DIVORCED
- 4. EDUCATIONAL LEVEL
  - a) PRIMARY
  - b) SECONDARY
  - c) TERTIARY (specify).....

5.	NATIONALITY
6.	WHEN WAS GIDD ESTABLISHED?
7.	WHY WAS IT ESTABLISHED?
8.	WHAT IS GIDD'S MANDATE?
9.	HOW LONG HAVE YOU WORKED FOR GIDD?
10.	WHAT IS YOUR POSITION AT GIDD?
11.	HOW MANY FEMALES ARE EMPLOYED BY GIDD?
12.	HOW MANY FEMALES ARE IN DECISION MAKING POSITIONS?
13.	HOW MANY MALES ARE EMPLOYED BY GIDD?
14.	HOW MANY MALES ARE IN DECISION MAKING POSITIONS?
	***************************************

15. HAS THE GOVERNMENT STARTED IMPLEMENTING THE NATIONAL GENDER POLICY?
a) YES b) NO
16. IF NO, WHY?
17. HOW MUCH DO YOU KNOW ABOUT THE PRIVATIZATION PROGRAME?
a) LITTLE b) VERY MUCH c) NOTHING
18. DOES GIDD INFLUENCE MACRO-ECONOMIC PROGRAMMES SUCH A PRIVATIZATION?
a) YES b) NO
19. IF YES, HOW IS THIS DONE?
20. DO YOU KNOW THE NUMBER OF COMPANIES THAT HAVE BEEN PRIVATIZED UP TO DATE?
a) YES b) NO
21. IF YES, HOW MANY?
22. DO YOU KNOW THE TYPES OF COMPANIES THAT HAVE BEEN PURCHASED?
<ul><li>a) LARGE</li><li>b) MEDIUM</li><li>c) SMALL</li></ul>

23.	HAS GIDD DONE ANYTHING TO ENSURE FEMALE PARTICPATION IN THE PRIVATIZATION PROGRAMME?
	a) YES b) NO
24.	IF YES, WHAT?
25	IF NO, WHY?
23.	
26.	IN YOUR OPINION, HOW COMMITTED IS THE GOVERNMENT TO THE ISSUES OF GENDE EQUALITY, PARTICULARLY IN PRIVATIZATION?
27.	ARE THERE ANY EFFORTS BY GOVERNMENT TO CONSIDER GENDER IN THE PURCHASING OF COMPANIES?
	a) YES b) NO
28.	. IF YES, WHAT IS BEING DONE?
29.	. IF NO, WHY?

WH. PAR																						E TH	Е
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IMES OF LAMBIA

NEX VI

# ACCESS FINANCIAL SERVICES LIMITED (Financial Managers - ZADL)

On Behalf of

# ZAMBIA PRIVATISATION AGENCY

# Sale of State Farm by Tender

Access Financial Services Limited on behalf of Zambia Privatisation Agency wishes to announce the sale by tender of Kapilyomba Dairy Farm:

# The Dairy Farm

The farm is situated 30 km east of Lusaka and access is through a tarred road. The farm is 806 hectares in extent, with 350 hectares cleared. The farm is connected to ZESCO mains (3 phase) and has 6 boreholes with one in use.

# Bid Bond Requirements

A bid bond is required to be submitted with each and every tender offer. For each bid submitted, a bid bond of K 10,000,000 (Kwacha Tan Million) or the United States Dollar equivalent at the prevailing exchange rates, payable by bank certified cheque to Zambia Agricultural Development Limited (ZADL), must accompany the offer.

This bond is required to ensure that the winning bidders follow through and purchase the farm. The winning bidders' cheque will be deposited in the ZADL account when the bids are opened and the farm awarded, and this will not be refunded.

The losers' cheque will be held and not cashed unless the first winning bidder fails to provide the remainder of the 25 percent deposit within the specified time from the opening of the bids, in which case the second highest bidder will be invited and his/her cheque cashed.

The bid bond will be applied toward the 25 percent deposit, unless the bidder fails to follow through in time, in which case the bio bond will be forfeited.

Any bin that does not include the required bid bond will be rejected at the opening.

# Bank Guarantee Requirement

bank guarantee for the entire bid amount is required to be submitted with each and every tender offer.

Payment Terms: 25 percent of the bid price within 48 hours from the date of offer and the remainder within 45 days.

No deferred payments will be accepted.

The closing date for submission of bids is 28th November 1997 at 15:00 hours. Tender documents are available at Access Financial Services Limited for K 10,000 only. Bidders are encouraged to conduct their own due diligence investigations.

