

# DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS

Jan Smuts House/Huis  
1 Jan Smuts Avenue/Laan 1  
Braamfontein, Johannesburg  
☎ 339-2021



✉ 31596  
2017 Braamfontein  
South Africa/Suid-Afrika  
📠 'Insintaff' Johannesburg  
⚡ 4-27291 SA

Background Briefing no. 32  
For SAIIA members only  
- Not for Publication

## MALAWI UPDATE - POLITICAL AND ECONOMIC TRENDS

### INTRODUCTION:

This Background Briefing updates Brief Reports Nos. 36 and 51 and deals with recent political trends - including the crucial issue of the successor to the ageing President Kamuzu Hastings Banda; recent economic developments, Malawi's relations with South Africa and how these affect its relations with the neighbouring states.

### Recent Political Trends:

In most cases, and under normal political circumstances, over twenty years of independence should have produced a legitimate, democratic system of succession to Malawi's President Kamuzu Hastings Banda. That this has not occurred in Malawi is hardly surprising when one examines the President's leadership style. He alone shapes the future of Malawi, and he maintains a firm grip on the country's affairs. In addition to being Life President, Banda also holds the portfolios of Minister of External Affairs, Minister of Agriculture, Minister of Natural Resources, Minister of Works and Supplies and Minister of Justice. It is also rumoured that through his investments in commercial concerns and his shares in the Press Holdings conglomerate of companies (4999 of 5000), which, in conjunction with its subsidiary, General Farming, accounts for 33% of Malawi's total economic activity, Banda maintains an extensive hold over the Malawian economy.

Apart from his autocratic grip on the reins of power, Banda has built up a personality cult on much the same lines as President Mobutu Sese Seko in Zaire, particularly among Malawian women. Banda has deliberately created a strong female power base, and in his speeches he stresses their central role in Malawian politics, while they go to great lengths to demonstrate their loyalty to him. To maintain his grip on power, Banda has his private 'political army' - the Malawi Young Pioneers, trained and equipped by Israel.

As Malawi is a one-party state, the Secretary-General of the ruling Malawi Congress Party (MCP) is theoretically, the second most powerful individual, but any hint that this official, or any other, might be a possible successor to Banda leads to their unceremonious dismissal. Indeed, speculation as to a successor to Banda has proved hazardous on a number of occasions for the potential candidate. In the past, Aleke Banda (no relation to the President) lost his position as Secretary-General of the MCP after speculation in the Zambian media that he was a strong

contender for the Presidency and in 1977, Albert Muwalo Nqumayo, then Administrative Secretary of the MCP was convicted of planning to assassinate Banda after the foreign media speculated that he could be Banda's successor. A further victim was Gwanda Chakwamba Phiri, a former Minister of Youth and Sports, and head of the politically-important Malawi Young Pioneers who was charged with sedition, illegal possession of fire-arms (and also of a flywhisk - Banda's symbol of authority) and was sentenced to twenty years hard labour. More recently, ex Secretary-General of the MCP, Bakili Muluzi, lost his job amid rumours abroad that he was Malawi's second most powerful man.

The recurrent and dominant issue in Malawian politics is undoubtedly, therefore, the question of the succession. Banda's precise age is a mystery. Officially he was born in 1906, but his biographer argues persuasively for 1898, which would make him 88. But whatever his age, it is certain that the ageing leader is either unwilling or unable to relinquish power.

The 'Kwamuzu' (as Banda likes to be known) allegedly does not draw the line at mere dismissal, but has also been accused of ruthless persecution of apparent contenders for the Presidency. It was alleged, both inside and outside Malawi, that MCP Secretary-General, Dick Matenje, and member of the Executive and Chairman of the MCP for the important central region, Aaron Gadama, together with two other top party officials, who were supposedly killed in a 'car accident', were in fact murdered by government security agents. Gadama, it is claimed, enjoyed vast support among the Chewa tribesmen and had differences of opinion with Banda.

Moreover, Banda was heavily criticised by Amnesty International and the International Commission of Jurists for the death sentence pronounced in May 1983 for former Justice Minister and Attorney-General, Orton Chirwa, and his wife, Vera Chirwa (Malawi's first woman lawyer). The Chirwas, it was alleged, were the leaders of the anti-Banda dissident group - the Malawi Freedom Movement (Mafremo) - a group set up in Tanzania in 1977, but now operating from Zambia, and had crossed into Malawi from Zambia in an attempt to assassinate Banda and overthrow the Malawian government. Tried under the 'traditional court' system, the Chirwas were not permitted any legal aid. The death sentence was later commuted to life imprisonment.

