

**THE ROLE OF GOVERNANCE NETWORKS IN ECONOMIC DEVELOPMENT:  
LESSONS FROM ZAMBIA**

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## **ABSTRACT**

This paper discusses the role of governance networks in economic development in Zambia. A qualitative design was used to conduct the research. Both documentary and non-documentary data were collected. Documentary data were collected from documents focusing on governance, networks and economic development. Non-documentary data were obtained from a sample of 19 key informants comprising five managers of public institutions and 14 union leaders. The findings reveal that the network model attempts to resolve problems facing the public sector by emphasising collaboration among stakeholders and allowing the government to rely on the private sector to provide public infrastructure and services. The use of this model is driven by the ideas of inclusiveness and resource pooling. This includes transferring the responsibilities of policy formulation and implementation from the state to non-state actors. However, governance networks can be captured by private sector actors and their international agents thereby promoting skewed economic development. This enables capitalists to accumulate capital while excluding poor people from accessing basic services. Therefore, governance networks need to be transformed to protect the masses against capitalist exploitation. The transformation should focus on empowering the citizens, holding the government accountable and ensuring that the benefits of economic growth are shared equitably.

## **INTRODUCTION**

Since the beginning of the current century, Zambia has witnessed a shift in her public management models. The shift is from a highly bureaucratic model to governance networks. This shift is aimed at addressing problems presented by the bureaucratic model and to promote the development of the country. The problems facing the country include inadequate financial resources and inefficiency in service delivery (Zambia 2011a). In contrast to the bureaucratic model that promoted centralisation of authority, the network model promotes collaboration among stakeholders and promises to offer solutions to developmental problems facing Zambia. Through networks, the government relies on the private sector to provide public infrastructure and services (Zambia 2011a). Although Zambia has adopted the network model, it is still characterised by high poverty levels. As much as 60.5 percent of the population live below the poverty line (Central Statistical Office [CSO] 2012a). This raises questions about the role of governance networks in development activities.

The purpose of this paper is to discuss the role of governance networks in economic development in Zambia. This discussion is motivated by the fact that developing countries including those in Africa have failed to promote socio-economic development mainly due to inadequate public finances (Ayee 2008). Therefore, the adoption of partnerships is viewed as an opportunity to promote development by relying on resources from the private sector (Kitchen 2005; Pope 2006)). As such, it is important to understand how these networks operate and to establish the extent to which they promote economic development. To achieve its purpose, this paper is divided into eight sections. The first section is the introduction. The second section explains the nature of governance networks. The third section discusses the changing nature of economic development policies in Zambia. The fourth section presents the design, approach and methods used in the research. The fifth section examines the way governance networks empower non-state actors in the processes of policy formulation and implementation. The sixth section analyses the manner in which governance networks promote economic growth on the one hand and poverty on the other. The seventh section focuses on the transformation of governance networks for the benefit of the general public. The final section is a conclusion.

## **THE NATURE OF GOVERNANCE NETWORKS**

Before explaining the nature of governance networks, it is important to understand the meaning of the concepts of governance and network. Governance can be understood as an approach that involves “a shift away from hierarchical systems of government, towards more networked forms of policy-making and delivery” (Lau 2014:1945). It focuses on networking rather than superior-subordinate relationships in the management of public institutions. Castells (2000:501) defines a network as “a set of interconnected nodes.” The interconnectedness of the nodes can be physical or social in nature. However, our interest in this paper is in social networks, particularly governance networks. Gabriele (2015:400) defines governance networks as “entities that merge joint policy making, shared public resources, and collaborative service provision to facilitate and coordinate exchanges at all levels of the policy and administration process.” This definition shows that governance networks involve actors working together to formulate and implement public policies including the delivery of services. Through collaboration, the actors share their expertise and other necessary resources at each stage of the governance process. Nonetheless, the definition by Gabriele (2015) does not specify the categories of actors involved in the processes of policy making and service provision. Klijn (2008:511) views governance network as “public