For more information contact:
The Managing Director
\*Caess Financial Services Limited
Mambilima House - Kapelenga Roda
\*\*C 30x 35490, Lusaka
Tel: 235710/235711

Eax: 236496

. <sup>∠1</sup>COESS FINANCIAL GERVICES LTD

APPENDIX 2

# MEMBERS OF ZPA: NAMES AND AFFILIATIONS

# (Board of Directors)

Chairman

A Mkandawire

Zambia Confederation of Chambers of Commerce and Industry

Vice Chairman

R P Healey

Zambia Federation of Employers

Members

(Vacant)

Law Association of Zambia

G Chilupe, S C

Attorney General

J M Mtonga

Permanent Secretary, Ministry of Finance

A H Mudenda

Zambia Congress of Trade Unions

K Mumba (Dr)

Dean, School of Business, Copperbelt University

(Vacant)

Bankers Association of Zambia

K Wotela

National Farmers Union

Dr K Muleya

Permanent Secretary, Ministry of Commerce Trade and Industry, GRZ

G Sokota

Zambia Institute of Certified Accountants

(Vacant)

Ξρa

A representative of the Churches of Zambia

# APPENDIX 4

# CONSULTANTS, CONSULTING FIRMS, DONOR AGENCIES

#### FIRST SCHEDULE

(Individuals seconded to ZPA funded by the donor agencies indicated above their names)

# Deutsche Gesellschaft fuer Technishe Zusammenarbeit (GTZ), Germany

J H Fraser

Dr K Senkel

Dr E Hilmer

# U S Agency for International Development (USAID), USA

J Joseph

L Jones

R Morgan

D Brunnell

P Jones

#### Second Schedule

(Independent negotiating team members)

C Chimuka, Lusaka S Chiwala, Lusaka

A M Dudhia, Lusaka C M Fundanga, Lusaka D Katongo, Lusaka E C Kaunga, Lusaka

M Lewanika, Kitwe A Lungu, Lusaka

M Luatula, Lusaka D H Luzongo, Lusaka

P N Magande, Lusaka S Malama, Kitwe

L Muuka, Lusaka N R Mwanyungwi, Lusaka

B L Ngenda, Lusaka F X Nkoma, Lusaka G F Patel, Lusaka J Siwabu, Lusaka A Vashee, Ndola P Nyambe, Lusaka

J G Bender, Lusaka A Haamamba, Lusaka

K K Patel, Lusaka M Phiri, Lusaka M Mutukwa, Lusaka H Phiri, Lusaka

C Mivoba, Lusaka M Mwenda, Lusaka

Prof Mwenechanya, Lusaka G Nyirongo, Lusaka E Shamwana, Lusaka Dr J Mulwila, Lusaka

H Hichilema, Lusaka D Phiri, Lusaka

Dr G Mudenda, Lusaka D Matongo, Lusaka

S Zulu, Lusaka C Sichangwa, Lusaka N Mubonda, Lusaka S Patel, Lusaka

F Patel, Lusaka M Mutemwa, Lusaka A Wood, Lusaka N Mbazima, Lusaka

C Muhango, Lusaka N Siame, Lusaka 7 Simmons, Kitwe S Sanga, Lusaka

M Maketo, Lusaka J M Chisanga, Lusaka 3 3 Kaweche, Kitwe

Or 3 Kamuwanga, Lusaka

J Nyirongo, Lusaka

G Kunda, Ndola

E Lungu, Lusaka

M Kasonka Jnr. Lusaka

H Mubanga, Lusaka

H Ndhlovu, Lusaka

Z Musonda, Lusaka

H Mubashi, Lusaka

L Chiti, Lusaka

P D Chisanga, Lusaka

M Mulenga, Lusaka

B C Mutale, Lusaka

Lavina Nayeta Mubita, Lusaka

Justin Chashi, Lusaka

Laban Lubamba, Lusaka

Charles Muponda, Lusaka

Sibanje Simuchoba, Lusaka

Willie Mubanga, Lusaka

Munalula Lisimba Lusaka

Dr Josiah Soko, Lusaka

R N Mandona, Lusaka

Charles Stacey, Kitwe

P Matibini, Lusaka

A Lungu, Lusaka

B S K Chiti, Lusaka

Bindo, Lusaka

Isaac Chali, Ndola

M Nchito, Lusaka

Chifumu Banda, Lusaka

M L Mukande, Lusaka

L Mfula, Lusaka

H H Ndhlovu, Lusaka

Prof. Chinene, Lusaka

P Nyirongo, Ndola

O Mayo, Lusaka

P Pendwe, Kitwe

F Nchimunya, Lusaka

E Chenda, Ndola

P Chisanga (Mrs), Lusaka

Dr M Mwinga, Lusaka

Bevin Willombe, Lusaka

D Ng'ambi, Lusaka

lan Zulu, Lusaka

M Mulila, Lusaka

Chanda Chileshe, Lusaka

Nellie Mutti, Lusaka

Lagos Nyembele, Lusaka

Elias Chipimo Junior, Lusaka

B Kang'ombe, Lusaka

S Sikota, Lusaka

N Kawanambulu, Lusaka

Anthony Nyangulu, Lusaka

Stephen Malwa, Lusaka

HT Sikasote, Lusaka

Dr Roger Chongwe, Lusaka

Charles Kajimanga, Lusaka

Andrew Howard, Lusaka

A Mwenya, Lusaka

Ngenda Sipalo, Lusaka

# CONSULTANTS, CONSULTING FIRMS, DONOR AGENCIES

## THIRD SCHEDULE

(Consulting and law firms that have been contracted by ZPA or donor

agencies to render various professional services to ZPA)

