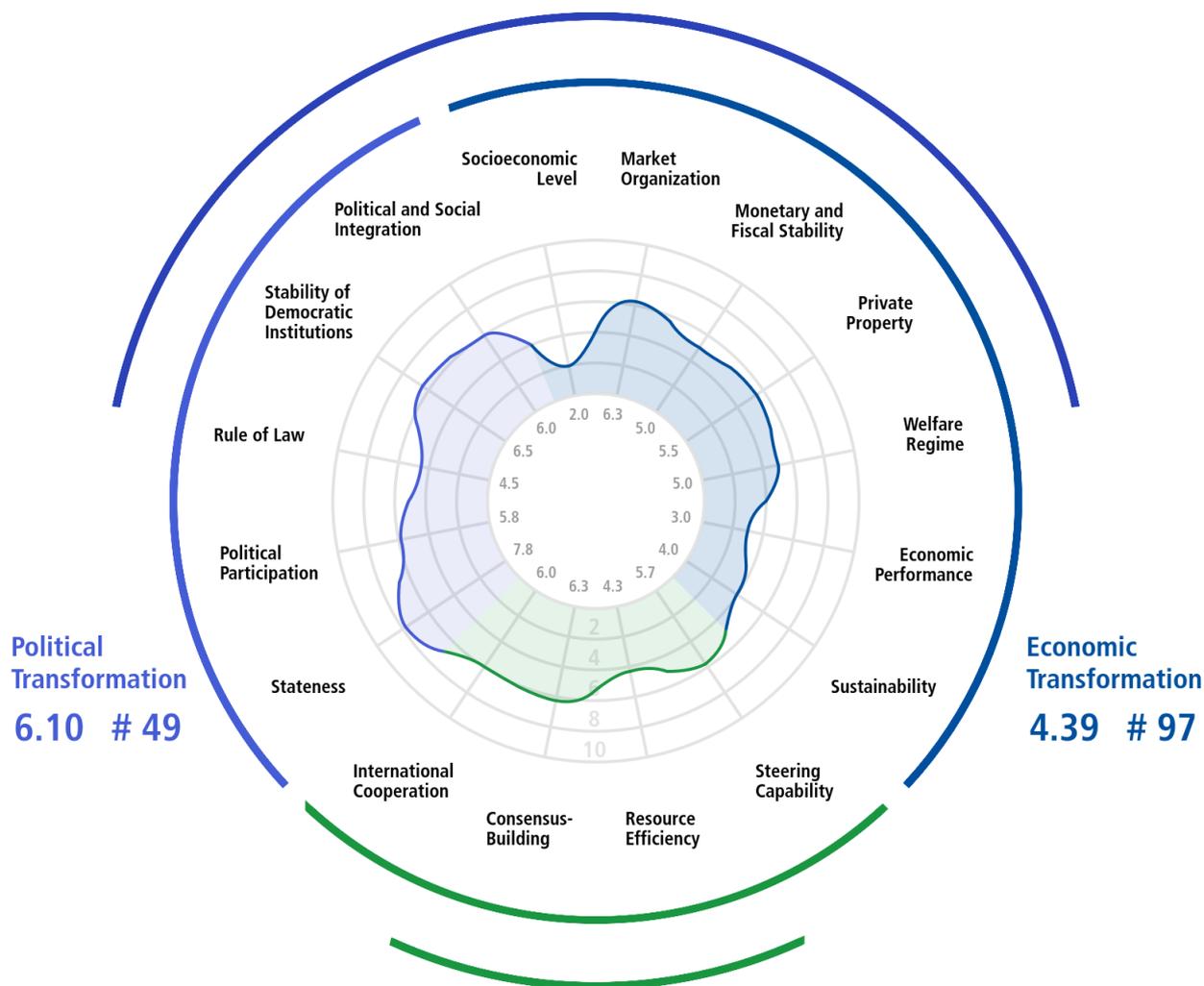


# Zambia

## Status Index

**5.25 # 63**

on 1-10 scale out of 137



**Political Transformation**  
**6.10 # 49**

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**4.39 # 97**

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**5.04 # 52**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2026 Country Report – Zambia. Gütersloh: Bertelsmann Stiftung, 2026.

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**Key Indicators**

Population	M	<b>21.3</b>	HDI	<b>0.595</b>	GDP p.c., PPP \$	<b>4224</b>
Pop. growth <sup>1</sup>	% p.a.	<b>2.8</b>	HDI rank of 193	<b>154</b>	Gini Index	<b>51.5</b>
Life expectancy	years	<b>66.3</b>	UN Education Index	<b>0.553</b>	Poverty <sup>3</sup>	% <b>81.0</b>
Urban population	%	<b>46.9</b>	Gender inequality <sup>2</sup>	<b>0.524</b>	Aid per capita \$	<b>68.6</b>

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

Zambia underwent a period of autocratization and extreme economic mismanagement in the period from 2015 to 2021. The 2021 defeat of President Edgar Lungu and the Patriotic Front government by Hakainde Hichilema and the United Party for National Development (UPND) led to an improvement in the country's economic and political governance. However, as the 2026 elections approach, the government has become less tolerant of dissent and more likely to clamp down on its opponents.

President Hichilema's "new dawn" government promised to initiate a process of democratic renewal, and Lungu's removal immediately created a greater sense that Zambians could exercise their political rights and civil liberties. However, since the election, progress in realizing the new administration's promised reforms has been mixed, and the sense of greater freedom regarding political rights and civil liberties has begun to diminish once again. There have been some important changes, including the decriminalization of defamation of the president and the signing of a new Access to Information law. But the Public Order Act has continued to be used against regime opponents, while alternative legislation has been used to criminalize some critical voices. Tensions between Hichilema and his longtime political rival Lungu have significantly increased, leading the U.N. special rapporteur on freedom of expression to note that she was "disturbed by the rising tide of disinformation and smear campaigns generated by politicians, including from the opposition, seeking to manipulate public opinion, heighten tensions and create confusion."

Efforts to promote Zambia's economic takeoff remain a work in progress. Many Zambians had high hopes that Hichilema, known for his success in business, would swiftly be able to stimulate economic growth. However, the reality has proved more complicated. Debt renegotiation has been slow and challenging. A new IMF program signed in 2022 brought much-needed international financial assistance, but also led to unpopular decisions to remove subsidies on fuel and electricity. Alongside the worst drought in a century, which destroyed 70% of the country's 2024 harvest, undermined the country's hydropower capacity and drove up food prices, these factors have

resulted in steep increases in inflation – over 15% for many months in 2024 – and in the cost of living. The rise in popular dissatisfaction helps account in part for the government’s increasingly heavy-handed response to criticism.

While the government has promised to promote a broader range of economic activities and take steps to reduce the costs and red tape involved in setting up a business, economic conditions remain extremely challenging. In addition to being a landlocked country, Zambia continues to rely on copper for about 70% of export revenue, and agricultural exports have only expanded from 1.3% of GDP in 2019 to 3.4% in 2021. Agriculture’s overall contribution to GDP shrank from 9.3% in 2012 to 3.3% in 2022, and will have been hit hard by the devastating drought in 2024. Partly as a result, economic growth is expected to fall significantly, from a rate of 5.8% in 2023 to less than half that in 2024.

Zambia’s debt restructuring under the G-20 Common Framework has been slower than expected. Economic growth is expected to rebound from 2025 onward, driven by services, manufacturing and new investments in mining, but not to levels that will generate the formal-sector employment opportunities Zambians desire. The inflation rate will likely continue to exceed the central bank’s single-digit target in the months ahead, though it is expected to fall in 2025 because of lower food and fuel costs. In part because of these challenges, poverty rates remain high – 81% of citizens lived on less than \$3.65 a day in 2022 – with women and rural areas particularly hard hit. It remains to be seen whether the difficult economic conditions will undermine the UPND’s chances of re-election in 2026.

## History and Characteristics of Transformation

Zambia’s political and economic transformation occurred simultaneously. Democratic change began in 1990, when the United National Independence Party (UNIP) was forced to consider a return to multiparty politics. In 1991, the Movement for Multiparty Democracy (MMD) ousted the UNIP, marking a significant shift in Africa’s political landscape. However, the MMD’s dominance throughout the 1990s hindered democratic consolidation, with President Frederick Chiluba never entirely on a secure footing because the state administration remained heavily influenced by the former one-party system. Despite seeking a third term, Chiluba eventually supported Levy Mwanawasa in 2001. After Mwanawasa’s death in 2008, the MMD’s vote share declined.

The 2011 presidential and parliamentary elections were largely free but not fair. To the surprise of many, Michael Sata and his Patriotic Front (PF) were allowed to win. Soon thereafter, the government began implementing a number of reforms promised during the election campaign, including an increase in social expenditure and an expansion of health care. However, when faced with increased criticism, especially during periods of economic downturn, the government grew more intolerant and resorted to the same repressive instruments as its predecessors. This process began in earnest with the death of President Sata on October 28, 2014, which necessitated a

presidential by-election. High turnout in United Party for National Development (UPND) areas, combined with low turnout in much of the rest of the country, resulted in the UPND increasing its share of the vote.

Following the highly competitive election, a scheduled general election was held just 18 months later, on August 11, 2016. After a contentious – and at times violent – campaign, the opposition UPND contested the results in the newly established Constitutional Court. Thereafter, the PF government grew increasingly intolerant of criticism, taking a heavy-handed approach toward opposition leaders, civil society members, online dissent and public protests.

Despite this, the country entered a new era in 2021 with Hakainde Hichilema's victory in the presidential elections. The UPND campaign benefited from the poor performance of the PF, prolonged economic difficulties, and Hichilema's efforts to soften his image and broaden his support base. In the process, the UPND became the third party to hold power since the reintroduction of multiparty elections in 1991. As president, Hichilema has pledged to enhance democratic checks and balances; however, as of the end of the review period, most of the legislation required for this purpose had not yet been enacted, and the major constitutional reforms needed to strengthen government checks and balances had not begun.

Zambia shifted from a socialist regime to a market economy in 1991, driven by international loans from the World Bank and IMF. The privatization of the copper mines that produced Zambia's main export was a key challenge. Despite the provision of international debt relief in 2005, the country relied on loans to finance both consumption and infrastructure. Thanks to international investment and a rebound in the global price of copper, the mining sector's profitability improved during the period from 2007 to 2016. From 2000 to 2015, the sector contributed substantially to annual GDP growth rates of more than 5%. Growth slowed during periods of decreased global demand for copper and because of the economic impact of COVID-19. By 2021, debt servicing accounted for 38% of the budget, surpassing funding for education, health and other critical sectors.

In November 2020, Zambia defaulted on its debt, becoming the first African nation to do so during the pandemic. The government secured a \$1.3 billion IMF loan with strict conditions, including austerity measures such as cutting fuel and electricity subsidies, raising tariffs and expanding the value-added tax (VAT) system. The goal was to shift from a budget deficit amounting to 6% of GDP to a 3.2% surplus by 2025, with the IMF promising to increase social protection spending. The government has also sought to offset the impact of some of these changes by expanding its social protection schemes, most notably the Social Cash Transfer Program, which now aims to reach almost 1 million households. However, difficult economic conditions and a devastating drought have placed Zambia's ruling party in a challenging position, leading to greater political pressure and growing intolerance of dissent as popular frustrations rise.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

No rebel groups or guerrillas seek to challenge the state. As a result, the state has a de facto monopoly on the use of force throughout the territory. Between 2012 and 2016, activist groups in Western Province advocated greater federal powers for “Barotseland.” While calls for secession have subsided, they may resurface. This is the only (minor) challenge to the state’s monopoly on the use of force.