#### The Opposition:

Although the only legal party in Malawi is the Malawi Congress Party (MCP), Banda faces opposition from three main exiled political groupings. The most important of these is the Socialist League of Malawi (Lesoma) which was formed in 1974 by Attati Mpakati and which is based in Maputo. However, since Mpakati's assassination in April 1983 while on business in Harare, and his replacement by Grey Kamuyambeni - a less charismatic personality - Lesoma's political activity has declined somewhat. Lesoma is now based in Dar-es-Salaam, and this partially explains its relative inactivity, as relations between Tanzania and Malawi, for a long time somewhat strained, have recently improved and Malawian opponents based there have been obliged to play down their anti-Banda activities.

A second group, the Malawi Freedom Movement (Mafremo), has declined in relevance since the imprisonment of the Chirwas and has since faced a perpetual leadership crisis. A third group, the Congress for the Second Republic (CSR), is based in Dar-es-Salaam and is led by former External Affairs Minister, Kanyama Chiure. However, all three of these groups are largely ineffective and past attempts to unite the three under the name of the 'Save Malawi Committee' (SAMACO) have failed, largely due to ideological divisions. Lesoma is dedicated to establishing a socialist government, while the other two merely want a more democratic government than the present one. Very little is known about the leadership of the Committee as such, and the actual strength of these exiled opposition groups and their degree of support inside Malawi, is not reliably known, but they each claim to have several thousand members and Lesoma claims to have Cuban-trained guerrillas. The activities of the opposition groups are limited by their lack of unity, by Banda's highly effective

security police, as well as by mass organisations such as the Pioneer Youth, which make it difficult for the outlawed parties to organise.

#### The Succession Issue:

With no effective, unified opposition, therefore, the main question is still that of succession. For a while it appeared that the successor would be John Tembo - a prominent figure in Malawian politics since the early 1960s and Governor of the Reserve Bank from 1971. He also held the highly significant post of interpreter to Banda (whose public speeches are in English, translated by Tembo into the main vernacular tongue, Chichewa). However, after the deaths of Matenje and his colleagues, rumours abounded of Tembo's possible involvement, as a week before the accident he accused Gadama of having organised the party youth to intimidate people against voting for three Central Region parliamentary candidates favoured by Banda. Gadama was allegedly strongly opposed to Banda's plan to appoint Tembo as his substitute while he was on one-year sabbatical leave in London in 1983/4. When rumour to this effect swept Malawi, it apparently created such resentment against Tembo, that Banda was forced to remove him from his position at the Reserve Bank. Yet Tembo is still widely assumed to be the favoured choice of the President. At present he occupies position number three on the party executive and is Chairman of the University Council. He has been kept in the public eye and been given reasonable exposure in the media.

Informed Malawians in government and business circles, however, believe that Tembo is merely being used as a front to conceal Banda's real candidate for the top position. She is the official state hostess, Cecelia Kadzamira. Indeed, some even believe that Tembo's political relationship with Banda is wholly dependent on Kadzamira, who is his maternal niece. It is widely believed that Banda has been systematically grooming Kadzamira for the post for the past fifteen years, and that he has deliberately created a strong female power base to ensure a smooth transition to Kadzamira. Banda has also promoted her on the international diplomatic level: she has visited Europe on many occasions and in late 1984 she visited North Korea following the establishment of diplomatic relations, presumably to ensure Kadzamira's acceptability with the Socialist bloc.

It is rumoured that Kadzamira, who has a close political and personal relationship with Banda, actually "runs" the government with him, and that without her support, he might never have been able to maintain his autocratic dictatorship. However, Tembo and Kadzamira have one disadvantage - they hail from Dedza in Central Malawi and are members of the Ngoni tribe, which is not on particularly friendly terms with the numerically dominant Chewas - Banda's own ethnic group. If Kadzamira does succeed Banda, she will be the first woman to rule an African state. There is also the possibility that Kadzamira will merely be a puppet in the hands of the Inner Circle - which is made up of commanders of the army and police, the Secretary of the Office of the President and Cabinet, the Secretary-General and the Chairman of the three regional branches of the MCP.

