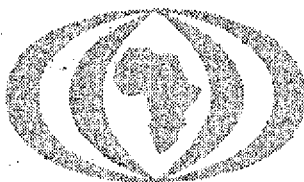


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MALAWI: THE BEGINNING OF THE POST-BANDA ERA

Two issues dominate any current debate on Malawi: the question of who is to succeed the octogenarian Life President, Dr Hastings Banda, and a fear that further regional instability may cause greater harm to Malawi's already ailing, landlocked economy. This Brief Report evaluates current political and economic developments and speculates on the future of South African - Malawian relations.

STATISTICS & BACKGROUND INFORMATION

POLITICAL STATUS:

Formerly the British Colony of Nyasaland, independence granted in 1964. One party state, namely the Malawi Congress Party (MCP), under the leadership of His Excellency, the Life President Ngwaze Dr H Kamuzu Banda.

CENTRAL EXECUTIVE POWER:

Vested in the Life President through the MCP. The Life President is also Minister of Foreign Affairs, Defence, Public Works & Information, Agriculture and Tourism.

THE NATIONAL ASSEMBLY:

Has legislative powers and comprises 101 elected and 11 nominated members. 8 nominees are women.

OPPOSITION PARTIES: (Banned)

Lesomo (Socialist League of Malawi)
Mafremo (Malawi Freedom Movement)
Congress for the Second Republic.

POPULATION: 6,1 million
Est. current population growth (1982); 2,9 - 3%.
47% of the population is under the age of 15.

LANGUAGE: Chichewa & English

CURRENCY: 100 tambala = 1 Malawian Kwacha (K)
Exchange Rate: (September 1983):
K1 = R1,0140

ECONOMY

G.D.P. K1 241,4 million (1980)
G.N.P. (per capita) K208 (1980)

ESTIMATED REAL GROWTH: 3% in 1982.

RATE OF INFLATION: 20% per annum
(Quarter ending January 1983)

MAIN EXPORTS: Tobacco, tea, sugar, groundnuts

VALUE OF TRADE: 1979 1980 1981
(No recent figures available) (K million)

Imports:	328,0	356,2	322,0
Exports:	176,3	225,5	246,0

MAIN TRADING PARTNERS: Imports: South Africa 33%
(1981) Exports: United Kingdom 28%

BALANCE OF PAYMENTS: deficit K64,5 million (1982)
deficit K40 million (estimate 1983/84)

MAIN IMPORTS: Petrol, fertilizer, consumer goods, plant machinery and equipment, transport equipment, building and construction materials, basic and auxiliary materials for industry.

TOURISM: 57 503
(1981)

RECENT POLITICAL DEVELOPMENTS

President Banda has tolerated no political activity outside of the MCP. Therefore, the question of a successor has been largely pre-empted by a series of dismissals, demotions, trials, detentions and deaths of political figures.

Prominent examples as of 1980, were the dismissal and sentencing to 22 years of a senior Minister, Gwanda Chakwamba; the sentencing of a former MP, Taindi-Phiri, to 5 years on charges of sedition; and the dismissal and house arrest of a former Prime Minister, Aleke Banda, then group Manager of Press Holdings, the MCP's economic body.

In December, 1981, leader of the exiled Mafremo, Orton Chirwa and his wife Vera, were detained (some say in Zambia), charged with treason and sentenced to death in May, 1983. In 1982, Bakili Muluzi was demoted from Secretary General of the MCP to Minister of Transport and Communications in a cabinet reshuffle. He is now considered to be politically inactive. Then in March, 1983, Attati Mpakati, exiled leader of Lesomo was assassinated in Harare. The Movement claimed that "South African agents", acting on a request from Lilongwe, had killed Mpakati.

Most suspicious of all were the deaths in May of the new Secretary General of the MCP, Dick Matenje; popular Minister for the Central Region, Aaron Gadama; ex-Minister of Health, John Bangala; and former MP, Louis Chiwanga. What official sources called a "car accident" political sources in Malawi have suggested was far from accidental and have hinted at assassination. Who may have ordered this, is still a matter for speculation. Some allege that these deaths were engineered by the Governor of the Reserve Bank, John Tembo, and his niece and close companion of the Life President, Cecilia Kadzamira.

Political observers in Malawi point out that, the Life President expressed the desire to take a year's "sabbatical" and asked the Central Committee to accept Miss Kadzamira and Tembo as acting for him during this time. Such observers point out, further, that those who perished in the alleged accident strongly opposed Banda's scheme. They conclude, therefore, that the motive to assassinate the four on the part of the Kadzamira/Tembo faction was strong.