policy making and implementation through a web of relationships between government, business and civil society actors.” This view shows that governance networks involve several interactions between the state and non-state actors in the processes of formulation and implementation of public policies. Although governance networks may be defined differently by different scholars, their key feature is collaboration among various stakeholders in the processes of policy formulation and implementation. The stakeholders in these processes include legislators, bureaucrats, political parties, business corporations, civil society associations and other actors interested in governance issues (Lynn 2006; Pollitt and Bouckaert 2011; Riggs 2009). These actors interact with each other in a non-hierarchical manner (Lester and Reckhow 2012; Pollitt and Bouckaert 2011). In other words, the emphasis is on horizontal relations (Klijn 2008). Network actors use the strategies of information sharing and bargaining to achieve their goals (Lester and Reckhow 2012). This means that the governance network model is an attempt to strike a balance between traditional public administration (i.e. emphasising bureaucratisation) and New Public Management (NPM) (i.e. emphasising decentralisation and marketisation).

Governance networks can take three major forms. These are:

- Policy networks: - these networks deal with the interaction between the state and non-state actors at the stage of policy formulation. They focus on stakeholders that are involved in the process of setting the policy agenda and how they relate with each other;
- Service delivery and policy implementation networks: - these networks focus on the collaboration between the state and non-state actors at the stage of service delivery or policy implementation. They emphasise various forms of partnership in the delivery of public services;
- Governing networks: - these networks are concerned with the management of relationships among participants in the processes of policy formulation and implementation. They focus on conflict resolution and improved performance of governance networks in general (Klijn 2008).

Governance networks are formed to build the capacity of actors to achieve their goals. This is done by sharing resources and strategies (Hertting 2007). Through these interdependencies,

networks are able to promote innovation and adapt to changing environments (Randma-Liiv, Uudelepp and Sarapuu 2015). Along these lines, governance networks that have been formed in recent years are an attempt to resolve problems presented by NPM such as the fragmentation of functions and organisations (Hertting 2007) and inequality (Edigheji 2008; Manning 2001). In trying to resolve these problems, the network approach emphasises coordination through actors that are interdependent. This means that the processes of decision-making and service delivery are negotiated among various network participants (Osborne and McLaughlin 2002).

However, networks are characterised by power imbalance among the participants. Plaut (2010) indicates that the alliance of the African National Congress with the Congress of South African Trade Unions, South African Communist Party and South African National Civic Organisation is characterised by power struggle. The struggle is centred on the control of resources. Lester and Reckhow (2012) argue that networks can be captured by privileged actors to serve their own interests. This argument is supported by Strange (1994) who indicates that the process of production and supply of goods and services is controlled by the powerful agents of the political economy. She identifies three sources of power, namely, force, wealth and ideas. Strange (1994) further argues that the state, as a network participant, bargains and makes agreements with other participants including employers and workers to preserve its power. This means that despite the network model being an advance on previous models of governance, it is not a panacea. It does not resolve the key ambiguities of governance especially in emerging economies. This is because networks rely on social capital and are susceptible to influence from vested interest. Nevertheless, networks can be effective in promoting development if they receive the necessary support from the state and appropriate cultural values embedded in their operations (Meagher 2012).

## **THE CHANGING NATURE OF ECONOMIC DEVELOPMENT POLICIES IN ZAMBIA**

A combination of internal and external factors precipitated power shifts in blocs, alliances or networks and policy outcomes in Zambia. At independence, in 1964, Zambia inherited a liberalised economy where the private sector played a major role in economic development (Fagernäs and Roberts 2004; Saasa 1987). By economic development, we refer to “both increases in per capita income and improvements in social conditions” (Kawai 2006:48). At that time, the size of Zambia’s public sector was quite small. In 1965, the number of

employees in the public service was 45,000 (Fagernäs and Roberts 2004). Nonetheless, immediately after independence an anti-west, anti-colonial popular network and marginalisation of the private sector emerged. In 1968, the government began nationalising enterprises in the non-mining sectors. These sectors included manufacturing, quarrying, brewing, transport, retail, wholesale, media, insurance, and banking. In 1969, the policy of nationalisation was extended to the mining sector (Saasa 1987). The implementation of this policy resulted in the establishment of parastatal enterprises in various sectors of the economy. These enterprises operated in a protected environment. Economic activity was highly regulated (Fagernäs and Roberts 2004).