#### Recent Economic Trends:

Despite problems inherent to land-locked states, the Malawian economy has withstood the African economic crisis better than most, the main weakness being that of transport. The persistent guerrilla war in neighbouring Mozambique has made Malawi's rail and road links to the sea, principally via the 1 600km line to Beira or the alternative rail route to Nacala, unreliable. However, the MNR attacks, coupled with the deteriorating quality of the tracks, has virtually cut off both these routes forcing the Malawian authorities to use the infinitely more costly road and rail routes via South Africa.

Malawian authorities had hoped that the signing of the Nkomati Accord between Pretoria and Maputo might put an end to the rebel activity in the region and alleviate the burden on Malawi. This, however, has not materialised, leaving no alternative but to plan long-term transport alternatives.

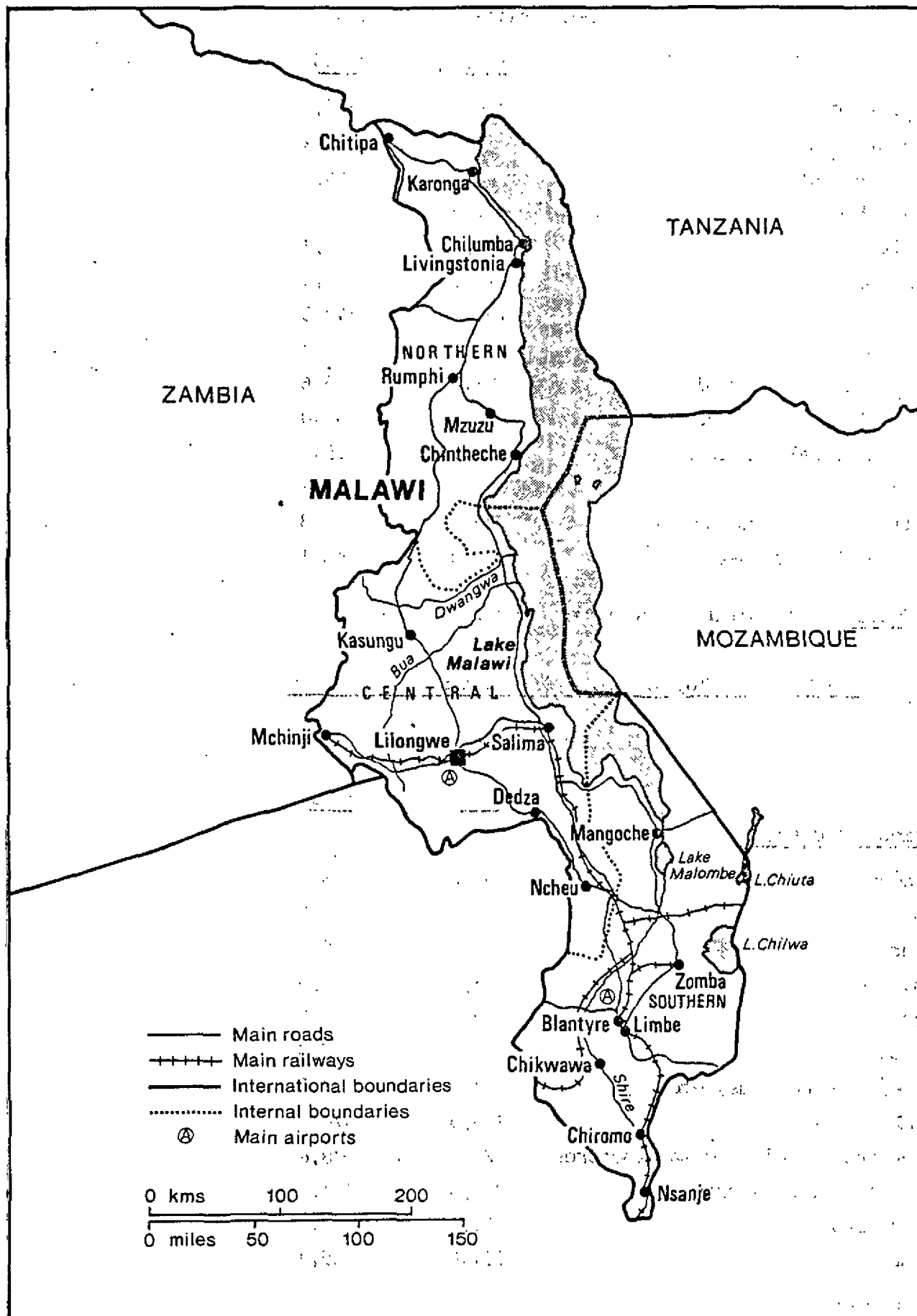
The construction of a British aid-financed road link, through northern Malawi from Karonga to Ibanda to the Tazara rail line in Tanzania, has opened up a corridor to Dar-es-Salaam, which cuts about 2 000km off the trip to the sea. However, due to the inefficiencies of both the port and rail line, many importers and exporters are reluctant to rely on this route. Under the Southern African Development Coordination Conference's (SADCC's) transport project programme, a priority scheme has been proposed to develop a 'reliable' northern corridor, involving a combination of road, lake and rail transport. There were plans to build up a domestic road transport fleet, as Malawi is presently completely dependent on foreign hauliers, using foreign aid funds and private capital. In the meantime though, two alternative routes to South African ports are being utilized - by road to either Harare or Lusaka and onward by rail to the South African ports. Even these routes have their drawbacks. The road route through Mozambique to Zimbabwe runs through Tete province, which is vulnerable to rebel attack, despite the fact that a sizeable Zimbabwean army presence is guarding it. The Zambian route is notorious for its delays, especially since the current economic recession in that country has severely affected both the quality and quantity of road and rail transport.