In the second general election held in twenty years on June 29, 1983, all candidates were nominated by district and regional committees of the MCP and finally approved by the Life President. More than half the members of the expanded National Assembly are newcomers to Parliament, and five seats are still vacant, candidates having failed the required English proficiency test. In the One-Party structure, although all the candidates belong to one party (in this case, the Malawi Congress Party), voters are permitted a choice between personalities. However, in the Malawi variant, no active campaigning is permitted. For some, the failure of so many MP's to be returned to Parliament must be interpreted as a measure of popular discontent with Banda's rule and the recent deaths.

An obvious weakness of the One-Party system is the absence of a visible internal opposition; in the Malawian case, at least three parties are banned and in exile. These parties have failed to unify and, with the elimination of the leadership of two of them, there seems little likelihood that a united opposition to Banda will materialise in the near future.

The death of Matenje brought to light the growing importance of the army in the political power game. A large faction of the army was considered to be loyal to Matenje, a factor which could have contributed to his demise. In a country where no charismatic opposition leader or party can claim overwhelming support of the population, the control of the locus of military power may be a weapon of great importance. The detention of army officers known to have supported Matenje (Major Munthali, Captains Mkandavire and Mutha and Warrant Officer Jere), adds substance to the link between Matenje and the military.

THE ECONOMY

The outlook for the Malawian economy remains grim as the effects of world recession, unfavourable terms of trade, the drought and disruption of transport routes continue. While the estimated real growth averaged 3% in 1982, inflation for the quarter ending January, 1983 was calculated to be 20% per annum.

The deficit in the balance of payments in 1982 was K64,5 million which contributed to an increased foreign borrowing from the IMF and World Bank, as well as commercial financial institutions. IMF/World Bank loans were agreed only after tight import controls and cutbacks in government expenditure were implemented. In that year, Malawi accumulated a foreign debt equivalent to 44% of its export revenues and had to request the re-scheduling of debt repayments due between September, 1982 and June, 1983.

Approximately half of the total foreign debt of US.\$800 million is reported to have been financed by the South African government. Between US.\$35 and US.\$100 million of the South African loan is affected by this re-scheduling.

The March, 1983 budget reduced the balance of payments deficit to approximately K40-million. Budgeted expenditure is held constant (a cut in real terms); with K152,5 million allocated for development; the 10% increase covers imports of fertilizer. Increased revenue has been generated by raising import and exise duties on luxuries such as beer, tyres and cigarettes as well as an increase in the temporary import levy from 1% to 4%.

While investment in new industries is declining, the World Bank has shown an interest in financing a number of development schemes involving irrigation, crop diversification, conversion of wood to methanol and factory development. The World Bank is also concerned to develop the productivity of smallholders who have been adversely affected by the controlled prices set by ADMARK, the state's agricultural marketing arm.

Some critics maintain that the country's economic stability is in jeopardy as a result of Dr. Banda's personal control of an estimated 35 to 40% of the Malawian economy. He holds, for example, 99% of the shares in the giant conglomerate Press Holdings. He is also said to operate 14 tobacco estates, control the influential Blantyre Printing and Publishing Company which publishes the country's main newspaper the Daily Times, and holds a considerable share in ADMARK.

However, the major crisis affecting the Malawian economy at present is the disruption of her main transport routes. A c.i.f. increase of almost 30% on imports reflect this. Malawian transport is heavily reliant on Mocambiquean infrastructure. The congested ports of Beira and Nacala and the disruption of rail routes by the Mocambique Resistance Movement (MNR) have made Malawi dependent on road transport. (With a route through Zambia and South Africa the roundtrip is calculated to be 5 500kms). At considerable expense, urgently required supplies of fertilizers and fuel have recently been airlifted from South Africa.

MALAWI-SOUTH AFRICAN RELATIONS

Since the late 70's Banda has cautiously re-evaluated Malawi's position as a bridge between the White South and Black Africa. With her membership of, and responsibility in, the Southern African Development Co-ordinating Conference (SADCC), Banda has developed a mildly anti-South African rhetoric. However, Malawi's economic reliance on South Africa will necessitate continued relations, at least for Banda's lifetime.

The importance of the succession question for Malawian-South African relations will be determined by the ideological bent of Banda's successor. One can speculate that a successful takeover by Tembo and Kadzamira would leave the South African connection intact. The likelihood of Lesomo (reputedly the most radical opposition group) coming to power now that Mpakati has been removed, is slim. The same argument can be applied to Mafremo and the CSR. Thus, unless a radical outsider presently out of the running is successful in a bid for the leadership of Malawi, relations with South Africa should remain "pragmatic".

JAN SMUTS HOUSE,
OCTOBER, 1983.