However, as government responsibilities increased, its labour force also increased. Between 1965 and 1980, the number of public service employees increased from 45,000 to 110,000 (Fagernäs and Roberts 2004). By 1993, Zambia had around 180,000 public service employees. Nevertheless, this number of employees became too costly for the government. The public service was also characterised by the problem of poor service delivery (Zambia 1993). These internal problems needed to be addressed by reforming the public sector in particular and the economy in general. In addition, the country was under external pressures such as the collapse of socialist alternative alliances and the ascendance of neoliberal reforms introduced through Structural Adjustment Programme (SAP). Zambia implemented SAP in the 1980s and 1990s, which entailed promotion of free trade, decontrol of prices, removal of subsidies, downsizing the public service and privatisation (Simutanyi 1996). In essence, SAP introduced NPM reforms, resulting in the public sector losing its capacity to deliver public goods and services. As a way of building its capacity, the public sector is now relying on the private sector to perform duties on its behalf. This kind of collaboration is guided by the Public-Private Partnership (PPP) policy and the PPP Act. What, then, are the effects of such partnerships on economic development especially in Africa where poverty levels are very high? This is the question that this paper attempts to answer.

## **RESEARCH DESIGN, APPROACH AND METHODS**

A qualitative design was used to conduct the research. This design was used because it helps researchers to gain insights into the feelings of the participants about the issue under investigation (Allan 1991; Berg and Latin 2008). This research investigates governance networks and their role in economic development in Zambia. The issue of governance networks has been chosen because it attempts to resolve problems associated with traditional

public administration and New Public Management (NPM). It does so by striking a balance between bureaucratisation and decentralisation.

Both documentary and non-documentary data were collected. Documentary data were collected from documents focusing on governance, networks and economic development. They comprised acts of parliament, policy documents, national development plans, budget speeches, briefing papers, working papers, research reports, census reports, journal articles and books. As for non-documentary data, they were obtained from a sample of 19 key informants. These informants comprised five managers of public institutions and 14 leaders of the Civil Servants and Allied Workers Union of Zambia (CSAWUZ). This means that the sample had a higher representation of the labour movement than management. The sample was confined to the representatives of labour and management because these are the major players at the workplace level where goods and services are produced. As such, they have a better understanding of how the network model is applied at that level. The leaders of CSAWUZ were chosen due to the size of their union. The CSAWUZ was the largest public sector union in Zambia at the turn of the current century. In 2002, its membership was around 35,000. This union also draws membership from most public institutions in the country (Nyirenda and Shikwe 2003). Therefore, it provides a good representation of public sector unionism in Zambia.

Multistage sampling (also known as cluster sampling) was used to draw a sample of five managers of public institutions. Multistage sampling involves selecting the sample in stages (Bless and Achola 1988). In this research, the sample of managers of public institutions was selected in two stages. The first stage involved selecting a random sample of four institutions out of a population of 67 public institutions from which the CSAWUZ draws its membership in Lusaka. The lottery method was used to draw a random sample of the four institutions. This method was used to reduce bias in sampling.

The second stage involved the selection of five managers from the four sampled public institutions. At this stage, purposive or judgemental sampling was used. Under purposive sampling, the researcher uses his/her judgement to draw the sample (Bless and Achola 1988). In this research, the researchers used their judgement to select four managers considered to be more knowledgeable of governance networks adopted by the sampled institutions. One manager was chosen from each of the four sampled institutions. However, at one institution,

two managers were selected. This is because the earlier selected manager could not provide all the required information. As such, the researcher was referred to another manager who was able to provide the missing information. This meant that the final sample of managers of public institutions was five instead of four as earlier planned.

Purposive sampling was also used to select leaders of CSAWUZ at national and provincial levels. Using their judgement, the researchers selected one leader considered knowledgeable of the organisation of the union at national level. The researchers also used their judgement to select one leader who was familiar with the organisation of the union in Lusaka province. Purposive sampling was adopted because some of the leaders were not familiar with the operations of the union at these levels.

