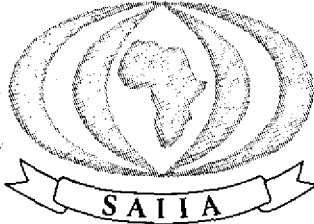


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ZAMBIA - PAST PRESENT AND FUTURE

Zambia is at a critical and precarious stage in her development as a country. She came of age last October after twenty-one years of withstanding severe pressures from events in Southern Africa. Now the crucial test is how well she can stand up to the pressures building up around South Africa. The Zambian economy has not been in a healthy state for almost ten years. In many ways it is not as well placed as Zimbabwe to withstand further pressure, as the economy is still seriously dependent on copper despite repeated efforts to diversify into agricultural and other exports.

There are however several positive factors which have stood the country well in the past. Zambia, when compared with most African countries, is remarkably stable politically, relatively free of tribalism and tolerant to foreigners. The country has large areas of relatively undeveloped land with agricultural potential. Climatically she is not quite so vulnerable to the regional droughts which have affected Central and Southern Africa so seriously in recent years.

Zambia is one of the most highly urbanised countries in Africa with close to 50% of her population living in Lusaka, the Copperbelt and other 'line of rail' towns. This urbanisation puts tremendous strains on the country at a time of economic crisis. Coupled with the low density of the rural population this has caused a delayed reaction to the huge problem of population growth. Zambia has striven hard to correct the gross neglect of education and health services by the colonial government. However it has now been overtaken by the boom in numbers of children. Standards have fallen as primary schools have moved to a two-shift and then a three-shift system.

Life in Zambia is not easy at present, and since the auctioning of the Kwacha earlier this year and the devaluation that followed, has become more difficult. However the impact has fallen much more on the wage-earning black Zambians than on the Whites. While the situation is serious it is not as bad as sometimes suggested by the foreign press. Life for professional and self-employed people still compares well with other African countries, although they constitute a small fraction of the total population.

Although this paper, written for a Western audience, uses the term 'white' extensively, skin colour is no longer an important issue in Zambia. If socially Whites still tend to remain exclusive, in most other spheres there is easy multi-racial contact. Recent settlers are drawn from all quarters of the globe as well as from the neighbouring states.

Zambia before independence

Zambia, as 'Northern Rhodesia' had an excellent economic record during part of the colonial period. Between 1946 and 1953 the gross product of its money economy increased nearly seven times, unfortunately with relatively small impact on the black population. Figures for the short-lived Central African Federation show that more was spent on education for the white population of less than 300 000 than on an African population of more than 7 300 000.

The extent to which the resources of Northern Rhodesia were exploited by the British South Africa Company came to light during the struggle to regain control of mineral rights between July and October 1964. This reached a climax only a matter of weeks before independence. Over the years up to 1963 the company had received more than £160 million gross, £83 million net, in copper royalties. The company originally demanded £50 million compensation for signing away its mineral rights, but on the eve of independence agreed to accept £4 million (of which £2 million was provided by Britain).

There can be very few people who would disagree that at that time the Territory was governed primarily for the benefit of its white inhabitants. When compared with other British territories in either East or West Africa, the country was extremely backward as regards such essentials as agricultural development and education. Until 1925, rudimentary education facilities were provided by the Chartered Company. Expenditure on African education in 1924-25 was only £348, but expanded to £15 284 by 1930-31. However, the fact that education for Europeans and Africans was handled separately, remained a point of contention.

The lack of identity of interest is illustrated by the fact that in the pre-independence campaigns, Kaunda and his party (UNIP) went all out for the support of Europeans and Asians, with little success. Despite the support of Core-Browne, the doyen of the settlers, for UNIP, the murder of a single white woman was used in the UFP campaign against UNIP.

Zambia's land-locked situation

As a result of the regional tensions and conflicts, there have been dramatic changes in the routes by which both Zambian imports and exports have moved over the past 12 years. The following table gives a picture of the situation in 1973, when Angola was still under Portuguese rule. The Tanzania-Zambia railway only operated then as far as the border and lorries were used for the Mombasa/Dar traffic. The southern routes were reduced following Rhodesian UDI and the border closure in 1973.