All groups in society accept and support the dominant concept of the nation-state. All citizens – including immigrants – have equal civil rights. There is widespread consensus on the nature of citizenship, and there have been no significant attempts to deny this right to any particular group. The 2016 constitution took an even more inclusive approach to citizenship than previously, expanding it to include members of the diaspora and stateless children whose parentage cannot be determined.

In 2024, Afrobarometer found that more than 90% of Zambians identify primarily with a national identity or equally strongly with both ethnic and national identities. Some citizens of Western Province continue to demand that greater powers be devolved to the regional government, citing both historical claims and promises made by the late President Michael Sata. This demand for greater devolution continues in the background, with consistent but quiet calls from Barotseland nationalists for the formation of their own state. This drive currently lacks popular support, but in the event of future marginalization, Barotse activists might find greater support for their cause.

Question  
Score

Monopoly on the  
use of force

9



State identity

9



Although the state is defined as secular, the president of the time declared in 1996 that Zambia was a Christian nation. However, the declaration did not undermine the secular order, as religious dogma has not significantly influenced politics or law. There is no serious discrimination based on religion. Previous administrations leaned heavily on religion and tried to take a strong stance on homosexuality and to enshrine Zambia's professed status as a "Christian Nation" in the constitution, but these efforts failed. This change would have deleted the phrase in the preamble to the constitution that describes Zambia as a "multi-religious" state and replaced it with "Christian nation."

Upon his election in 2021, President Hichilema affirmed that Zambia would remain a Christian nation. In March 2023, he said that his government, as a Christian nation, would continue to oppose LGBTQ+ activities. However, he also abolished the Ministry of National Guidance and Religious Affairs, transferring its functions to the Office of the Vice President. Since 2024, the Catholic Church in Lusaka has become highly critical of the government, leading to tensions between them.

The state's basic infrastructure extends throughout the territory but remains limited in rural areas. During Lungu's presidency, many new district councils were created, but they are inadequately staffed or lack capacity. Since 2021, there has been an enormous expansion of the Constituency Development Fund, which has led to greater devolution of resources and may strengthen rural administrative infrastructure.

Poor physical infrastructure remains a significant issue in rural areas, and infrastructure quality differs greatly among provinces. The World Bank reports that only 48% of the population has access to electricity. Findings from the 2024 Afrobarometer survey indicate that 56% of people lack access to piped water in their area, while 25% of respondents said they had experienced a consistent shortage of clean water in their homes "many times" or "always" in the previous 12 months. Since early 2023, Zambians have faced daily power cuts because of ongoing challenges at the Kariba Dam and a once-in-a-century drought.

According to World Bank data for 2022, 68.2% of the population had access to a basic water source, while 36.3% had access to basic sanitation. The 2018 Zambia Demographics and Health Survey reported that the share of the population with access to improved sanitation ranged at that time from 80% in Lusaka to only 6% in Western Province. Health care quality experienced a major decline under the Lungu administration because of debt servicing, but the Hichilema administration has reprioritized health care. In the 2025 budget, the government increased the health care budget from ZMW 13.9 billion in 2024 to ZMW 23.1 billion in 2025 (8% to 10.7% of total expenditure in the respective years).

No interference of religious dogmas

8



1

Basic administration

5



1

## 2 | Political Participation

The 2021 general election resulted in a transfer of power to the opposition United Party for National Development (UPND) and its leader, Hakainde Hichilema. Although observers agreed that the outcome reflected the will of the people, the election itself was neither free nor fair. In the lead-up to the election, Hichilema's freedom of movement was restricted in an effort to hinder his campaigning in certain areas. As it became evident that Hichilema was heading toward victory, President Lungu attacked the electoral commission, alleging manipulation against him. Once the extent of his defeat became clear, he accepted Hichilema's victory. The Electoral Commission of Zambia demonstrated its commitment to announcing accurate results, thus revealing the dedication of the Zambian people and civil society groups to democracy. Nevertheless, this episode once again underscored the government's ability to create an uneven playing field. Since 2023, there has been a spate of arrests of opposition party leaders and attempts by the new ruling party to control the outcomes of internal opposition party primaries and leadership races. Opposition parliamentarian Jay Jay Banda was also alleged to have been kidnapped by the state and tortured by the security forces. Banda was charged with robbery and subsequently left the country, so a by-election was called for his seat in Petauke Central, in which dozens of local politicians came out to support the ruling party candidate. As of the end of the review period, Banda had been found and arrested in Zimbabwe and was awaiting potential extradition. These scandals may undermine opposition supporters' expectations of the freeness and fairness of electoral processes.

There are no serious threats to democratically elected representatives' ability to govern. The military remains under civilian control, and no significant rebel or large-scale criminal networks challenge the government.

Particularly in rural areas, elected officials must contend with traditional power structures (e.g., village chiefs, tribal authorities) when making and enforcing decisions. Given the state's limited reach, these traditional power structures can be de facto more powerful than elected officials and, in some cases, frustrate elected officials' authority.

While the constitution provides for the freedoms of association and assembly, these rights have historically been limited. The Public Order Act (POA) has been used selectively to prohibit assemblies held by civil society groups and opposition parties, curtailing the freedom of assembly. Opposition parties must obtain a police permit to hold public meetings. In addition, demonstrations and rallies organized by the political opposition, labor unions and civil society groups have frequently been forcibly dispersed and obstructed by police and security forces.

Since assuming power, the new UPND government has pledged to revise the POA, which it criticized while in opposition. The government has proposed replacing the POA with a Public Gathering Bill, which, in early 2025, it committed to send to the cabinet and parliament "soon." The draft was developed in conversation with civil

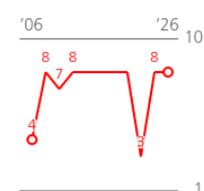
Free and fair elections

6



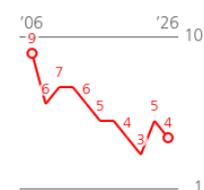
Effective power to govern

8



Association / assembly rights

4



society, but the police subsequently expressed concern that the draft stripped them of powers, and civil society leaders were concerned that the final bill might have been amended in favor of the police. A few opposition and civil society leaders have also expressed concern that the government might defer the amendment or nullification of the POA, thereby allowing it to remain in effect during the 2026 general election.

Attacks on the freedoms of association and assembly escalated in 2023 and 2024, and police consistently denied opposition parties the right to hold public rallies and meetings, citing security concerns. In November 2023, after four opposition politicians were arrested within 24 hours, the Zambia Conference of Catholic Bishops and the Law Association of Zambia warned of shrinking democratic space. Their reports highlighted the rising number of arrests of opposition members, the denial of bail for bailable offenses and delayed court appearances, suggesting state intimidation tactics. On June 8, 2024, heavily armed security forces shut down a Socialist Party rally in Kitwe despite the organizers having secured prior approval. Likewise, on May 18, police disrupted a meeting between Bishop Clement Mulenga and former President Edgar Lungu, calling it illegal. Although the law only requires seven days' notice for public gatherings, authorities wrongly interpret this as needing formal approval, and have restricted opposition events. The youth-led "Fix ZESCO" movement planned a protest at the headquarters of the ZESCO national power utility in Lusaka on July 10, 2024, but police blocked it. The group criticized poor management of load shedding and a lack of transparency. Leader Nawa Sitali and three others were arrested for "idle and disorderly conduct."

After President Lungu's 2016 re-election, space for dissent in Zambia shrank sharply. Although the state's respect for civil liberties has improved somewhat since Lungu left office, recent developments have raised fresh concerns. In December 2022, after pressure from rights groups, President Hichilema repealed the law that criminalized defamation of the president. Yet in May 2024, PF's Raphael Nakacinda was sentenced to 18 months in a defamation case brought in 2021, indicating that pre-repeal charges still carried weight.

Harassment of journalists has continued under Hichilema. Reporters have been arrested and assaulted while covering opposition protests – in Lusaka in March 2023, in Kafue in April 2024 and in August 2024, when journalist Thomas Zgambo was detained over allegedly seditious materials.

In January 2025, U.N. Special Rapporteur Irene Khan became the first civil and political rights envoy to visit Zambia. She praised the government for adopting the Access to Information Act but criticized other restrictive laws that remain in place, including the Cyber Security and Cyber Crimes Act, which allows authorities to tap and confiscate electronic devices, as well as laws restricting free expression, such as libel, insult, sedition and hate speech regulations that remain in force and are actively enforced. She also noted signs of growing intolerance of dissent and criticism, and of the selective weaponization of the legal system to shut down critique as the country moves toward the 2026 elections.

Freedom of  
expression

5

'06 '26 10



1

### 3 | Rule of Law

Despite multiple rounds of constitutional amendments, there has been little progressive constitutional reform since the reintroduction of multiparty politics. Successive presidents have pledged to introduce constitutional reforms that would reduce the powers of the president; however, these pledges have consistently been abandoned. As a result, the constitution remains “top-heavy” – that is, it does not include sufficient checks and balances on the executive. The executive proposes legislation, and the legislature largely accedes to it – with little debate – following the imposition of a party whip. A proposed new round of constitutional reform in 2025 appears likely to maintain executive dominance.

The president has the power to dissolve parliament and appoint electoral commissioners, the vice president, ministers of the cabinet, the cabinet secretary, the secretary to the treasury, provincial permanent secretaries, heads of the Anti-Corruption Commission, and the attorney general, among other figures. Parliament has rarely challenged appointments made by the executive. Formally, an independent judiciary exists; however, it is often manipulated by the executive. The executive frequently undermines the independence of the police, judiciary, Anti-Corruption Commission and legislature, among other institutions.

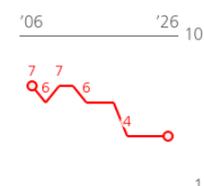
Judges in Zambia are formally appointed by the Judicial Service Commission, but because its members are selected by the executive, judicial independence remains compromised. Challenges to the executive by the parliament or the judiciary are rare, despite donor efforts to strengthen these institutions. The judiciary is under-resourced, leading to delays. Ongoing allegations of corruption have undermined trust in its decisions, especially in economic cases. The Ibrahim Index shows a clear decline in judicial impartiality, from a score of 75.1 in 2015 to 65.1 in 2023, with its rating of executive oversight by the judiciary falling from a score of 38.6 in 2016 to 29.1 in 2023.

Pressure on the judiciary is especially acute in politically sensitive cases. Presidential control over appointments has enabled manipulation of court personnel. Lungu’s 2016 appointment of six unqualified Constitutional Court judges, some with known ties to him, was a clear example. While the UPND pledged reform in this area, concerns remain: Hichilema’s recent judicial appointments have drawn criticism for prioritizing loyalty over experience.

In September 2024, Hichilema suspended three Constitutional Court judges – appointed by Lungu and linked to controversial rulings – in a move that appeared politically charged. Although their earlier decisions had shown bias, the timing raised questions, as they were due to rule on Lungu’s eligibility to run again for president in 2026. The Law Association of Zambia noted that the complaints prompting their suspension had previously been dismissed, further fueling concerns of political interference.