Snowball sampling was used to select leaders of CSAWUZ at branch and workplace levels. Snowball sampling involves the identification of members of a population through their colleagues (O'Sullivan, Rassel and Berner 2003). Through this process, each union leader who was identified at branch and workplace levels was asked for the names and contact details of their colleagues. Those who were located and agreed to be engaged in the research were then sampled. Snowball sampling was used to select leaders at these levels of union organisation because the CSAWUZ does not have leadership representation in some of the institutions where it draws membership. Therefore, sampling could only be done in institutions where the union had leadership representation.

Data from the key informants were collected using semi-structured interviews. The length of the interviews was between 14 and 59 minutes. The interviews took place during the period 16 January – 19 February 2015.

## **GOVERNANCE NETWORKS AND EMPOWERMENT OF NON-STATE ACTORS**

The adoption of governance networks in Zambia has led to the transfer of responsibilities from the state to non-state actors. The transferred responsibilities include policy formulation and implementation. The details of the transfer process are discussed below.

### **Policy formulation**

A number of structures have been established to facilitate the transfer of the responsibility of policy formulation from the state to non-state actors. These include formal, informal and ad

hoc structures that incorporate non-state actors in the formulation of economic and social policies. One such structure is the Tripartite Consultative Labour Council (TCLC), which is a formal institution established by the *Industrial and Labour Relations Act*. The TCLC consists of the Minister of Labour and an equal number of representatives of trade unions, employers and the government. The exact number of members of this council is decided by the Minister of Labour but it is not less than 21. The members representing trade unions are chosen by trade unions registered under the *Industrial and Labour Relations Act*. Those representing employers are chosen by employers' organisations registered under the same Act. Those representing the government are appointed by the Minister of Labour (Zambia 1997: section 79). The function of the TCLC is "to advise the Government on all issues relating to labour matters, manpower development and utilisation and any other matter referred to the Council by the Government" (Zambia 1997: section 83). Specific issues that have been considered by the TCLC include sector-based minimum wages, labour law reform including redrafting of the *Employment Act*, conditions of service across the country and reports from international labour conferences (Assistant Labour Commissioner-Industrial Relations, Ministry of Labour and Social Security, interview, 11 February 2015). This council has also considered issues of pension reform and the ratification of international instruments such as Maternity Protection Convention (Number 183) (Director-Research and Information, Civil Servants and Allied Workers Union of Zambia [CSAWUZ], interview, 16 January 2015).

The TCLC meets at least two times each year and is empowered to invite other people to participate in its meetings. It also has the power to form standing and ad hoc committees for purposes of performing its functions. Council decisions are made through voting by members that are present. However, people that are invited to attend council meetings are not allowed to vote (Zambia 1997). The establishment of this council shows that non-state actors have been empowered to participate in the process of formulating labour policies. This implies that policy-making is no longer a preserve of the government alone but that it is a process that involves negotiations between various actors both within and outside the public sector (Sørensen and Torfing 2007).

The participation of non-state actors is not limited to labour policies. It also extends to other economic and social policies. The President of the Republic of Zambia in particular and the government in general rely on advice from the National Economic Advisory Council (NEAC) to make policies on economic and social matters. This council is made up of representatives

of different groups chosen by the President. These are public institutions, private companies, civil society organisations, academic institutions, professional bodies, religious organisations and trade unions. Like the TCLC, the functions of NEAC are performed through meetings and committees. The NEAC has three standing committees that focus on economic policy analysis, investment and industrialisation, and social development, respectively. This council offers stakeholders the opportunity to influence the agenda of public policies in general and economic policy in particular (Fashoyin 2002).