In a recent development the United States has granted the Malawian government R27 million to upgrade the rail and road links with Tanzania. This proposed project will include the establishment of Malawian cargo centres at Dar-es-Salaam and Mboya in Tanzania, use of the Tazara rail line, upgrading the road link between Karonga and Chilumba. The implementation of this northern transport corridor will give Malawi the shortest and least expensive alternative route for its exports.

The increased transport costs have inevitably reverberated throughout the Malawian economy. Import costs have risen sharply and petrol and diesel have periodically been in short supply. The profitability of the tea and tobacco industries has been eroded by escalating transport costs, and the sugar industry has suffered as declining world market prices fall below the costs of transporting Malawian sugar to outside buyers. Officials estimate that the effective closure of the Beira and Nacala routes could be costing the economy over R100 million annually in higher import costs and lower export receipts - and that transportation costs have tripled.

Despite these drawbacks, the Malawian economy operates in sharp contrast to most other African nations, managing to feed the country's inhabitants and to export food surpluses. Not wealthy in minerals, the focus has been on agriculture from the start, and Malawi has not been subject to the devastating droughts that have plagued her neighbours in the past few years. Agriculture, which employs 85% of Malawians, is a well-organised sector. The civil service ensures that farmers get seed, fertiliser and tools and attractive, government-fixed prices for food and cash crops ensure high productivity. A well-developed road network ensures crops are transported quickly to market. The agricultural sector contributes almost 40% of the GDP and over 90% of export earnings. The vast majority of Malawians work in the smallholder sector which produces maize as the main food crop (an increasingly important export crop) as well as cassava, millet, sorghum, groundnuts, rice, pulses, sweet potato, coffee and some fruit. Estate production accounts for the majority of tea and sugar, and to a lesser extent, tobacco output. The increasing concentration on export crops has meant that the Malawian economy has become vulnerable to fluctuations of prices on the international market, particularly since 1976.

# Malawi



Map 1. Malawi - Regional Division, 1970

TABLE 1: GROSS DOMESTIC PRODUCT, by sector of origin 1980 - 1985

(Malawi Kwacha (K) million)

	<u>1980</u>	<u>1985</u>
Agriculture	284,1	313,9
Small-scale	231,2	247,2
Large-scale	52,9	66,7
Manufacturing	89,0	106,6
Utilities	14,1	17,1
Construction	41,3	33,4
Distribution	109,3	119,5
Transport	52,1	53,4
Financial/Professional	51,4	56,6
Ownership of Dwellings	32,3	37,0
Private Social Services	29,1	35,5
Government	79,0	112,1
Unallocable Finance Charge	-20,7	-23,3
GDP (At factor cost)	761,0	862,4