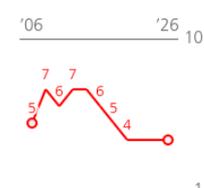
Separation of powers

4



Independent judiciary

4



Prosecutions for abuse of office in Zambia are often politically driven and typically target former officials or sidelined ruling party factions. While many charges have merit, cases involving close presidential allies are frequently dropped. Corruption remains widespread and, with limited accountability, poses a major barrier to governance and economic development. The Ibrahim Index reflects this decline: The country's anti-corruption scores fell from 75 in 2015 to 25 in 2021, then recovered only slightly to 50 in 2023. A similar trend is seen in the category of state institutional integrity.

Although the UPND campaigned on an anti-corruption platform and launched prosecutions against Lungu-era figures – including Lungu's family – the administration's efforts appear one-sided. The Joint Investigations Team and fast-track court, introduced post-2021, have largely targeted members of the former regime, drawing accusations of a political witch hunt. Meanwhile, allegations of corruption under the current government, for instance regarding inflated fertilizer contract prices, have been ignored. Hichilema's continued control over parastatal firms through the Industrial Development Corporation also undermines transparency.

In July 2024, Hichilema dissolved the Anti-Corruption Commission board, citing the need for reform. This followed claims from a whistleblower that the ACC had shielded ruling party elites. The move came amid previous resignations from the body and a Financial Intelligence Center report that flagged rising levels of corruption. However, the new board's close ties to the ruling party – and questions about the members' independence – have cast doubt on the government's willingness to tackle corruption within its own ranks.

While the Zambian government publicly supports the protection of human rights, abuses by police and security forces persist, including unlawful killings, torture and prolonged detention under poor conditions without adequate legal aid. Women continue to face gender-based violence and barriers to land inheritance, while LGBTQ+ individuals endure widespread discrimination under colonial-era laws, which – though inconsistently enforced – still criminalize same-sex relations. Police accountability remains weak, and opposition figures and activists are often targeted with dubious charges.

Traditional justice systems continue to dominate in rural areas, reinforcing exclusionary norms. Recent reforms such as the Legal Aid Act (2021) and Access to Information Act (2023) signal progress, but their impact will depend on sustained political will. The Human Rights Commission, tasked with overseeing access to information, must be strengthened and properly resourced. Effective implementation will also require all state institutions to adopt clear information-sharing policies and systems.

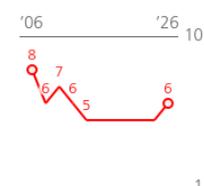
#### Prosecution of office abuse

4



#### Civil rights

6



#### 4 | Stability of Democratic Institutions

Zambia's democratic institutions remain uneven. Power is heavily concentrated in the executive, while parliament has generally failed to provide effective oversight aside from blocking regressive legislation in 2020. The executive has undermined accountability by co-opting opposition lawmakers, weakening opposition unity and entrenching its influence.

The judiciary also lacks the independence needed to hold the executive accountable, and the civil service has been weakened by capacity issues and partisan appointments, especially under the PF government, which replaced all 73 district commissioners. Bureaucratic effectiveness has suffered as a result.

Decentralization efforts largely stalled under the PF administration. Although elected mayors and council chairpersons have pushed for local autonomy since 2016, the Ministry of Local Government has resisted devolving real power. The UPND government has expanded the Constituency Development Fund (CDF) to address this, positioning it as a tool for local empowerment and service delivery. The CDF is intended to empower local communities to set their own development priorities, create jobs and strengthen accountability. It provides a model for decentralizing public resource management from the central government to local governance structures. However, implementation has highlighted capacity constraints at the central government level, as well as issues with consultation processes and the politicization of local ward committees.

There is a clear consensus on the value of multiparty politics and elections, and there have been no serious efforts to return to a one-party state. However, in practice, the political elite has often shown minimal tolerance for dissent. According to the Ibrahim Index of African Governance (IIAG), the extent to which civil society and non-governmental organizations (NGOs) are free from repression and persecution deteriorated between 2012 and 2021, with the country's score on this issue falling from 62.9 out of 100 to 53.6. Since 2021, this has rebounded to 85.3.

President Lungu accepted defeat in the 2021 general election very reluctantly – and only after claiming that the results should be dismissed because they had been manipulated against him. Thus, although there is a strengthening norm in favor of transfers of power, it remains nascent and vulnerable.

Notably, the Zambian military has never held power and, aside from a few failed coup attempts, has not sought to intervene in civilian politics. Nonetheless, the police have been used to harass journalists, media outlets, opposition activists and civil society groups, especially around elections.

Performance of democratic institutions

6

'06 '26 10



Commitment to democratic institutions

7

'06 '26 10



Conditions initially appeared to improve considerably under the UPND government. However, as the country moves toward the 2026 elections, there has been evidence of increasing intolerance of dissent and growing harassment of the opposition and the fourth estate.

## 5 | Political and Social Integration

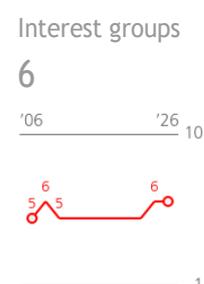
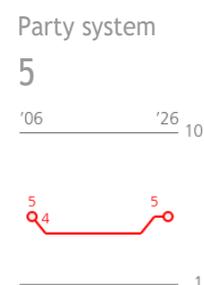
Zambia's party system is fluid and marked by high levels of voter volatility. While the UPND and Patriotic Front (PF) remain key players, other parties – like the MMD – have collapsed swiftly after losing power. Party politics are shaped by ethnoregional dynamics. Hichilema, widely seen as representing the Tonga community, faced ethnic attacks from PF leaders before the 2021 election. His victory raised hopes for interethnic unity, but accusations of favoritism toward his own base have since reemerged.

Presidential success depends on building cross-ethnic support. Sata achieved this through Bemba backing and urban populism, while Hichilema positioned himself as the alternative to the failing Lungu administration. The effectiveness of these campaign messages shows that Zambian politics cannot be characterized solely by allegiances drawn along lines of ethnicity and clientelism.

Nonetheless, party structures remain weak, especially beyond leaders' political strongholds. This fragility – evident in the MMD's collapse from 55 seats in parliament in 2011 to just three in 2016 – limits citizen participation in policymaking. In addition, opposition political parties are often subject to interference from the government and ruling party, undermining the development of strong party institutions and brands. Polarization has declined since the 2021 polls, partly because of the PF's decline and disorganization in opposition ranks.

Zambia's civil society is active and has occasionally rallied in defense of democracy, although much of it is concentrated in Lusaka. The Catholic Church remains one of the few nationwide actors and has long been influential. Initially aligned with the Lungu government, the church grew more critical toward the end of his presidency and has again raised concerns about the country's direction since 2023.

Trade unions, once central to anticolonial and pro-democracy struggles, have been weakened by privatization and the rise of informal labor. Nonetheless, civil society coalitions have mobilized at critical moments, such as in 2021 when groups like Diggers; the Governance, Elections, Advocacy, Research Services (GEARS) Initiative; the Alliance for Community Action; and the Christian Churches Monitoring Group (CCMG) helped safeguard the integrity of the election by exposing abuses, educating voters and running a parallel vote count that made manipulation more difficult.



Under the Lungu administration, interest groups faced enormous pressure to toe the government line, and the regime even went so far as to request that the Vatican post a new Catholic bishop in Lusaka. Under Hichilema, pressure on civil society has eased significantly, though the government is becoming increasingly hostile to criticism.

There is a strong consensus in favor of democracy. In the 2017 Afrobarometer survey, 81% of Zambian respondents said they preferred democracy to other forms of government, with this share rising to 84% in 2024. The defeat of President Lungu in the 2021 election was, in part, a rejection of his increasingly authoritarian rule.

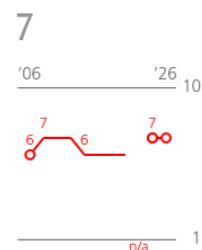
Hichilema’s victory further bolstered public confidence that elections can change governments and, hence, that democracy is a viable form of government. The main challenges in this regard include a portion of the political elite willing to sacrifice democracy in pursuit of their own ambitions, paired with the difficulty democratic leaders have had in delivering on election promises because of the country’s difficult economic situation.

In 2021, 60% of citizens said they were dissatisfied with how democracy functioned in the country. Although levels of satisfaction with democracy increased with the change in government in 2021, they are again declining. Satisfaction peaked when 70% of citizens said they were “fairly” or “very” satisfied in Afrobarometer Round 9, with this share falling to 54% by Round 10 in 2024.

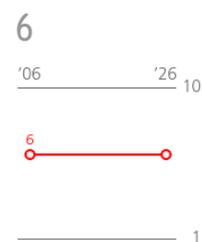
Zambia is widely regarded as a comparatively open and tolerant country. Although ethnicity plays a significant role in political competition, incidents of ethnic violence are infrequent, and do not create divisions within the country. The failure of politicians who relied heavily on ethnic rhetoric during the 2021 general elections, particularly those from the ruling party at the time, the Patriotic Front, highlights the constraints of divide-and-rule politics in Zambia.

In close-knit rural communities, interpersonal trust is often stronger than in more diverse urban communities. However, neither rural nor urban areas have a strong and deep civil society in terms of formal organizations that engage in service delivery. This is partly due to the deliberate marginalization of self-help initiatives during the 30 years of the one-party state. Because of this legacy’s lasting impact, most Zambians continue to rely on the state for support despite its clear failings. In the 2024 Afrobarometer survey, 51% of Zambian respondents said they trusted other citizens “somewhat” or “a lot,” with higher levels of trust in rural areas (59% in these categories) than in urban areas (40%). However, 70% of rural citizens and 47% of urban citizens said they trusted their neighbors.

Approval of democracy



Social capital



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Zambia remains an impoverished nation. By 2022, the share of citizens living on less than \$3.65 a day at 2017 international prices (adjusted for purchasing power parity) had increased to 81%.

Increased government investment in health care and other public services has helped drive a slow but consistent improvement in the country's Human Development Index score. This rose from 0.425 in 2000 to 0.575 in 2019, then to 0.569 in 2020. However, the combined effects of COVID-19 and the economic downturn have prevented further improvements since then. According to the Afrobarometer survey, the proportion of citizens who said they had gone without enough food to eat at least several times increased from 12% to 19% from 2022 to 2024. According to the government's latest Living Conditions Survey, released in 2022, the poverty rate in rural areas was 79%, compared with 32% in urban areas. Nevertheless, the poverty rate had increased in both locales since the 2015 Living Conditions Survey.

Government efforts to increase spending on essential public services have yet to reverse a history of income and gender inequality. This is evidenced by Zambia's high Gini index score of 51.8, though this has fallen in recent years. In 2015, it stood at 0.56. There are also significant gender inequalities, with the country's score on the Gender Inequality Index rising from 0.52 in 2017 to 0.53 in 2022.