In addition to networks on labour and socio-economic matters presented above, there are networks established to deal with other specific policy matters. For instance, several stakeholders were involved in the process of formulating the *National Decentralisation Policy*. These included central government officials, local government officials, traditional leaders, members of the general public, the private sector, Non-governmental Organisations and cooperating partners. These stakeholders participated in the formulation of the policy by attending workshops, seminars and meetings (Zambia 2002). The inclusion of cooperating partners in policy formulation shows that networks put the government under pressure from both domestic and international actors. This makes it difficult for the government to serve the public interest. According to Holcombe (2012), even if governments make plans, most of them promote the interests of market players rather than those of the government. This explains the adoption of externally driven programmes such as SAPs despite resistance from trade unions and the general public (Simutanyi 1996).

Other networks have also been established in the name of boards to make decisions relating to the operations of specific government institutions such as parastatals, authorities and related agencies. Like other governance networks, these boards comprise representatives of the government and non-state actors. For example, the board of the Zambia Development Agency (ZDA) comprises representatives of Zambia Chamber of Commerce and Industry, farmers, civil society organisations, agencies of small scale industries, private businesspersons, Environmental Council of Zambia, ministries in charge of trade and industry, finance, labour, agriculture, tourism, education, skills training and mining, and the Attorney General or his/her representative. This board is headed by a chairperson appointed by the responsible minister. The board is mandated to perform the functions of ZDA, which include promoting economic development through efficiency, investment, competition and exports. This board is also empowered to establish committees to perform its functions. The

committees may include members who do not belong to the board (Zambia 2006a). The composition and operations of the board of ZDA shows the extent to which networks empower capitalists to shape economic policies in their favour. This results in the corporatisation and commercialisation of State-owned Enterprises (SOEs).

By relying on social capital, capitalists are able to manipulate other network participants to achieve their own goals. When interviewed on 16 January 2015, Director-Research and Information of CSAWUZ mentioned that while issues of pension reforms were under discussion, a Statutory Instrument relating to the same issues had already been signed. This means that public consultations are conducted to justify policies that are made using covert means. The Trustee of Church Road branch of CSAWUZ (interview, 30 January 2015) stated that “management had an upper hand in running the affairs of the department . . . Whether we talk, government at the end of the day will come up with something.” Similarly, the Director-Research and Information of CSAWUZ (interview, 16 January 2015) indicated that:

It [Tripartite Consultative Labour Council] weakens the union in the sense that . . . the militancy is taken away because there’s just the issues of consensus and agreeing on issues. So, that element of militancy in the labour movement is somehow weakened. Because it’s about social dialogue and issues of appealing and understanding situations.

The above-mentioned observations show that governance networks are used to suppress dissenting views and create an environment that guarantees capital accumulation. Under such conditions, the interests of capitalists are served at the expense of the masses.

### **Policy implementation**

Power shifts in the governance process have also seen the responsibility of policy implementation and/or service delivery being shared between the state and non-state actors. This is done through the establishment of various types of Public-Private Partnerships (PPPs). The types of PPPs adopted in Zambia include concession, Build Operate and Transfer (BOT)/Build Own Operate and Transfer (BOOT), Build Own and Operate (BOO), and Supply Operate and Transfer (SOT) contracts. A concession is a partnership where the responsibilities of financing, operating and maintaining a project or facility are transferred from the government to the private sector for a particular period of time (Zambia 2011a).

Public entities that have been operated by concessionaires include Mpulungu Harbour Corporation and Zambia Railways. Concessioning of Mpulungu Harbour Corporation was done in 2000 to Agro Fuel Zambia for a period of 25 years. As for Zambia Railways, it was taken over by Railway Systems of Zambia. The concession was for 20 years with effect from 2003. However, these concessions have been terminated by the government due to poor performance (ZDA 2014). This finding shows that the interests of public and private sector actors are incompatible. Therefore, the effectiveness of their partnership is questionable.

Under the Build Operate and Transfer (BOT)/Build Own Operate and Transfer (BOOT) contract, the private sector is allowed to finance, construct, own, operate and maintain a project over a fixed term then transfers it to the public sector (Zambia 2011a). Projects that have been implemented under the BOT/BOOT contract include the construction and operation of Lubama market and Kasumbalesa one-stop-border post for 65 and 25 years, respectively. Nonetheless, the latter contract was cancelled by the government in 2012. The cancellation was done three years into the contract (ZDA 2014). The cancellation of this contract confirms the existence of conflict of interest in PPP projects in particular and governance networks in general. This means that governance networks promote skewed economic development. This finding is similar to that reported by Pope (2006) who argues that smaller national parks tend to be less marketable and make it difficult for the government to attract appropriate partners.