Source: Financial Times Survey, April 16 1985

TABLE 2: EXPORTS BY MAIN COMMODITIES, 1980 - 1985

(Malawi Kwacha (K) million)

	<u>1980</u>	<u>1985°</u>
<u>Agricultural Crops</u>		
Tobacco	100,8	183,7
Tea	29,8	118,6
Sugar	37,7	45,2
Groundnuts	15,9	4,8
Rice	3,0	2,1
Cotton	4,5	17,3
Pulses (beans, peas, etc)	1,8	4,8
TOTAL	193,5	376,6
Other crops including Manufactures	24,8	68,6
Total Domestic Exports	218,3	445,4
Re-exports	12,7	10,0
TOTAL	231,0	455,4

° Forecast

Source: Financial Times Survey, April 16 1985

TABLE 3: BALANCE OF PAYMENTS, 1980 - 1985

(Malawi Kwacha (K) million)

	<u>1980</u>	<u>1985</u>
Exports	231,0	455,4
Imports	258,4	271,6
Trade Balance	-27,4	183,8
Invisibles (nett)	-180,8	-274,6
Current Account	-208,2	-90,8
Capital Account (nett)	201,6	90,8
Overall balance before debt relief	-6,6	0,0
Debt Relief	0,0	0,0

Source: Financial Times Survey, April 16, 1985

External Indebtedness:

Banda's relatively successful free-market approach to the economy - as opposed to the socialist systems of its neighbours - stands him in good stead with Western creditor nations, but a growing economic problem for the Malawian government is its heavy debt servicing commitments. After debt rescheduling took place in 1982 and 1983, payments of US\$53,2 million fell due in 1985. Nevertheless, despite the problems this poses for overall economic performance, the Malawian Treasury Secretary announced that he did not intend to seek a Paris Club rescheduling in 1986. He would, however, seek a replacement from the International Monetary Fund (IMF) for the SDR 31 million (Special Drawing Rights), three-year Extended Fund Facility. In late 1985, the World Bank approved a third structural adjustment loan (SAL) for Malawi worth US\$70 million over two years (US\$40 million from the Bank-administered Special African Facility and US\$30 million from its International Development Association). The approval of the new SAL could be said to reflect the effective utilisation of two previous loans that were successful in helping the Malawian government to implement appropriate adjustment policies.

Relations with South Africa and with Neighbouring States:

Malawi remains the only African country to have diplomatic links with South Africa, and this obviously affects, to some degree, relations with its neighbours. But at the same time, probably with transport dependence in mind, some improvement of relations has occurred. In recent years both Zimbabwe and Mozambique have opened embassies in the Malawian capital, Lilongwe. Mozambique's President Machel visited Malawi in late 1984 to discuss a mutual problem - the MNR's activities, which have cut Malawi's access to Beira and Nacala. Recently it was alleged by the official Mozambican news agency, AIM (quoting government officials) that MNR rebels were using Malawian territory as a base - an allegation that was subsequently denied by Malawian authorities. Banda also probably fears that Mozambique could be harbouring his political opponents from the Socialist League of Malawi.

It is for this same reason - the harbouring of opposition groups - that relations have, in the past, been cool with Tanzania and Zambia. During the 1984 trial in Dar-es-Salaam of nineteen people for attempting to overthrow President Nyerere, a Malawian connection was revealed, when it was alleged that the coup organisers met at Mbamba Bay in Malawi. Previously Banda had claimed vast tracts of land from both Zambia and Tanzania. However, recently bilateral relations between Malawi and its neighbours have improved, mainly through membership of SADCC, in which (due to its landlocked position), Malawi has a strong vested interest. High-ranking officials are sent to the summit meetings of the OAU, although Banda himself continues to stay away. The fact that Banda has made moves to come to terms with his neighbours, despite ideological differences, may indicate that he fears outside intervention should his death create a power vacuum inside Malawi.

Conclusion:

The most pressing question facing Malawi is: will the country remain the politically stable and economically prosperous example that it is at present in the post-Banda era? Or will his death signal a period of instability which could be exploited by the exiled opposition groups? What is certain though, is that Banda's successor will have difficulty in filling the President's shoes. Many Malawians arguably believe that the stability they have enjoyed in the past was due to Banda himself, and they would probably find it difficult to visualise Malawi without him.

Jacqueline Mackenzie

JAN SMITS HOUSE

August 1986