While the \$1.3 billion agreement signed with the IMF in August 2022 has provided fresh resources to the government, it has also significantly complicated efforts to address poverty and inequality by introducing spending cuts in the interest of achieving greater fiscal discipline.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	22096.4	29163.8	27578.0	<b>26325.8</b>
GDP growth	%	6.2	5.2	5.4	<b>4.0</b>
Inflation (CPI)	%	22.0	11.0	10.9	<b>15.0</b>
Unemployment	%	5.2	6.0	5.9	<b>6.0</b>

Question  
Score

Socioeconomic  
barriers

2

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Economic indicators		2021	2022	2023	2024
Foreign direct investment	% of GDP	1.8	-0.2	0.3	<b>4.7</b>
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	2629.6	1093.0	-582.7	-
Public debt	% of GDP	111.0	99.5	129.1	<b>114.9</b>
External debt	\$ M	26939.0	28317.4	29029.3	-
Total debt service	\$ M	1722.3	1464.9	948.5	-
Net lending/borrowing	% of GDP	-3.6	-	-	-
Tax revenue	% of GDP	16.8	-	-	-
Government consumption	% of GDP	11.5	14.5	13.3	-
Public education spending	% of GDP	3.1	3.7	4.1	-
Public health spending	% of GDP	2.8	2.5	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.0	1.1	1.3	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

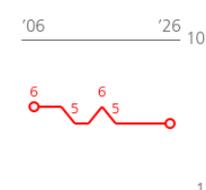
## 7 | Organization of the Market and Competition

Zambia allows freedom of pricing, currency convertibility, freedom of trade and free use of profits. However, market competition operates within a weak institutional framework in which corruption and red tape play a major role.

The informal sector is significant. According to the Ministry of Labour and Social Security's 2023 Labour Force Survey, formal employment accounted for only 24.4% of total employment in the country. Others have estimated an even lower share, with the International Labour Organization concluding that 85.6% of workers were informally employed in 2022.

In November 2022, President Hichilema directed the commerce minister to lower the cost of business licenses as much as possible in order to address some of these issues and to support the government's aim of "shifting the paradigm toward export-led

Market  
organization  
**5**



industrialization.” However, this has so far had only a modest effect on market organization. The Heritage Foundation increased the overall economic freedom score given to the country from 47.8 to 48.4 out of 100 from 2023 to 2024, but this still left Zambia below the regional average of 52.4. The increase was driven largely by an improvement in the business freedom category, in which the country’s score hit a low of 43.9 out of 100 in 2023 but rebounded to 49 in 2024.

Zambia has a comprehensive competition law, the Competition and Consumer Protection Act of 2010. The Zambia Competition Commission (ZCC) is the regulatory body responsible for enforcing this law. The Competition and Consumer Protection Commission (CCPC) operates under the ZCC and has the authority to review monopolies and mergers. According to Freedom House, the Zambian Competition Authority is among the most active bodies of its kind in Africa.

In 2018, the CCPC initiated investigations into numerous cases. Most notably, it imposed a ZMW 76.7 million (\$6.4 million) fine on Zambia Sugar for abusing its market dominance. In 2020, the CCPC continued its efforts by announcing an investigation into excessive pricing of COVID-19-related products such as masks, gloves and hand sanitizers. These price increases were considered a violation of Zambian legislation. More recently, in November 2023, the CCPC issued advisory notices warning businesses that failure to provide “small change” to customers could constitute an unfair trading practice.

In 2021, the CCPC resolved 2,366 consumer protection cases and addressed 2,933 violations. Through these efforts, the commission recovered ZMW 4.2 million, comprising ZMW 2.5 million in refunds and ZMW 1.8 million in replacements. The majority of consumer complaints in 2021 originated from the insurance, retail, microfinance, ICT and construction sectors, collectively accounting for 86.1% of complaints.

Regarding mergers and monopolies, the CCPC handled 68 merger applications in 2021, down from 83 in 2020. Of these, 56 were reviewed and closed, compared with 66 the previous year. The same year, the CCPC investigated 19 abuse of dominance cases, closing 11.

However, the CCPC’s reach and authority have limits. Some state-owned enterprises enjoy an effective monopoly, including Zambia Electricity Supply Company (ZESCO). ZESCO has been commercialized but not fully privatized, meaning it has been placed under private sector management but the state maintains a majority ownership share.

One barrier to increased competition is widespread public suspicion of privatization, which is commonly seen as an opportunity for corruption with few consumer benefits. As a result, some monopolies still exist and are likely to persist. Another barrier is the practice of awarding high-value procurement deals without a tender process, although criticism is growing and the new UPND government has pledged greater transparency in this area.

Competition policy

7

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In principle, foreign trade is liberalized. However, the Heritage Foundation finds that, in reality, “The trade-weighted average tariff rate is 10.8%, and extensive non-tariff barriers distort trade flow.” This has continued despite the election of President Hichilema in 2021, who has often spoken in favor of free markets. For example, the country’s score for trade freedom actually fell from 68.2 in 2022 to 63.4 in 2024.

In 2023, Zambia’s simple average applied most-favored-nation (MFN) tariff rate was 14.6%. The trade-weighted average MFN rate was 11.1%, and 24.4% of MFN imports were duty-free. The maximum applied MFN rate was 98%.

Non-tariff barriers include inefficiencies at border crossings and confusion about which tariffs apply and when, given that Zambia is a member of two regional economic organizations – the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). In July 2018, the Zambian government rejected pressure from SADC to lift restrictions on wheat imports, stating that doing so would not be in the best interests of the Zambian economy. However, in late 2020, concerns about the availability of wheat prompted the government to discuss importing 100,000 metric tons of wheat from South Africa. Despite Zambia’s membership in both COMESA and SADC, exports to the region have not grown significantly in recent years because of high production and transportation costs.

There have been some shifts toward free trade. Most notably, the World Bank estimates that the country’s weighted average of the most-favored-nation (MFN) applied tariff fell from 16.9% in 2016 to 8.9% in 2022.

The country’s banking system and capital markets are differentiated and, in principle, aligned with international standards. Zambia has some of the most liberal banking regulations in southern Africa, and banks function efficiently. Banking supervision is functional, and minimum capital requirements are in place. According to World Bank data from 2000, 216 per 1,000 adults in Zambia had a bank account.

Capital markets are open to domestic and foreign capital, and the stock exchange lists 22 companies, although turnover remains low. The Lusaka Securities Exchange recorded a decline in total share prices from ZMW 5,764.02 in January 2019 to ZMW 3,983.90 in February 2021, but total share prices subsequently improved after the election of the UPND, reaching a high of ZMW 16,202.06 in October 2024.

The central bank has remained fairly activist, and the benchmark interest rate has fluctuated considerably, dropping from 15.5% in 2016 to 9.75% at the end of 2018, then rising to 11.5% in November 2019. It subsequently fell to 8% in August 2020 before increasing slightly again to 9% by the end of 2022. Spiraling inflation, mostly because of drought and an increase in food prices, then led to a further increase in the base rate to 14% by the end of 2024.

#### Liberalization of foreign trade

5



#### Banking system

8



High levels of government borrowing typically crowd out other domestic borrowers, creating a barrier to entrepreneurship. The share of non-performing loans in all bank loans rose from 7.3% in 2013 to 12% in 2017, then fell to 5% in 2022. Bank capital-to-asset ratios have remained fairly stable between 10% and 11%.

## 8 | Monetary and fiscal stability

Over the last decade, the government has had some success bringing inflation under control, although price stability is now under threat. The central bank operates with an inflation target of 6% to 8%, but this goal has rarely been met over the last 20 years. Under the UPND government, inflation was initially contained at a rate of about 11% after interest rates rose from 8% in 2021 to 9% in 2022, then to 11% by the end of 2023. However, inflation rose again from a rate of 10.9% in 2023 to about 15% in 2024, largely due to drought-driven increases in food prices. The government subsequently increased interest rates to 14% by the end of 2024; as of the time of writing, this did not yet appear to have curbed price increases, though it may have helped dampen further inflationary pressures.

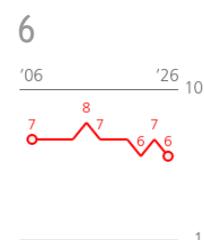
The value of the kwacha against the U.S. dollar was fairly consistent until 2018, but the local currency has since depreciated from ZMW 9.56 per USD 1 in April 2018 to ZMW 21.16 per USD 1 in December 2020. President Hichilema's victory in the 2021 general elections ushered in a new period of increased confidence in the Zambian government's ability to manage the economy, which initially saw the kwacha become the world's best-performing currency against the dollar, surging by over 18.5% between January 2022 and September 1, 2022. Since then, however, it has fallen considerably, hitting around ZMW 25 per USD 1 by the end of 2024.

The government has charted a path to debt sustainability and fiscal consolidation, but remains vulnerable to climate shocks and copper prices on world markets. Growth rates remain problematic.

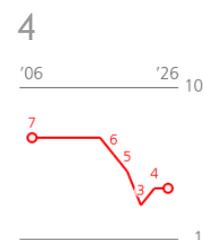
The current account balance, for example, deteriorated from a surplus of \$2.1 billion in 2020 to a deficit of \$545.8 million in 2023. To gain a more complete picture of the economy, it is also important to note two other developments. First, due to the significant rate of population increase, GDP per capita has been growing more slowly than absolute GDP growth figures, with the per capita figure standing at about 3% in 2023. Second, this growth has not significantly affected the share of GDP going to government revenue, which has remained about 16% to 17%.

International financial institutions and political leaders agreed that the biggest and most pressing challenge facing President Hichilema when he took office was the need to negotiate an end to the country's prolonged debt crisis. Zambia defaulted on its debt in 2020/21, failing to make a \$42.5 million Eurobond repayment. As of 2023, total external debt stood at \$28.7 billion, only a little lower than the \$30.0 billion the

### Monetary stability



### Fiscal stability



country owed when the UPND came to power. Public debt amounted to 127% of GDP, only slightly down from the recent high of 140% in 2020. This reflects both the struggles the government continues to face in balancing the budget and President Hichilema’s decision to seek a debt restructuring rather than trying to cancel it. The successful completion of this deal – which had been complicated by the presence of various creditors, including the Paris Club, China and private lenders – has been one of the main achievements of the UPND in office.

The long-discussed \$1.3 billion three-year economic rescue package with the IMF was signed in August 2022, committing the government to fiscal consolidation and thus encouraging fiscal discipline. However, there is concern that the overall reduction in government spending and investment required under the country’s new arrangement with the IMF will undermine efforts to lift more citizens out of poverty.

### 9 | Private Property

Property rights are governed by the Land Act of 1995, which recognizes two types of land tenure: leasehold and customary. Legally, all land ultimately belongs to the state. Property rights are well defined in urban areas, but often poorly defined in rural areas. According to the Heritage Foundation, “property rights and the sanctity of contracts are well defined in principle but weakly enforced in practice.” The foundation rates Zambia’s property rights regime as having weakened, with its score in this index category falling from 49.6 in 2017 to 36 in 2021, then increasing slightly to 36.2 by 2024 (on a scale of 0 to 100, in which high scores reflect better performance).

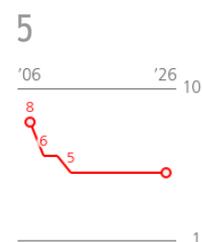
Under President Hichilema, the government has consistently voiced support for property rights, although it remains unclear whether this has led to significant changes for Zambian citizens.