As for Build Own and Operate (BOO) contract, it is “A contractual arrangement whereby a concessionaire is authorised to finance, construct, own, operate and maintain a project from which the concessionaire is allowed to recover this total investment by collecting user levies” (Zambia 2011a:55). Under this type of partnership, there is no provision for the project to be transferred to the public sector. Nonetheless, a public institution can cancel the contract after a particular period of time (Zambia 2011a:55). The BOO contract has been applied in the delivery of services such as x-ray, ultrasound and male circumcision at Chilenje clinic. The Nurse-in-Charge at Chilenje clinic (interview, 4 February 2015) indicated that:

The time frame, like . . . for x-ray, there is just signing the memorandum of understanding. No time limit. [The] same applies to those doing ultrasound but they were told that immediately we install our own machinery, they would terminate their contract.

By entering a BOO contract, the role of the public sector changes to facilitate the growth of the private sector. The Nurse-in-Charge at Chilenje clinic (interview, 4 February 2015) stated that private sector partners are required to pay the clinic 20 percent of their total collection. The payment schedules range from monthly to quarterly payment. This means that the larger portion of the collected money (80 percent) is taken by private companies. This leaves the public sector with inadequate resources for its operations. In addition, the collection of user levies means that public services can only be accessed by people with the capacity to pay for them. Poor people are excluded from accessing such services. This entails the perpetuation of poverty.

As mentioned above, the other type of PPPs adopted in Zambia is the Supply Operate and Transfer (SOT) contract. A SOT contract is “A contractual arrangement whereby a person undertakes to provide services to the Government or contracting authority for a period” (Zambia 2011a:56). Under this type of partnership, public institutions pay for the services in line with the terms of the contract (Zambia 2011a:56). This type of contract has been applied in the delivery of cleaning and security services at Chainama Hills College Hospital (CHCH) and Lusaka Business and Technical College (LBTC). The other services delivered under this type of contract are ambulance and landscaping services at CHCH. The duration of the contracts ranges from one month to two years. Thereafter, if the performance is satisfactory, the contract is renewed. The Principal Hospital Administrator at CHCH (interview, 13 February 2015) indicated that “sometimes we will allow them [ambulance services] to ferry our patients the whole month, then they come and produce the bill after a month . . . so that we pay.” The informant also mentioned that, in the case of cleaning services, the institution has a “one year contract and then subject to review, based on their performance” (Principal Hospital Administrator, CHCH, interview, 13 February 2015). In a related manner, the Deputy Director at LBTC (interview, 5 February 2015) stated that “the cleaning services and the security services, the contracts are two years initially . . . subject to renewal.” These observations show that the PPP strategy emphasises partial privatisation, which is a strategy of NPM. This reveals that there is a thin dividing line between NPM and governance network models. This confirms the argument by Pollitt and Bouckaert (2011:8) that “the detail of public sector reforms often turns out to be more like geological sedimentation, where new layers overlies but do not replace or completely wash away the previous layer.” In this regard, NPM and governance networks can be taken as different versions of neoliberal capitalism.

While the earlier version (NPM) emphasised different forms of decentralisation including complete privatisation, the later version (governance networks) emphasises partial privatisation. Although the two versions emphasise different levels of economic liberalisation, their common interest is the growth of the private sector.

### **GOVERNANCE NETWORKS, ECONOMIC GROWTH AND POVERTY**

Power shifts in networks and policy outcomes have social implications. These include development being a residual of economic growth driven by private sector investment. This promotes skewed economic development. It allows a few people to accumulate capital while subjecting the masses to poverty. For instance, the implementation of neoliberal policies in Zambia has resulted in the reduction of the public sector and the growth of the private sector. When Zambia adopted the privatisation programme in 1992, it had more than 280 SOEs (Krishna 2006). Nevertheless, the number of SOEs has since reduced to 41 (Sultan 2014). A number of tax incentives have also been offered to promote foreign investment (see Mwambwa, Griffiths and Kahler 2010; Zambia 2006a). Through these incentives, the private sector has grown to the extent that it has become the major employer in the country. It accounts for 61.7 percent of formal sector employment while the public sector accounts for 38.4 percent (CSO 2011).

