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Zambia: Between Bombs and Economic Betterment

FIVE BOMB BLASTS rocked the Zambian capital, Lusaka, on Sunday 28 February 1999. One exploded at the Angolan Embassy, others being aimed mainly at infrastructure targets. The last time Zambia experienced this sort of violence was ahead of the 1996 elections when a shadowy political group known as the 'Black Mambas' claimed responsibility for a number of attacks. Zambia's currently tense relations with Angola and the possibility of internal insurrection raise a number of questions: first, is there any likelihood of war between Angola and Zambia? Second, what are the domestic forces pitted against President Frederick Chiluba's government, and are there any reasons why they might mount such attacks? Third, what are the implications for South Africa?

The Regional Dimension

Relations between Zambia and Angola have been strained over allegations that Zambian President **Frederick Chiluba** allowed illegal weapons shipments to pass through Zambian territory to UNITA rebels in Angola. Several senior Zambian officials have been implicated, including the Zambian Vice-President Lt-General **Christon Tembo**, Energy (and former Defence) Minister **Ben Mwila**, and former Commerce, Trade and Industry Minister **Enoch Kavindele**. Similar claims have been levelled against the President's son, **Tito Chiluba**, and the late former Finance Minister **Ronald Penza**. Tembo, the ex-army commander, has denied these allegations saying that "The story is militarily unsound ... using faulty and outdated intelligence".

President Chiluba has also formally denied Angolan charges that Zambia has provided arms to UNITA. In an address to the Southern African Development Community (SADC) Council of Ministers meeting in Lusaka on 12 February 1999, Chiluba reiterated earlier Zambian suggestions that the UN and other international bodies investigate the Angolan claims.

"We do not have the capacity nor resources to prosecute a war with Angola," Zambian news agencies quoted him as saying. "We have sacrificed in the past for Angola's independence and we do not want to throw that kind of peace to the winds". Chiluba said that Zambia's support for Angola dated back to the armed struggle against Portuguese colonialism, when many leaders of today's governing MPLA enjoyed refuge in Zambia. At the meeting which was chaired by South African Foreign Minister **Alfred Nzo**, Chiluba went on to say that: "there is no justifiable cause for Zambia to assist rebel UNITA, the renegade recalcitrants".

The irony of these allegations is that Chiluba has been playing a key mediating role in trying to find a diplomatic

solution to the conflict in the Democratic Republic of Congo (DRC) where forces from Angola, Zimbabwe, Namibia, Sudan, Chad and Libya are involved on the side of President **Laurent Kabila**, with Uganda and Rwanda on the side of the (mainly) Tutsi rebels pitted against Kinshasa.

When the rebellion broke out against Kabila in August 1997, Chiluba was apparently keen to send troops to reinforce the Congo strongman. His sympathies reportedly still lie with Kabila. However, Zambia's business community, cabinet ministers, civil servants and military officers persuaded him against sending martial support.

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The local business community argued that the country could not afford an intervention in the DRC and, if this happened, foreign investors would write Zambia off as too dangerous. Cabinet ministers stressed that bargaining

in would also be unpopular with Zambians, already discontented with the country's economic difficulties. However, probably the most persuasive arguments came from Zambia's top military officers who told Chiluba that the army could not be expected to fight a war which would be unpopular at home with already demoralised troops (loyal junior officers were fed up with the way their seniors had allegedly pocketed the funding for contracts for new equipment). As a result, Chiluba announced to his troops on 20 August 1998 that he would not be intervening in the DRC. Instead, the President has played a leading role among SADC members in making peace in the Congo, giving him considerable stature among Southern African heads of state.

His efforts come against a backdrop of intensified fighting in Angola, and the withdrawal of the 1,000-strong UN Observer Mission in Angola (MONUA) upon the expiry of its mandate at the end of February. During the same month, Angolan President **José Eduardo dos Santos** told UN Secretary-General **Kofi Annan** that he saw no need

for even a smaller UN political or military presence to remain in the country as proposed by the UN Security Council. He said that humanitarian aid agencies could remain to "deal with humanitarian assistance, human rights and other matters related to the interests of the people". This is important to Zambia given the potential for refugee flows into its North-West. In October 1998 an estimated 65,000 refugees fled into Zambia as a result of UNITA's conscription drive.

MONUA, which succeeded three UNAVEM peacekeeping missions and which once numbered 7,000, was mandated to monitor the 1994 Lusaka Protocol peace accords brokered by the UN. But the accords were shattered in December as the government and UNITA rebels returned to war. In his letter to Annan, Dos Santos also said that the UNITA leader Dr Jonas Savimbi should be declared a war criminal and demanded an international arrest warrant be issued for his capture.