Women’s property rights are often not respected, especially in relation to land inheritance. In Barotseland, a significant portion of agricultural land remains under traditional leaders’ control. Such control further complicates the definition and enforcement of private property rights.

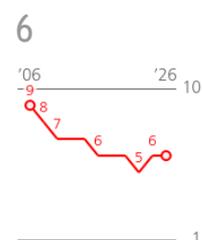
A legal framework exists to protect private enterprises. Zambia is also a member of the World Bank’s Multilateral Investment Guarantee Agency (MIGA), which guarantees protection for foreign investments in cases of war, strife, disasters and other disturbances, or expropriation. However, the country has historically scored poorly on measures of business freedom. While businesses can be established with no minimum capital requirement, commercial licensing requirements can be time-consuming and costly, especially for those without political connections.

Establishing a business is relatively burdensome: It requires seven procedures, takes 8.5 days and costs 34% of the country’s per capita gross national income – a figure that has increased in recent years, although it remains below the sub-Saharan Africa average.

Property rights



Private enterprise



However, the new UPND government has a reputation for being more pro-business and supportive of the private sector, given President Hichilema's background as a businessman. This appears to be borne out by the Heritage Foundation's Index of Business Freedom, which records an increase in business freedom under the UPND from a score of 44.2 in 2022 to 49.0 in 2024, on a 1 to 100 scale in which higher scores indicate greater freedom.

## 10 | Welfare Regime

Despite its economic difficulties, Zambia has experienced a slight rise in life expectancy at birth in recent years, from 58.9 in 2012 to 61.8 in 2022. This reflects the commitment of successive governments, at least in their early stages, to combat poverty. Under the Patriotic Front government, health spending increased from 2.1% of GDP in 2011 to 4.9% in 2020. The UPND government has attempted to continue this emphasis amid concerns that the economic rescue package agreed with the IMF in 2022 would commit the ruling party to budget and subsidy cuts that would negatively affect people in poverty. The government increased budget allocations to social protection in 2023 by 28.6% and scaled up coverage to more than 1 million recipients, with a benefit package of ZMW 200 per beneficiary per month.

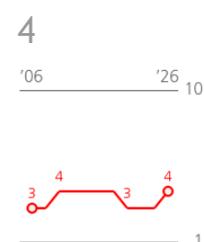
At the same time, the government has expanded the Social Cash Transfer Program, which began as a pilot project with 159 households in 2003 and now also aims to reach 1 million citizens – roughly three-quarters of the country's poorest households. This represents a systematic attempt to create a social safety net for the most vulnerable, in collaboration with a number of international donors including Germany, Ireland and the United Kingdom.

The Farmer Input Subsidy Program (FISP), which provides subsidized inputs to rural producers, has operated for nearly two decades. Because its effects on agricultural productivity are relatively meager, it is widely viewed as effectively a social protection program.

The government has also sought to make health care more inclusive. The National Health Insurance Scheme (NHIS), which includes public and private health care providers, was launched to advance universal health coverage (UHC). By the end of 2022, the scheme had about 1.28 million principal members, but coverage rates remain low, especially among low-income populations.

Finally, there have been efforts to include a larger share of the working population in pension schemes. Pension fund assets accounted for 2.82% of GDP in 2020, and only 16% of the country's workers are covered by the National Pension Scheme Authority (NAPSA). While the Zambian government enacted Statutory Instrument No. 72 in 2019 to extend pension coverage beyond the formal sector to informal-economy workers, a number of issues – including limited awareness and finance – have limited uptake.

Social safety nets



Zambia has achieved gender parity in primary school enrollment, but this obscures the reality that girls are more likely to discontinue their education before completion. Consequently, men receive an average of 2.2 more years of schooling than women. In line with this, Zambia’s score on the Gender Parity Index for tertiary education was 0.8 in 2022, indicating that women are disadvantaged compared with men.

Although Zambia has officially enacted the Gender Equity and Equality Act No. 22 of 2015 and ratified the Convention on the Elimination of Forms of Discrimination Against Women (CEDAW), this has yet to significantly affect the status of women economically or politically. Economically, women have historically accounted for less than half of the labor force, about 45%. This varies considerably by sector; in agriculture, forestry and fisheries, only 35.5% of workers are women. Moreover, in 2022, 80.1% of women were in vulnerable employment, compared with 60.6% of men. In the political sphere, women currently make up just 15% of the legislature, and Zambia has consistently had one of the lowest rates of female political representation in Africa.

Anti-homosexuality legislation remains in force, and Amnesty International reports that homosexuality is illegal in Zambia. In November 2019, the Lusaka High Court sentenced a gay couple to 15 years in prison with hard labor for engaging in “unnatural acts.” Following diplomatic pressure, the couple was granted amnesty in May 2020 and was released without public attention.

Despite Zambia’s ethnic diversity, the country has largely balanced the interests of its various groups. However, each president has appeared to favor people from his home area when making appointments and awarding contracts.

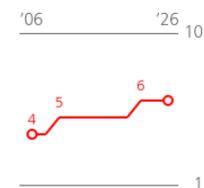
## 11 | Economic Performance

In the 2010s, Zambia experienced steady but unspectacular GDP growth. The economic growth rate – despite the country’s many challenges – was 6.2% in 2021 and 5.8% in 2023, while GDP per capita rose from \$3,179 in 2020 to \$4,126 in 2023.

However, growth is expected to have fallen considerably in 2024. The combination of an economic slowdown due to the debt crisis and a severe drought exacerbated by the El Niño climate phenomenon impacted 9.8 million people across 84 districts. In turn, this harmed both the agricultural and energy sectors, leading to a significant contraction. The World Bank estimates that this major climate event slowed GDP growth to a rate of 1.9% year over year in the first half of 2024, a significant reduction from the 4.3% achieved in the first half of 2023. As a result, the government was likely to miss its 2024 target of 3.7%, which will have a knock-on effect on its ability to manage the budget deficit. In line with this, the current account balance fell from a surplus of \$2.1 billion in 2020 to a deficit of \$545.8 million in 2023.

### Equal opportunity

6



### Output strength

3



Drought and the rising cost of food have also pushed up the inflation rate. After hovering around 11% in 2022 and 2023 – a significant improvement over previous years – inflation hit a rate of 16% in 2024. The one positive indicator was the unemployment rate, which fell slightly from 6.0% to 5.9% between 2022 and 2023, although it is also expected to have risen to about 6.1% by the end of 2024 due to the economic downturn. This trend may continue in the future due to lower levels of foreign direct investment, which fell from 1.4% of GDP in 2020 to 0.3% in 2023.

International commentators generally consider President Hichilema to be a significantly more credible economic manager than his predecessor. However, this increased confidence has not yet translated into a tangible change in economic prospects. The minerals sector is expected to continue to be the country’s strongest source of growth, particularly because green energy transitions rely on copper and cobalt, both of which are found in substantial quantities in Zambia.

## 12 | Sustainability

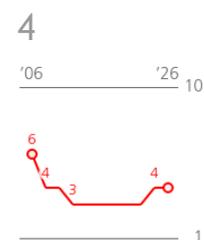
When he came to power, President Hichilema pledged to make Zambia a global icon of environmental sustainability and a champion of the green economy. He created the Ministry of Green Economy and Environment, which recently signed a memorandum of understanding (MOU) with Blue Carbon, a Dubai-based company, to implement carbon removal projects in the forest sector under Article 6 of the 2015 Paris Agreement.

The government has also called for a “mindset” change among older and younger citizens while emphasizing the theme of “Accelerating Land Restoration for Drought Resilience in Zambia” around World Environment Day in June. More substantively, the government has initiated the National Green Growth Strategy (2024 – 2030). The central thrust of this strategy is to promote resilient economic development that can withstand climate-related challenges. The plan commits the government to protecting and restoring ecosystems and biodiversity, achieving sustainable growth while reducing greenhouse gas emissions, and fostering innovation and green job creation.

These steps and statements constitute an important statement of intent, but it is too early to tell whether they will be implemented more effectively than in the past. The PF government, for example, consistently stressed the importance of environmental stability and even made it a manifesto commitment. However, its progress toward these goals was limited. This reflects a longer historical tradition in which the implementation of environmental protection and sustainability policies has been undermined by a lack of political will and corruption.

Major challenges to progress under the UPND include the limited funds the government has available to invest as well as the energy crisis brought on by the drought, which has undermined the country’s ability to generate hydropower and led to the approval of a third coal-fired power plant in June.

Environmental  
policy



Contemporary, reliable figures on literacy and educational attainment are difficult to obtain. However, the U.N. Education Index suggests that the sector is stagnating, with Zambia hovering around a score of 0.5 on a scale of 0 to 1 from 2020 to 2022.

The lack of well-trained teachers remains a serious challenge. In 2020, the average pupil-to-teacher ratio in primary schools was 42, and the overall literacy rate was 86.7% – though this reflects a small improvement over the 83% rate recorded in 2010. A consistently problematic feature of Zambia’s educational profile is the very small number of people entering further education, though this has begun to change. There are currently 61 universities in the country, and total student enrollment in tertiary education increased from 126,739 in 2021 to 156,044 in 2022, indicating a growing demand. However, only 20% of these students were enrolled in science, technology, engineering or mathematics (STEM) programs.

The new UPND government has prioritized education, and the finance minister said the administration is committed to hiring more teachers and improving “the quality of education by reducing the pupil-teacher ratios.” In total, the government increased the education budget to ZMW 18.1 billion in 2022 from ZMW 13.8 billion in 2021. Of this amount, ZMW 1.7 billion was allocated to recruit 30,000 teachers, and ZMW 2.2 billion was designated to support the general operations of schools. The government also has pledged to expand the Keeping Girls in School Program. In 2021, the program supported 28,964 girls, and it aims to support 43,520 girls in 2022.

This focus has been sustained: Education spending accounted for 14% of the budget in 2023, up 1.5 percentage points from 2020. However, as UNICEF Zambia noted, this figure remains below international standards and is unlikely to be sufficient to remedy past underinvestment, especially given low budget execution rates due to “lengthy and administratively cumbersome disbursement processes.”

There are no reliable figures for research and development spending beyond 2008, when it amounted to 0.3% of GDP.

Education policy /  
R&D

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## Governance

### I. Level of Difficulty

The government faces significant structural constraints, shaped by a limited revenue base and exacerbated by the debt crisis that led to the 2020/21 debt default. The primary challenges facing Zambia include the country's landlocked status, which increases the cost of imports and exports; limited infrastructure; and limited human capital due to a weak education system. The economy's historical reliance on copper mining has impeded diversification into other industries and made Zambia extremely vulnerable to fluctuations in the value of copper on world markets.

Despite variable copper prices, successive governments have struggled to reorient the economy toward manufacturing or agricultural growth. In recent years, copper is estimated to have accounted for 70% to 80% of all exports. Poor rains in 2018 led to a 35% contraction in agricultural output. In 2019, agricultural exports represented just 1.3% of GDP. That share rose to 3.4% in 2021, but the drought that began in January 2024 has more than reversed those gains.

Weak physical infrastructure and low-quality education remain serious concerns. Malaria causes 8,000 deaths each year, with 50% of victims younger than five. All of these challenges were exacerbated by the COVID-19 pandemic and the country's unsustainable debt burden. Although the debt-restructuring agreement brokered by President Hichilema significantly reduced annual payments, those payments still represent a large share of government spending, limiting the funds available to invest in public services or support economic growth.