The focus of government expenditure has also changed. More financial resources are spent on economic activities than social services. On the one hand, the allocation for economic affairs increased from 18 percent of the total budget in 2006 to 28 percent in 2014 (Chikwanda 2013; Magande 2007). Sectors that benefited from this increment include agriculture, energy, transport, commerce, mining, communication and tourism. On the other hand, the allocation for housing and community amenities reduced from 6.5 percent of the total budget in 2007 to 1.5 percent in 2014 (Chikwanda 2013; Magande 2007). Similarly, the allocation for the health sector reduced from 11.9 percent of the total budget in 2009 to 9.9 percent in 2014 (Chikwanda 2013; Musokotwane 2009).

The above-mentioned policy shifts have resulted in economic growth. The country had a Gross Domestic Product (GDP) growth rate of -8.6 percent in 1994 (Rakner 2003). However, by the year 2002, the situation had changed. Real GDP growth was slightly above three percent (Zambia 2004). Since then, Zambia has continued to record positive economic growth. The economy grew at an average rate of around five percent per annum during the

period 2002–2005. During the period 2006–2009, the economy grew at an average rate of six percent per annum (Zambia 2011b). By 2013, Zambia’s GDP growth was still above six percent. This growth was higher than the regional and global economic growth rates. At that time, economic growth in sub-Saharan Africa was about five percent while for the global economy, it was about three percent (Chikwanda 2013). This implies that Zambia has the capacity to improve wages in particular and to reduce poverty in general. Nevertheless, Zambia’s economic growth has not resulted in meaningful poverty reduction. The level of poverty reduced from 73 percent in 1998 to 62.8 percent in 2006 (CSO 2012b; Zambia 2006b). Between 2006 and 2010, the level of poverty reduced from 62.8 percent to 60.5 percent (CSO 2012b). This represents 12.5 percent poverty reduction during the period 1998–2010. This means that, during this period, poverty reduced at an average rate of one percent per annum. This was against a population growth rate of about three percent per annum (CSO 2012b). This shows that the population is growing at a faster rate than poverty reduction. At this rate, most of the people are left in a situation where they cannot meet their basic needs. Poverty is more prevalent in the rural than urban areas of Zambia. The level of poverty in rural areas is 77.9 percent compared to 27.5 percent in urban areas. Poverty levels are also higher among female headed households than those headed by males. The level of poverty among female headed households is 62.4 percent compared to 60.1 percent among male headed households (CSO 2012a).

Services that poor people are unable to access in Zambia include education and health care, among others. The national net school attendance rate at primary school level (grades one to seven for the population aged 7–13 years) is 71.6 percent while at secondary school level (grades 8 to 12 for the population aged 14–18 years) is 45.5 percent (CSO 2012b). These data show that despite more than two thirds of the primary school-age population having access to primary education, the progression rate is very low. A majority of the secondary school-age population cannot access secondary education. The situation is worse at tertiary level. The completion rate for the population aged 25 years and older at tertiary education level is 14.5 percent (CSO 2012b). This implies that Zambia is characterised by a largely unskilled labour force, which is susceptible to exploitation.

Zambia is also faced with the problems of sickness and death. Its Crude Death Rate is 13.1 deaths per 1,000 population. Most of the deaths are due to illness/disease, which accounts for 75.7 percent of all the reported causes of death in the country (CSO 2012b). The main illness

