

6.0 RURAL DEVELOPMENT

6.1 Rural Poverty

Poverty is complex in nature and manifesting itself in various forms with different interpretations. Its reduction and eventual eradication is a major challenge that most countries have continued to face. Zambia is not an exception to this case.

6.1.1 Concrete actions taken and Specific progress made in implementation

Zambia has been implementing poverty reduction strategies through the Poverty Reduction Strategy Paper (PRSP 2002 – 2004) and the Fifth National Development Plan (FNDP 2006 – 2010). Despite the implementation of these strategies and positive economic growth experienced since 1999, national poverty levels remain high.

Currently, the impact on poverty has not been significant, raising acute disillusionment, especially among the poor. More effort is needed to strengthen links between growth and poverty reduction in order to achieve desired poverty outcomes.

Rural enterprise development

Government established the Small Industries Development Organisation (SIDO) in 1991, through an Act of Parliament, to promote the Micro, Small and Medium Enterprise sector (MSMEs). SIDO was constituted to cater for financing needs of small-scale companies and individuals and adopted an operation definition of Micro and Small Enterprises (SMEs). In 1996, SIDO was transformed into Small Enterprises Development Board (SEDB) through the 1996 Small Enterprise Development (SED) Act and in 2006 it was amalgamated into the Zambia Development Agency (ZDA) under the ZDA Act No. 11 of 2006.

Zambia has introduced Multi Facility Economic Zones (MFEZ). These are special industrial Zones for both export and domestic oriented industries. The country has so far approved two MFEZs to be developed by the China Non-Ferrous Metal Company (CNMC) and the other by the Government of the Republic of Zambia in conjunction with the Japanese International Cooperation Agency (JICA) with Kulim High Tech Park of Malaysia providing technical know-how.

Rural Industrialisation

Government through the Ministry of Commerce, Trade and Industry is currently developing the Rural Industrialisation Policy. In this regard, the Ministry in conjunction with the Central Statistical Office is currently conducting an economic census.

Citizens Economic Empowerment

Citizen empowerment is anchored as one of the six reform areas of the Private Sector Development (PSD) Program. The objective of this reform Program is to unlock the growth potential of citizens through business development support and empowerment initiatives. At present, limited management and technical capabilities inhibit citizen owned manufacturing firms from fully utilizing opportunities in domestic and regional

markets. The development of home grown Zambian enterprises is vital for the growth of the Zambian manufacturing sector, and particularly of MSMEs. For example, in the food-processing sector, the growth of Zambian, agro-based, industries can assist in expanding domestic employment opportunities, and also in creating sustainable livelihoods for many.

In 2006, the Government enacted the Citizens Economic Empowerment Act. The Commission is now in place and is developing guidelines to operationalise the CEE Fund, which is part of Government's deliberate strategy meant to create an equal playing field and intended to raise local citizens to a level where they can effectively and productively contribute to the growth of the national economy.

Resettlement

The Government is implementing Land Resettlement Programme among others to promote urban-rural migration. The retired and retrenched persons, the young graduates from Agricultural colleges are among the target groups for resettlement.

Through the Land Resettlement Programme, the Government is taking development to the rural areas by providing clean water, construction of education and health facilities; provision of electricity (hydro and solar) and improving rural road infrastructure.

The provision of socio-economic service centres in the resettlement blocks provides space for non-agricultural enterprises thereby creating employment opportunities for the rural population.

Resettlement schemes being developed across the country are growth points for social and economic development in rural areas. The Land Resettlement Programme is facilitating conversion of customary land to state land and empowering the rural population with security of tenure.

Several blocks of land for resettlement purpose have been acquired from traditional authorities. Land identified for settlement development range from 1000 – 30,000 hectares. Due to the high demand for resettlement by the people in urban areas, land acquisition is a continuing process.

Most of the land acquired for rural settlement development has been registered as state-land and tenants are being considered for lease titles. The tilling of land in the rural areas has attracted people in towns and cities to undertake business enterprises in rural areas thereby contributing to economic growth and employment creation in the country.

In order to reduce ruination of resources and ensure their sustainable use, a land capability assessment is carried out prior to settlement planning and development.

Industrial parks, commercial stands and residential plots are being included on every settlement scheme lay out plan to promote economic activity in the rural areas.