Moreover, while the \$1.3 billion loan agreement secured with the IMF has generated much-needed financing to restructure the economy, it also required the government to reduce fuel and food subsidies, allow the cost of electricity to be determined by the market and increase the number of items subject to VAT. In turn, these provisions have constrained the government's ability to reduce poverty and inequality.

Structural  
constraints

7



1

Civil society groups in Zambia, such as trade unions and churches, have a long and proud tradition of acting as a check on authoritarian rule, but are now significantly weaker than in the past. The privatization of the mining sector and the informalization of the labor force (i.e., the increasing proportion of the labor force working in the informal economy) have weakened the trade unions.

This has left the Catholic Church as one of the most powerful civil society actors in the country, although it, too, has experienced internal divisions regarding how politically engaged – and how critical of the government – it should be. These divisions did not stop the Zambia Conference of Catholic Bishops (ZCCB) from issuing a highly critical statement in November 2024 that effectively criticized the government for failing to keep its election promises and engaging in democratic backsliding.

A number of other civil society groups have played inconsistent roles, sometimes due to partisan affiliations and sometimes due to leading figures being appointed to the government, thus removing some of these groups' most eloquent and effective mobilizers. For example, some major human rights and democracy groups supported the Patriotic Front when it was in opposition, and were then co-opted by the PF when it was elected to government. However, certain institutions managed to maintain their independence. These include the Chapter One Foundation; the Governance, Elections, Advocacy, Research Services (GEARS) Initiative; and the Christian Churches Monitoring Group (CCMG). They played a crucial role in safeguarding the 2021 elections.

There were concerns that, following the UPND's victory, there would be another cycle of civil society leaders being co-opted into government positions. Yet despite some high-profile appointments, some NGOs have remained outspoken. In November 2024, a consortium of 12 NGOs, including Chapter One Foundation, Transparency International Zambia and Alliance for Community Action, criticized the government's proposed NGO bill, arguing that it placed unnecessary and unwarranted controls on NGOs and would leave them vulnerable to undue influence by a government-dominated registration board.

Zambia has never experienced a civil war or a prolonged period of ethnic conflict. To date, it has also proved immune to the rise of religious extremism. Overall, the use and spread of politically motivated violence have been limited.

However, higher levels of political violence during the 2016 general election raised concerns that the 2021 polls could see considerable instability and conflict. These worries intensified after President Edgar Lungu arrested his main rival, Hakainde Hichilema, on trumped-up treason charges in April 2017 and detained him until he was released that August after negotiations brokered by the Commonwealth. Democratic backsliding under former Lungu, unrestrained violence by PF thugs ahead of the elections and the deployment of the military on the streets – officially to maintain peace and order – further heightened tensions.

#### Civil society traditions

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#### Conflict intensity

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The risk of a major political crisis increased significantly when President Lungu initially refused to accept his defeat, claiming that the vote had been rigged against him. He was ultimately persuaded to step down, and even congratulated Hichilema on his victory in a process brokered by former President Rupiah Banda and senior African leaders who were in the country to lead election observation missions. In turn, the country’s third peaceful transfer of power since the reintroduction of multiparty elections showed political leaders’ willingness to compromise at crucial moments.

Relations between rival political leaders have deteriorated since that recent “high point,” with each side accusing the other of violating basic democratic norms and institutions, leading to fresh tensions. However, the threat of violent conflict remains limited.

## II. Governance Performance

### 14 | Steering Capability

Prioritization has historically been a challenge for Zambian governments, which have struggled to decide between implementing reforms to reduce dependence on copper and using the proceeds from copper to improve public services.

In general, the institutional format for prioritization is the National Development Plan (NDP), supported by senior advisory groups and underpinned by the Planning and Budgeting Act of 2020, which in principle mandates the integration of planning and budgeting processes and institutionalizes evidence-based decision-making across government ministries. Zambia has also pursued some innovative developments over the past decade, establishing so-called embedded evidence units in some ministries in collaboration with organizations such as Innovations for Poverty Action (IPA).

Under President Hichilema, this machinery is buttressed by a Presidential Delivery Unit, which was established in 2023 to accelerate the implementation of high-priority government programs. While this has enabled the UPND government to more clearly articulate and pursue some policy priorities – such as resolving the country’s debt crisis and recruiting 30,000 additional teachers – it is important to note that successive governments have failed to fully implement NDPs. The country is currently on its eighth NDP, for example, which covers the period from 2022 to 2026 and repeats many of the goals set out in previous NDPs that were never achieved.

The government’s current approach broadly aims at strengthening the foundations for future economic growth. This will help the country attract international capital and enhance its human capital while reducing waste and debt repayments. However, three

Question  
Score

Prioritization

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main challenges to greater prioritization remain. The first is the tension between the goals of poverty reduction and some of the requirements of the IMF agreement signed in 2022, which entails a reduction in government spending. The second is the upcoming general elections in 2026, which will increase pressure on President Hichilema to adopt populist policy positions and provide the government with incentives to deviate from a path of fiscal discipline. The third is the tendency of some political leaders and officials to participate in corruption for personal and political (campaign finance) reasons, which distorts the economy and undermines government performance.

The new administration under President Hichilema has articulated its goals and strategies more coherently than previous governments, but it is still likely to face challenges in implementing them in specific sectors. As is common after a change in political leadership, there has been substantial turnover among civil servants, which has eroded institutional knowledge. Reports indicate that more than 300 officials were dismissed when the new government took office, including 76 who held director-level roles.

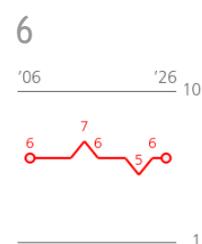
In addition to temporarily weakening the civil service’s effectiveness while replacements take office and gain experience, the situation has generated friction between the UPND leadership and state officials. Although senior government officials have suggested that PF-era bureaucrats have intentionally resisted reform, opposition parties have accused President Hichilema of scapegoating the civil service for problems that, in their view, are of the ruling party’s own making.

In the past, there has been considerable learning from international experience. Most notably, the Patriotic Front government introduced a minimum wage and issued two Eurobonds to fund investment projects. It also increased investment in areas such as health care, with positive effects. However, there was considerably less willingness to heed key lessons regarding the risk of debt default and the need to moderate government spending.

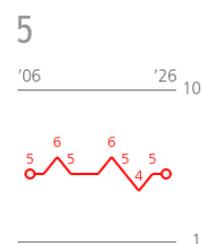
Since assuming power, President Hichilema has acknowledged the need to draw lessons from Zambia’s historical experiences and from other nations’ successful recoveries from debt crises. This includes a greater willingness to heed guidance from international financial institutions such as the International Monetary Fund. The PF and UPND have also followed emerging international best practices on the effectiveness of cash transfers, leading to a considerable expansion of the government’s Social Cash Transfer Program.

Nevertheless, acquiring and implementing these lessons remains a significant political hurdle for the government. There has also been moderate policy learning in other policy domains, such as agriculture. For instance, repeated evaluations of the weaknesses of the Farmer Input Subsidy Program (FISP) have led to continual refinements of its design, though not a wholesale overhaul of the program. The challenges this can create are illustrated by the Ministry of Agriculture’s August 2023 announcement that it had identified 16,000 duplicate FISP beneficiaries.

Implementation



Policy learning



## 15 | Resource Efficiency

The most important natural resource available to the Zambian government is copper. In 2023, copper exports totaled \$6.73 billion, according to the United Nations Comtrade database, and have consistently made up about 70% of all exports.

Evaluating the efficient use of Zambia's natural resources is complicated by the sector's lack of transparency. Previous governments have also changed their positions on key issues, such as whether to increase mining taxes. This has led to confusion and inconsistencies in intrastate relations among different parts of the government, for example, the cabinet, the Ministry of Mines and Minerals Development, and the Zambian Revenue Authority (ZRA).

For example, the ZRA has at times been directed to pursue mining companies for alleged underpayment of taxes, but such decisions have sometimes been reversed, leading to an inconsistent approach across branches of government and over time.

After coming to power, President Hichilema attempted to break with these historical legacies, arguing that lowering taxes and boosting the confidence of mining companies – after years in which there were fears of a government takeover or unplanned tax increases – would lead to the fresh investment essential to modernize and expand the mines, thus boosting production. The timing of this move, at a time when the Zambian government is struggling to fund public services, was justified on the grounds that it was needed to create the more favorable conditions needed to encourage greater investment by mining companies. According to the government, increasing copper output to 3 million metric tons per year within the next decade is essential to fund the country's economic recovery.

Further steps taken in this regard include returning Konkola Copper Mines to Vedanta, from which it had been seized by the PF government, and a new agreement with the Chinese Mining Enterprise Association in Zambia, a new body that brings together the Chinese government and Chinese mining interests, both of which have pledged to invest \$5 billion by 2031 to increase copper and cobalt production.

These efforts have yet to fully take effect, however.

Indeed, continued tensions and contradictions in the government's approach are evident in the Minerals Regulation Commission Bill proposed in August 2024, which was heavily criticized by those in the industry. According to Zambia's Chamber of Mines (ZCM) and the Association of Zambian Mineral Exploration Companies (AZMEC), certain sections of the legislation "will drive up the perception of investment risk in Zambia." In particular, the new law would give the state a "free carry stake" of 26% in new mining ventures while also attempting to negotiate a similar arrangement with existing operations, a move that critics say undermines property rights and will deter foreign investors.

Efficient use of assets

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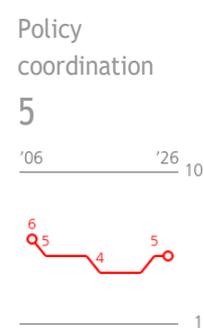
Despite these challenges, the Zambia Revenue Authority (ZRA) has made significant gains over the past decade. For example, total tax revenue on income, profits and capital gains increased from ZMW 9.454 billion in 2013 to ZMW 28.9 billion in 2020. However, the economic slowdown and the impact of the debt crisis have made this difficult to sustain. According to the ZRA, the cost of collection increased from 2.3% in 2022 to 2.5% in 2023, while the tax-to-GDP ratio decreased from 18.2% in 2022 to 17.6% in 2023.

One reason was that copper production fell 10% in 2023 to 682,431 metric tons, a 14-year low. It subsequently bounced back by 12% in 2024, but this volatility is an important reminder that effectively managing the copper sector remains one of the greatest challenges facing President Hichilema.

Policy coordination has long been a challenge for Zambian governments. This challenge was compounded by frequent turnover in the finance minister and central bank governor positions, as President Lungu sought individuals who would comply with his political requirements. Notably, Zambia had three finance ministers in as many years. This undermined coordination between ministries and between the Zambian government and key international players such as the International Monetary Fund.

Given the path by which he came to power, President Hichilema's main challenges have been to avoid the overcentralizing tendency that hampered previous administrations and to reform the senior levels of the civil service enough to remove corrupt and anti-democratic figures from the Lungu era without generating so much bureaucratic churn that the administration would lose institutional memory and capacity. There have been some successes in this regard, at least in terms of continuity. Situmbeko Musokotwane, an economist and politician, has served as finance minister since 2021. Denny H. Kalyalya has been governor of the Bank of Zambia since February 2015 and was not replaced when President Hichilema came to power.