is fever/malaria, accounting for 47.9 percent of all the reported illnesses/injuries. This is followed by cough/cold/chest infection at 17.9 percent and headache at 6.6 percent. The other types of illness, each account for less than four percent of the reported cases (CSO 2012a). Although the Zambian government and its cooperating partners had committed themselves to start reducing the cases of major diseases by 2015 (i.e. under the Millennium Development Goals), the cases of malaria have continued to increase. According to the United Nations Development Programme (2013:40), “New cases [of malaria] increased from 255 per 1,000 population in 1990 to 330 in 2010. Similarly, the fatality rate increased from 11 per 1,000 population in 1990 to 34 in 2010.” This represents 29.4 percent increase in the infection rate of malaria and 209.1 percent increase in the death rate due to the same disease. This implies that the current configuration of governance networks fails to deliver basic services to the citizens in spite of the positive economic growth recorded in recent years. This shows that the partnerships between the government and private companies are problematic and cannot guarantee equitable development. Therefore, governance networks need to be transformed in a way that empowers citizens.

## **TRANSFORMING GOVERNANCE NETWORKS FOR THE BENEFIT OF THE GENERAL PUBLIC**

The evolution of the theoretical understanding of the management of public institutions shows that governance networks can be transformed so that the masses are protected against capitalist exploitation. This is achievable by enabling the citizens to reclaim their power and hold the government accountable for its policies and actions. Citizens can be empowered through mass mobilisation and representation in various governance structures. These include watchdog institutions and committees established to formulate or implement public policies. Through these structures, the citizens can ensure that the benefits of economic growth are shared equitably. When interviewed on 16 January 2015, the Director-Research and Information of CSAWUZ stated that:

There are some processes that are looking at reforming the Ministry of Health in terms of looking at the structures and positions, and also the relationship of Ministry of Health and [Ministry of] Community Development, because they [Ministry of Health, and Ministry of Community Development, Mother and Child Health] are looking at issues of health. We have also union members who are in those committees. So at least they are able to ensure that the

concerns of the unions, the concerns of workers are taken on board. There are sub-committees or task forces that are looking at issues of rural and remote allowances or housing issues. So we also have members of the union that are in those committees.

In a related manner, the Chairperson of Church Road branch of CSAWUZ (interview, 29 January 2015) said that:

You know as a union we requested for management to be allowing at least one member from the union whenever they have policy decision making meetings so that even our input from the workers' view is also taken on board.

The participation of citizens in the governance processes helps to reduce the power of capitalists and serve the interests of the masses. The Chairperson of Church Road branch of CSAWUZ (interview, 29 January 2015) indicated that:

When funding comes to this department, we have requested that a member of the union representative also be in that meeting, so much that the monies which are being disbursed also our members should benefit, and on that front I think, though we are facing difficulties here and there but it has helped.

Similarly, the Chairperson of Lusaka Central branch of CSAWUZ (interview, 4 February 2015) mentioned that "I think they [union strategies] have been very effective because for example if you talk of the workers' rights, like the Labour Day participation, that one has been done very well at this office so to say." These observations show that trade unions in particular and the masses in general can influence policy formulation and implementation by building their own capacity. This involves mobilisation of the membership and being able to challenge the government and the owners of capital when they make or implement exploitative policies.

## **CONCLUSION**

The adoption of the governance network model at the turn of the current century seemed to be a solution to developmental problems facing Zambia. These include inadequate financial resources and inefficiency in service delivery. Through the network model, the government

shares its responsibilities with non-state actors. These responsibilities include policy formulation and implementation. A number of structures have been established to facilitate collaboration in the performance of these responsibilities. They include formal, informal and ad hoc structures. These structures comprise representatives of the government, private companies, international donors, civil society organisations, traditional leaders and the general public. These stakeholders are given the opportunity to influence the formulation and implementation of economic and social policies. However, this arrangement puts the government under pressure from both domestic and international actors. As a result, the state in particular and the governance network in general are captured by private sector actors and their international agents who are interested in profit maximisation rather than social justice. Through state capture, economic policies are shaped to promote the accumulation of private capital while excluding poor people from accessing basic services. This, in turn, perpetuates poverty.

Therefore, governance networks need to be transformed to protect the masses against capitalist exploitation. The transformation should focus on empowering the citizens so that they can hold the government accountable for its policies and actions. The citizens should also be able to fight against exploitative policies and ensure that the benefits of economic growth are shared equitably.

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