The recapture of M'banza Congo, a strategic city on the main road to coastal oil installations and the northern border with the DRC, was announced on national television by General Joao de Matos, chief of the Angolan Armed Forces (FAA) during a visit on 13 February. The government also announced the capture of Songo in northern Angola on 9 February. The next day, in the north-west province of Lunda Norte, it announced the recapturing of Luo diamond mine 48 hours after it had been seized by UNITA forces. These developments have prompted Zimbabwean President Robert Mugabe to urge SADC involvement in support of the Angolan government against UNITA. Zambia is caught between instability and maverick leadership to its north and south.

"FAA is unlikely to pose any serious military threat given Angolan troop and supply shortages."

Following a meeting with Mozambican President Joachim Chissano who was trying to mediate an end to the DRC crisis and Angolan-Zambian tensions in his capacity as Vice-Chairman of SADC, Dos Santos was asked in an Angolan television interview in February whether he would accept an invitation to meet Chiluba. He replied saying that: "such a meeting is always welcome, but there are serious problems to resolve. We have reiterated Zambia's involvement in the process of destabilising Angola, and even said that Zambia was taking part in an aggression against Angola. We would, therefore, only attend a meeting if we could see changes in the attitude of the government of Zambia and its president".

There have been ongoing allegations that UNITA has set up bases in Zambia following the disruption of its (then) Zairian supply lines. President Chiluba has, as expected, denied Zambian complicity though his regular liaisons with Dr Savimbi appear to suggest otherwise. In 1998, UNITA was accused by the MPLA of attacking and occupying the Cazombo salient in Moxico province on the Zambian border. On 4 March 1998, the Angolan Ambassador to Zambia, Augusto Emanuelle, warned Lusaka to halt support for UNITA or face military action. Earlier, it was reported that Angolan jets were on alert to attack Zambia in October 1997. Elements of UNITA ground forces are believed to have been deployed in Western Zambia where established logistical road supply routes exist. Kitwe and Solwezi have also been used for air supply. In September 1998, a truck filled with weapons was impounded close to the Angolan border by Zambian soldiers but later released after

UNITA crossed over to collect the weapons. Despite protestations, use of Zambian territory in this manner is likely to continue given its highly profitable nature. Yet government involvement has not been irrefutably confirmed.

The Angolan government has long tried to lay the sole blame for its problems either at the door of UNITA or on outside governments and actors accused of supporting Savimbi's rebel movement. However, it is increasingly clear that the Angolan situation can no longer be seen as a morality play about the forces of good (the government) pitted against the evil (UNITA), and that Luanda should shoulder responsibility for its failure to provide Savimbi with a diplomatic avenue away from war. It is also apparent that the Angolan leadership *élite* are making considerable personal fortunes from a continuation of conflict — both as a result of the negative impact on the establishment of conditions of good governance, financial transparency and accountability, but also through ongoing arms resupply deals.

While Lusaka has conceded that its lengthy border with Angola is near-impossible to police, Luanda's vociferous pointing to external factors is increasingly disregarded by the region, including a more assertive South African government. While Zambia may fear military attack by Luanda's forces, FAA is unlikely to pose any serious military threat given Angolan troop and supply shortages.

The Domestic Dimension

A Unified Political Opposition?

Chiluba swept to power in Zambia's first multiparty elections in 27 years in 1991, removing President Kenneth Kaunda from office. He was re-elected in the November 1996 general elections from which Kaunda was prevented from taking part on account of a provision in the constitution passed the same year which stipulated that the president can only serve two terms and must be a Zambian — which excluded Kaunda on the basis of his Malawian origins and prompted speculation (and legal action) about Chiluba's own (allegedly Congolese) parentage.

The next presidential elections are scheduled for 2001. Chiluba's Movement for Multiparty Democracy (MMD), which holds 131 seats in the 150-seat National Assembly, has been hard hit by persistent allegations of corruption and, in the wake of the emerging markets crisis, by last year's 2% decline in GDP. Rumours persist, for example, that the respected former Finance Minister Penza (sacked from his position in March 1998) who was gunned down outside his Lusaka home allegedly by robbers in early November 1998, may have been a target because of his knowledge (and involvement) in corruption scandals. Kaunda has found himself a victim of Chiluba's insecurities, being accused of involvement in the 1987 coup attempt and spending until May 1998 in custody from which he was released without charge.

In January 1999, 19 opposition parties agreed to unite for the next election, while some 800 MMD cadres resigned to support party vice-treasurer Sylvia Masebo. There may be an ethnic dimension to future opposition: almost all MMD government ministers are Bemba people from the North-East and Copperbelt, and many non-Bemba think the party ethnically biased. There

are also rumblings among the military, disaffected members having staged a botched coup attempt in October 1997 led by an army captain Steven Lungu (known as 'Captain Solo'), as a result of which 77 soldiers currently remain in detention on trial on treason charges. An additional cause for wider concern is parliament's approval of a presidential slush fund which, in 1998, stood at R38 million.