However, the tendency to centralize decision-making power in the presidency remains a challenge. This can make line ministries less effective and lead ministers to wait for presidential approval before making even straightforward decisions. As a result, Zambia has historically scored poorly on measures assessing budget planning. Although decision-making remains overly concentrated in the executive, the UPND has presided over some improvements in this area. In 2021, the Open Budget Survey gave the country a score of 19 out of 100 for transparency. By 2023, this score had increased to 34, with several key documents having been made available to the public and all relevant documents produced. This marked a stark contrast to 2021, when the Citizen's Budget was not produced. Audit oversight is also viewed as strong, with the country scoring 83 out of 100 in this category.



Significant limitations remain in other areas, however. Legislative oversight remains comparatively weak, with the country receiving a score of 33 out of 100 in this area, placing Zambia in the lowest category of the Open Budget Survey on this measure. Meanwhile, the country scores just 26 for public participation – although this was the second-highest score in the region, above countries with reputations for more advanced democratic practices, such as Botswana and Namibia.

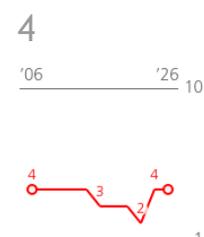
Corruption has long been a challenge in Zambia, and anti-corruption programs have often been used to attack political opponents, leading to accusations of witch hunts and generating public skepticism. Zambia has an Anti-Corruption Commission, but it has historically targeted junior and midlevel officials and is consistently criticized by opposition parties for politicizing investigations in favor of the ruling party.

One reason it has proved so difficult to reduce corruption is that it is built into the political system, for example because political leaders take advantage of access to the state to raise campaign funds. While definitive data are not available, as parties are not required to publicly disclose their accounts, research by the Westminster Foundation for Democracy suggests that winning candidates spent about ZMW 3.8 million (about \$192,000). According to Transparency International, such high costs, coupled with limited personal financial resources and a lack of transparency, encourage candidates to seek funds from questionable sources, increasing the risk of corruption.

Since taking power, the UPND has officially prioritized tackling corruption after consistently denouncing it during its time in opposition. One aspect of the party's approach is implementing a policy of non-conviction-based asset forfeiture, which allows individuals involved in corruption to avoid imprisonment by surrendering illegally obtained funds. One prominent recent example was Faith Musonda, a former radio DJ who allegedly had a relationship with a high-ranking official in the Lungu administration. Despite her alleged involvement in an episode of corruption, Musonda was not formally prosecuted, but instead relinquished a mansion and ZMW 65 million, a sum reportedly discovered during a raid on her residence in October 2021. More recently, Milingo Lungu, an ally of Lungu but not a relative, agreed to a consent judgment under which he forfeited \$24 million, funds that were allegedly siphoned from Konkola Copper Mines PLC (KCM).

The second part of this strategy has included forming a Joint Investigations Team (JIT) composed of the police, the Financial Intelligence Center (FIC), the Anti-Corruption Commission (ACC) and the Drug Enforcement Commission (DEC). In addition, a fast-track court has been established to expedite corruption cases. Investigations have focused on figures closely associated with the Patriotic Front government and President Lungu, including his wife, son and daughter. Historically, such investigations have rarely led to actual arrests and prosecutions. In June 2024, however, the country's former first lady Esther Lungu and her daughter Chiyeso Katete were arrested on charges related to the possession of high-value properties.

Anti-corruption  
policy



According to the authorities, this followed Esther Lungu’s failure to “give a reasonable explanation” of how she acquired an estate worth \$1.5 million in the capital.

The government’s commitment to pursuing corruption within its own ranks has been called into question by recent disarray within the Anti-Corruption Commission itself. In July 2024, allegations surfaced that the head of the ACC, Thom Shamakamba, and the country’s solicitor general, Marshal Muchende, had accepted payments from politicians targeted in anti-corruption probes in response for grants of amnesty and ensuring that those named avoided prosecution.

## 16 | Consensus-Building

Zambia is known for a greater degree of consensus than many other African states. This is seen in the areas of public policy, public support for democracy and the avoidance of political violence. The peaceful transfer of power in 2021 has further boosted confidence in democracy, in particular in elections as a mechanism through which Zambian citizens can express their preferences and hold political leaders accountable. Despite the many difficulties the country has faced in recent years, 84% of respondents in the latest Afrobarometer survey, conducted in 2024, agreed that democracy was the best system of government for Zambia.

The consensus on democracy has always been marked by considerable disagreement over how to engage with foreign investors and how best to reduce the country’s reliance on copper exports, as well as on the appropriate degree of decentralization. In the final years of the PF government, these tensions were exacerbated by growing disagreement over the government’s economic policy. Such disagreements tend to focus on two areas. First, all major political actors remain rhetorically committed to democracy, but incumbent leaders have consistently sought to constrain democratic institutions as a means of entrenching their political control. Second, although President Hichilema has consistently presented himself as a business-savvy leader bent on restoring rational and responsible economic planning, many Zambians are desperate for strong government intervention in the economy – including greater spending on job creation, education and food subsidies – in order to improve living standards. This reflects a history in which, especially under the one-party state, the government cast itself as the engine of development and encouraged citizens to rely on it to create and manage economic opportunities. Third, the substantial amount of money owed to Chinese lenders – along with a number of other lenders – has led to growing criticism of China’s role in the country and to a lesser extent of other international lenders and donors as well. Given these tensions, the UPND government faces a challenging landscape. On the one hand, it recognizes that maintaining good relations with China will be essential to the country’s long-term economic prospects – not least because China is one of the largest holders of Zambian debt and will play

Consensus on goals



a central role in debt-restructuring negotiations. On the other hand, anti-Chinese suspicions, along with tension between the U.S. and Chinese governments, will put pressure on President Hichilema to adopt a more critical approach, especially regarding the control of national infrastructure and natural resources. This is also true of government policy toward the International Monetary Fund. The 2022 agreement on an economic rescue package was lauded as a success by the government, but was heavily criticized by some civil society leaders for undermining the country's ability to make further progress on poverty reduction targets. Action Aid Zambia, for example, noted that the Zambian government's funding of free education grants will marginally decline from 0.3% of GDP in 2022 at the start of the IMF program to 0.2% of GDP in 2025 as the IMF program closes, while the deal is additionally likely to worsen unemployment. The UPND has demonstrated a willingness to listen to some of these concerns, for instance by increasing funding for social protection in the 2023 budget. However, if the economy continues to falter, public frustration is likely to be channeled along familiar lines, that is, against the IMF agreement and the government that brokered it.

There are no openly anti-democratic actors in Zambia. Yet democracy remains fragile, as evidenced by the controversy over the 2016 general elections and President Lungu's initial attempt to avoid stepping down after his defeat in the 2021 polls. The role of PF-aligned thugs and gangs during the election period was also alarming, and raised serious questions about whether the country was on a path toward greater political violence.

The PF has been unable to sustain its coercive networks in opposition, so this threat should recede, especially as the UPND has followed through on promises to remove party cadres from public spaces, including bus stations. One notable development under the Lungu government that may take longer to resolve was its attempt either to co-opt or to play divide-and-rule politics with organizations that had previously played a key role in the defense of democracy, such as the Law Association of Zambia. Returning these organizations to nonpartisan and pro-democratic leadership will be important for the country's future political transformation.

Following the peaceful transfer of power, support for democracy as the best system of government for the country increased in line with the typical impact of electorally based changes of government across Africa. The new UPND government initially committed to strengthening key democratic institutions, but there are already concerns about human rights abuses and the targeting of opposition leaders and parties. Moreover, Zambian governments have historically been most likely to act in anti-democratic ways in the buildup to elections, with the next scheduled for February 2026.

Anti-democratic actors

6



There are several important social cleavages in Zambia. The first is ethnolinguistic. Historically, Bemba-speaking Zambians have predominantly supported the Patriotic Front (PF), while the Tonga people in Southern Province have largely backed the UPND. However, successive governments have struggled to maintain the support of Bemba voters while in office, often leading to opposition parties winning subsequent elections. Moreover, the UPND successfully broadened its support base ahead of the 2021 elections, winning a landslide victory and dominating in urban areas as well as in its historical bases.

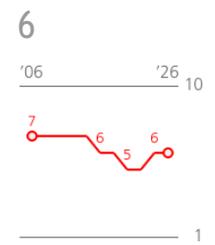
Several factors have historically helped prevent ethnic tensions from escalating. First, under the one-party state, former President Kenneth Kaunda pursued a policy of ethnic inclusion. Partly as a result, Zambia has never experienced significant ethnic violence, and relations among ethnic groups have generally been good. Second, several political leaders, such as former President Michael Sata, have won electoral support across ethnic groups in urban areas. This cross-ethnic appeal has at times undermined ethnic voting patterns. Third, no cabinet under the multiparty system has been ethnically exclusive. Although each cabinet is weighted in favor of the president's ethnicity or regional base, there is typically respect for diversity.

There was considerable concern about rising interethnic tensions around the 2021 election, in part because of the increased use of hate speech and language by PF leaders aimed at limiting Hichilema to his Southern Province base. However, because he attracted support across the country and the presidency has now rotated to a Tonga leader, the polls demonstrated the country's ability to unite at critical moments. President Hichilema framed the composition of his first cabinet as a direct response to this challenge, as it included representatives of all 10 provinces, but has since faced mounting concerns about the overrepresentation of communities that have traditionally supported the UPND.

The other main cleavage that requires careful management is between the central government and Barotseland – a region of Western Zambia that has seen increased secessionist sentiment in recent years. Attempts by President Lungu (building on a prior strategy employed by Michael Sata) to win votes in Western Province by manipulating grievances in the area proved ineffective, perhaps suggesting growing cynicism among voters about how the Barotseland issue is used for political gain.

The issue has resurfaced under the UPND. Concerns about marginalization have been somewhat reduced because President Hichilema has given more positions to people from the southwest than his predecessor did, but in 2024 he also stated that there was no such place as “Barotseland.” The police subsequently banned a pro-independence youth group from holding a rally, though it is unclear how much support the group has. For their part, opposition leaders have tried to use the situation; for example, Fred M'membe, leader of the Socialist Party, has promised to rename Western Province Barotseland as soon as he is elected.

Cleavage /  
conflict  
management



Zambian civil society is known as one of the more effective associational spaces in Africa. In the late 1980s, trade union and civil society mobilization played a key role in bringing down the one-party state. Then, in the late 1990s and early 2000s, a broad cross-section of organizations, including the churches, played a critical role in the Oasis Forum, which successfully campaigned to prevent President Chiluba from removing term limits in order to remain in office.

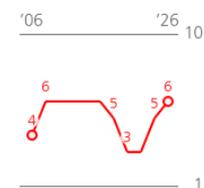
Since then, civil society organizations (CSOs) working in governance – rather than service delivery – have faced increasing government pressure. At the same time, reduced donor funding has diminished CSOs’ efficacy and reduced their independence from the government. Civil society participation in the budget process was one casualty of this increasingly confrontational approach. Over the past decade, several individuals have been arrested for attempting to convene public meetings on issues such as environmental pollution or the government budget. Civil society had minimal involvement in drafting Constitution Bill 10 (2019), which has received widespread condemnation from most nonpartisan civil society actors.