Anderson & Anderson Property Consultants, Zambia

M G Chilinda Associates, Zambia

Collet-Tribe Associates, Zambia

Coopers and Lybrand, Zambia in association with Cargrill Technical Services, Zambia

Coverdale Organisation Inc, USA

Deloitte and Touche, Zambia in association with Agmmark, Zambia

Deloitte Touche Tomatsu International, USA

Figov Auctioneers, Zambia

Fredjoe Auctioneers, Zambia

R M Fumbeshi Property Consultants, Zambia

GFA International Management Consulting GmbH, Germany

Harvey & Company Inc., USA

Ifintu Auctioneeers Ltd, Zambia

International Executive Service Corps, USA

Kienbaum Development Services, Germany in association with Inter Africa Corporate Services, Zambia

Labat-Anderson Inc, USA

Auther D Little, USA

LusoConsult, Gerrmany in asociation with KPMG Peat Mrwick, Zambia

C M Mulenga Property Consultants, Zambia

S P Mulenga Associates, Zambia

Nordic Consulting Group, Norway

Price Waterhouse, Zambia and USA

The Rendon Group, USA

Techpro Zambia Limited, Zambia

Touche Ross, UK

Tropical Research & Development Inc. USA

DW Zyambo & Associates, Zambia

Cavmont Merchant Bank, Zambia

Stanbic Bank Ltd, Zambia

KPGM Peat Marwick, Zambia

Corpus Globe, Zambia

Richard Ellis Africa (Ptv) Ltd, Zambia

The Property Partnership, RSA

Otieno Odongo & Partners, Kenva

Independent Management, Zambia

Consulting Services, Zambia

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Corporate Design Limited, Zambia Mwitumwa & Associates, Zambia TP Chibwe & Co., Zambia Zambia National Building Society, Zambia Government Valuation Department, Zambia M Jere Property Consulting, Zambia Premier Property Consultants, Zambia S A Mweemba Associates, Zambia Harry Ngosa & Company, Zambia BTC & Associates, Zambia Executive Auctioneers, Zambia Tikambilane Auctioneers, Zambia Devcorp, Zambia Wits Limited, Zambia Pangaea Partners, Zambia Contact Management Systems, Zambia R M S Accounting & Consulting Associates

# APPENDIX 3

# ZPA ORGANISATION AND STAFFING NUMBERS

	Establishment	Filled
Chief Executive's Office		
Chief Executive (V Chitalu)	1	1
Chief Internal Auditor (M Mulevu)	1	1
Audit Officer	1	Ô
Senior Public Relations Officer (J Silwizya)	1	1
Public Relations Officer	1	1
Technical Directorate	•	1
Technical Director (S Cruickshank)	1	1
Team Leader, Special Projects (F C Lukashi)	1	1
Team Leaders, Business Analysis	4	4
(A Chipwende)	4	4
(D Munsele)		
,		
(D Mungala)		
(F Mumba)		
Legal Counsel (M Z Mwandenga)	1	1
Social Impact Manager (E Jere)	1	1
Planning Manager	1	0
Senior Business Analysts	4	2
Business Analysts	11	8
Senior Legal Officer	1	1
Legal Officers	2	1
Senior Technical Officer	1	1
Technical Officers	2	0
Snr Asset Monitoring Officer	1	1
Investigations Officer	1	0
Asset Monitoring Officer	1	1
Debt & Financial Analyst	1	0
Valuations Officer	1	1
Administration Directorate		
Agency Secretary (S Ndhlovu)	1	1
Chief Accountant (RM K Mulenga)	1	1
Chief Administration Officer (I Ponde)	1	1
Information Systems Manager (F Mwila)	1	1
User Support Analyst	1	1
Management Accountant	1	1
Senior Accounting Officer	1	0
Accounting Officers	2	2
Sr Human Resources Officer	1	1
Sr Administration Officer	1	1
Sr Procurement Officer	1	1
Administration officer	1	1
Librarian	1	1
Asst. Librarian	1	4
Secretaries	6	Á
Secretaries II	9	6
Telephone Switchboard Operator	1	1
Drivers	3	4
Messengers	3	4
Cleaners	3	2
Total Number of Personnel	3 <b>0</b>	3 <b>4</b>
	<b>50</b>	<b>,-</b> -