A prominent businessman, Anderson Mazoka, will run for the presidency in 2001. Unless he is able to break the government's stranglehold on the media and form a broad-based coalition, he will not pose a significant challenge to Chiluba. The president may, in fact, use the absence of a credible successor to justify a third-term even though this is prohibited by the constitution. This could occur, however, through an amendment to the constitution or an exemption from the two-term provision. But this action could serve to unite further his domestic opposition and increase the likelihood of violent resistance among Zambia's 9.8 million people.

Economic Reform

Chiluba's political failings should not obscure his reforms of Zambia's previously decrepit economy. He has instituted complete foreign exchange liberalisation, opened Zambia's markets, implemented a far-reaching programme of privatisation, and welcomed foreign investment.

Yet Zambia remains one of the most heavily indebted nations world-wide, and its economic performance is still shaky and dependent on the key minerals sector. With a total external debt of over US\$7 billion (or 160% of GNP), inflation currently sits at over 30%. During 1998, the Kwacha depreciated from ZKW1,421 to ZKW2,300 to the US dollar, fuelling an inflation increase from just 18% at the start of the year. This has hit average Zambians hard in a country where the annual per capita GDP is just US\$400. Poor socio-economic conditions have been compounded by a recent cholera outbreak. By the end of February 1999, over 40 people has died in an outbreak of cholera in Lusaka which started in January. The main reason for the outbreak is lack of proper sanitation and a build-up of refuse in the city.

Any political crisis in Zambia would be critical to many South African businesses, given that South Africa is today one of Zambia's largest investors and source of foreign goods.

Implications for SA

South Africa's trade and investment relationship with Zambia is burgeoning: two-way trade increased from R1.4 billion in 1995 to over R2 billion in 1996 and R2.4 billion in 1997. The balance (1997 figures) is very much in South Africa's favour, with R2.23 billion in exports and R180 million in imports.

But it is in the field of mining operations that there is the greatest involvement. The privatisation of Zambian Consolidated Copper Mines (ZCCM), although not without its difficulties and delays, is now on track, and will involve a considerable investment by South African-linked operations.

The privatisation of ZCCM is the centrepiece of Chiluba's restructuring and privatisation of Kenneth Kaunda's patronage-laden system of over 200 parastatals. However, haggling over the price for the mines amidst a global slide in copper prices, has resulted in the Zambian government receiving much less than anticipated. The world copper price hit a 12-year low in January and has been on a downward slide since the initial collapse in June 1996.

The World Bank's approval of a US\$170 million loan for Zambia's balance of payments (BoP) support closely followed the signing of a memorandum of understanding between an Anglo American-led consortium and the Zambian government in January to buy ZCCM's remaining assets in a US\$800 million deal – Nkana and Nchanga divisions, Nampundwe mine and the Konkola Deep prospect. Zambia is dependent on BoP support given its foreign exchange needs which, in turn, are linked to its heavy debt-servicing commitments (around half of total government expenditure), the low price of its principal copper and cobalt exports, and the demand for imports as the economy expands. The World Bank country director for Zambia, **Phyllis Pomerantz**, has noted that future funding would be linked to continued public sector reforms and completion of the ZCCM sale.

The IMF/World Bank had, for 14 months, refused to release BoP support until the ZCCM deal went through. By 1998, the mining group was incurring operating losses of US\$17 million per month.

Concluding Scenarios

The bomb attacks could have been the result of activities by a number of forces for different reasons:

- ◆ First, by UNITA, particularly since the one blast took place at the Angolan Embassy.
- ◆ Second, they may have been intended to pressurise Lusaka into clamping down on the alleged weapons smuggling operations to UNITA — that the Angolan Embassy blast was either a bluff or, more likely, a botched bomb manufacturing attempt.
- ◆ Third, they were designed to destabilise Chiluba's efforts to bring about a peaceful solution to the conflict in the Congo.
- ◆ Fourth, by domestic (perhaps military) opposition, using the Angolan Embassy as a cover for essentially locally-focused motives, and trying to provoke Angola's response to worsen the situation.

At the time of writing, no one has claimed responsibility for the blasts and any one of these suspects is likely. Chiluba's Zambia sits at the cross-roads of regional instability and, domestically, between democratic and violent opposition. The South African government will have to focus its diplomatic resources to ensure that peace prevails and that Zambia does not get sucked into Central Africa's vortex of violence. This strategy will not only support regional democracy, however shaky, over despots, but will aid South Africa's expanding business interests.