The victory of the UPND in the 2021 general elections has considerably changed the situation, and President Hichilema has encouraged Zambians to tell the government their priorities – both through formal consultations across the country and via social media. There is now a more constructive relationship between the government and civil society groups, with some activists having been appointed to government positions. However, this has raised concerns that some individuals who were previously outspoken when working in civil society will find themselves more constrained in their new roles.

The current government also appears more inclined than predecessors to listen to advice from think tanks and research groups, such as the Southern African Institute for Policy and Research (SAIPAR). However, it is not always clear that this policy advice is acted upon. In 2024, for example, the government proposed a new NGO bill introducing stringent regulations for civil society organizations, such as mandatory re-registration every five years and compulsory membership in a government-regulated central body. CSOs criticized the bill for a lack of adequate stakeholder engagement and for undermining their autonomy. In response, the government-initiated consultations with civic leaders. However, civil society groups subsequently argued that the consultation process was limited in scope and lacked transparency, that key recommendations were diluted or ignored, and that there was no formal statement on how feedback had been incorporated.

Public  
consultation

6



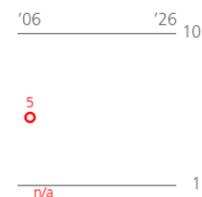
The government of Zambia has not committed major human rights violations that would necessitate a national reconciliation program. However, successive governments have been accused of targeting opposition leaders. Under the PF government, Hichilema was arrested on trumped-up treason charges in the wake of the 2016 election disputes. Moreover, during Lungu’s tenure, there was no serious investigation into the alleged torture that Hichilema and others suffered during their arrest and detention.

However, at the end of the 2021 elections, Lungu and Hichilema are known to have had a key phone call that helped persuade Lungu to accept defeat and contributed to the peaceful transfer of power. This suggests that senior political figures were ultimately able to compromise despite their bitter personal history, as has often been seen in Zambian history.

The status of the western region of Barotseland also remains unresolved. In November 2018, the Zambian media reported that the king of Barotseland, “feels that the Zambian government is undermining his authority over his kingdom and that he is now threatening to support separatists in their push for Barotseland independence.” Relations subsequently seemed to improve under the PF after the national government and the Barotse Royal Establishment jointly made plans to establish a Barotse Dialogue Council (BDC). However, the issue remains controversial, and given that President Hichilema directed the permanent secretary of Western Province to counter narratives supporting Barotseland’s secession in January 2024, it is not yet completely clear how he intends to resolve continued tensions.

Reconciliation

n/a



17 | International Cooperation

Zambia has historically been eager to seek international support. Under President Mwanawasa, it gained a reputation for effectively managing its international relations. However, this changed under President Lungu, as the government failed to secure a bailout from the International Monetary Fund that was necessary to revive the economy. In 2018, the United Kingdom joined Sweden and Ireland in halting aid programs following evidence of fraudulent activity involving \$4.7 million in donor funds. Consequently, the Zambian government was forced to rely less on international aid, as the ratio of foreign aid to central government revenue declined from around 136% in 2002 to 22% in 2021.

Effective use of support

6



Relations with the IMF were particularly strained during the Lungu era. This situation initially improved after the election of the UPND. President Hichilema dedicated considerable effort to advancing debt-restructuring negotiations, which posed significant challenges because the country’s creditors were diverse and fragmented. In addition to finalizing a complex agreement that significantly reduced the country’s annual debt repayments, the new administration also successfully concluded the IMF agreement.

Hichilema's initial emphasis on democracy and a pro-business agenda improved relations with key donors such as the United Kingdom and the United States. As a result, Zambia was chosen to co-host the Second Summit for Democracy in March 2023. The improved relations also translated into increased foreign support, with aid per capita rising rapidly from \$54 in 2020 to \$92 in 2022.

However, the degree to which this support is used effectively could be undermined by continued graft and corruption, as well as by renewed concerns about the treatment of opposition leaders and whether the government will follow through on its promise to replace repressive legislation with more democratic alternatives. In April 2024, revelations by whistleblowers about the hoarding of essential health care materials prompted donors to suspend about \$17 million in aid.

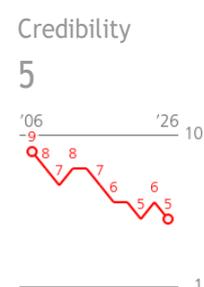
The government's credibility on macroeconomic issues was low under President Lungu, especially following the debt default and failure to reach an agreement with the IMF. President Hichilema is widely seen as having greater credibility, not least because he committed his government to honoring the country's debt obligations and negotiating a strategy to restructure its commitments. The completion of an agreement with the IMF in August 2022 helped strengthen this impression, and will facilitate the government's engagement with economic actors who see the IMF agreement as evidence that the government has a viable economic plan.

The UPND has also been careful to strike the right tone on issues that concern the international community, such as women's political representation, the fight against corruption and efforts to balance the budget. This has generated considerable goodwill, but there has been growing unease among the donor community due to concerns that the anti-corruption fight has stalled, with fresh revelations of corruption in the health sector.

In July 2024, President Hichilema moved to fire the entire board of the country's Anti-Corruption Commission (ACC) after one of its members, O'Brien Kaaba, accused the management team around ACC head Thom Shamakamba of failing to act on serious evidence of corruption. However, little has yet been done to address Kaaba's substantive concerns.

There is also concern among donors that the government has begun restricting the political space available to opposition parties, prompting figures such as the recently departed U.K. High Commissioner Nick Woolley to increasingly emphasize the importance of tolerance and respect across party lines.

Given these developments, there is a risk that the government will lose the good faith generated around the 2021 elections. To avoid this, the government will need to fully investigate and prosecute alleged corruption and improve economic performance. Currently, the budget deficit remains significant, economic growth has been disappointing and positive commitments on topics such as women's representation



have yet to be fulfilled. International donors are carefully monitoring draft legislation aimed at repealing contentious laws such as the Public Order Act, but the extent to which new legislation will institutionalize a more democratic dispensation as yet remains unclear.

Zambia is a member of the International Criminal Court (ICC), but – like many other African countries – it has criticized the court. In 2017, President Lungu announced that Zambia would hold consultations on whether to withdraw from the ICC. Public consultations revealed overwhelming support for remaining an ICC member, prompting the abandonment of withdrawal plans. President Hichilema is widely seen as more committed to upholding international law, so this matter is unlikely to resurface.

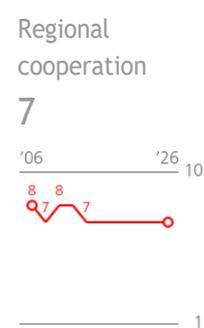
Zambia is a member of SADC and the African Union, and it hosts the Common Market for Eastern and Southern Africa (COMESA). This dual membership can create tension. Although these regional bodies have overlapping membership, their rules are not fully aligned. This inconsistency can pose a barrier to regional economic integration.

Zambia also supported the creation of the African Continental Free Trade Area (AfCFTA). The former PF government moved to ratify the agreement and to confirm the start of trading under this framework on January 1, 2021. In early 2021, the government submitted its instruments of ratification to the African Union Commission. However, as in other AU member states, this raised questions about exactly how the AfCFTA would work and which products would and would not be included – a fact underscored when President Lungu argued that the AfCFTA would present both opportunities and challenges.

Zambia maintains good relations with its neighbors, and successive Zambian leaders have upheld commitments to several regional bodies. During the Patriotic Front's tenure, relations with Zimbabwe were particularly cordial because of the close bond between Robert Mugabe and Michael Sata.

Initially, it appeared the election of the UPND government might not significantly change this situation. The Zimbabwe African National Union-Patriotic Front (ZANU-PF) government in Zimbabwe and the UPND government in Zambia still stand to benefit significantly from cooperation, despite their leaders' contrasting views on the free market and democratic principles. Presidents Hichilema and Mnangagwa shared images from their meeting on the sidelines of the South African Development Community (SADC) summit in August 2022, and Hichilema also held discussions with South African President Cyril Ramaphosa in January 2022.

However, the situation changed dramatically around Zimbabwe's 2023 general elections. An SADC observation mission was sent to monitor the elections, and President Hichilema chose Nevers Mumba, a former Zambian vice president, to lead



it. The subsequent report released by the SADC team sent shock waves through southern Africa by providing a frank and critical perspective on the polls. This was in line with the findings of other election observers but broke with the precedent of previous SADC missions. In response, ZANU-PF leaders launched a series of rhetorical attacks against Mumba and President Hichilema himself. Disinformation also began circulating from sources within Zimbabwe that sought to depict Mumba and Hichilema as “sellouts” who were acting as pawns of Western powers, in a return to the divisive language of the Mugabe era.

The involvement of some *Zambian* opposition figures in the attack on Hichilema’s character not only signaled a significant deterioration in relations between *Zambia* and *Zimbabwe*, but also exacerbated political tensions within *Zambia*.

## Strategic Outlook

The key priority for both Zambia's leaders and international donors should be to prevent the country's debt crisis from exacerbating poverty and unemployment. Social protection programs must be safeguarded, and the government must be held accountable for ongoing corruption. To avoid repeating past mistakes, the UPND needs to break with the pattern of debt-fueled consumption. This will not be easy, given public expectations and pressure to deliver ahead of the 2026 elections. These pressures could tempt the government into unsustainable spending that restarts the debt cycle.

International support for education, health care and infrastructure remains essential not only to support economic recovery but also to encourage deeper democratic reform. Zambia's peaceful 2021 transition was a rare positive moment globally, but rights are once again under pressure. The U.N. special rapporteur recently warned that human rights in Zambia are at a crossroads, and that civil society needs international support to protect the country's civic space and to push for the promises of 2021 to be realized.

President Hichilema should be pressed to deliver meaningful legal and constitutional reforms such as reducing presidential powers, protecting judicial independence and ending the use of laws that criminalize dissent. Repealing the Public Order Act and guaranteeing media and civil society freedoms would also help to build a more open political environment.

Tackling corruption remains central to economic reform. Zambia loses more than \$4.5 billion annually through tax evasion and avoidance. While the government has signaled its intent, public trust was shaken when the entire ACC board was dismissed over bribery allegations. A truly independent and empowered anti-corruption body is urgently needed – one that can investigate current ruling party figures, not just former officials.

The government must also end non-competitive procurement practices that benefit politically connected firms. Striking a fair deal in mining remains a particular challenge: For example, the Minerals Regulation Commission Bill drew heavy criticism for undermining investor confidence, revealing confusion in the government's strategy and echoing past missteps.

Real transformation will require better coordination among the UPND, the private sector, foreign donors and regional bodies. This remains possible, but there is a risk that as the 2026 election draws near, the government will increasingly shift into campaign mode and spend less time on long-term economic analysis and planning.

Upholding central bank independence and establishing a new merit-based civil service code of conduct will be vital. This code of conduct should ensure that senior civil servants are appointed on merit and do not see themselves as partisan representatives of a particular political party. Equally vital will be demonstrating that the UPND governs for all Zambians – by improving the representation of women, ensuring ethnic and regional balance, and addressing growing perceptions that party insiders are reaping disproportionate benefits.