Table I: 1973 routes for Zambia's exports and imports (Metric tons)

<u>Route</u>	<u>Exports</u>	<u>Imports</u>
Lobito (Angola)	444 000	432 000
Beira/Nacala (Mozambique)	72 000	132 000
Mombasa/Dar es Salaam (Tanzania)	288 000	228 000

With the continuing conflicts in both Angola and Mozambique, one of the main effects has been to increase the use of the Tazara railway to Dar es Salaam plus the southern route as Table II shows.

Table II: Zambian Export and Import Tonnages by Route (Metric tons)

	1983/84	
	<u>Exports</u>	<u>Imports</u>
Via Tazara (Dar es Salaam)	441 200	221 889
Via South Africa	202 400	375 521
To Zaire	42 400	487
	<u>686 000</u>	<u>597 897</u>

Achievements since independence

Zambia's overall economic track record has been so poor since 1975 that some of the achievements since independence tend to be overlooked. We need to be reminded that Zambia was then very highly dependent on imports of almost everything including skilled labour. An unreasonably high proportion of profits was being shipped out to pay for these imports and in royalties to the British South Africa Company. Secondary education was confined to a very small elite and graduates numbered scarcely 100. Undoubtedly this deficiency would have been remedied much more rapidly, if copper prices had been maintained at pre-1975 levels. The following table provides a summary of some of the major areas of progress.

Table III: Some Achievements of Zambia Since Independence

Area of Achievement	1964 - 1985	
	Situation Before 1964	Situation Now (1985 figures)
1. Use of resources:		
a) Irrigated area	2 000 ha	19 009 ha
b) Electricity generated from -		
Coal	Imported coal from Rhodesia.	Most coal-powered stations closed.
Hydro-power	Kariba south power exported to Zambia. Also imported from Zaire.	Self sufficiency and large surplus for export to Zimbabwe.
2. Self sufficiency:		
a) Day old chicks	Imported from Rhodesia.	Major export business to Angola, Tanzania, Malawi.
b) Eggs and Broilers	Major importation from Rhodesia and RSA.	Self sufficiency since 1968 and 1965.

Table III continued

c) Pig Products	Major importation of pig products.	Self sufficiency since mid 1970s, wide range of sausages, hams, etc.
d) Sunflower	Almost all edible oil imported.	41 000 m tons (1983)
e) Cotton	2 098 m tons (1965)	40 000 m tons (1983)
f) Soya beans	Major import of soya cake, etc. Almost no local production.	Some exports due to lack of processing. Two thirds demand satisfied.
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3. Education:		
a) Secondary School output	150 approximately	11 545 (1983 figures)
b) Graduate output	NIL	735 (1983 figures)
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In some cases, such as poultry and pig production, dramatic increases in the early 1970s have been followed by depressed conditions in the 1980s. In two cropping areas, soya bean and sugar, there have been reasonably steady improvements which have continued up to the present day. For instance, the soya bean crop has increased from 3 000 bags in 1976 to 120 000 in 1984.

Africanization

All newly independent governments sooner or later adopt a policy of replacing expatriates with citizens. In Zambia this is called *Zambianization* and is a continuing process.

Neglect of secondary and university education made Zambia very dependent on expatriates at independence. In 1964 there were just over 1 200 black Zambians with secondary school certificates and scarcely 100 graduates. Moves to expand education facilities after independence actually increased the numbers of expatriates employed, although since 1975 there has been a gradual decline. Burawoy (1972) points out that policies on the mines have been different from those in government. In government 'it has proceeded both from the bottom upwards and from the top downwards'. In the mines 'it has advanced only from below'. Although there has been a recent purge, many senior posts in the mines are still held by whites, including some South Africans. Many of Zambia's economic problems have resulted from the premature replacement of Whites in government by *Zambian Blacks*, who were not yet sufficiently trained or experienced.

The following table gives an idea of how the employment of non-Zambians has changed since independence and how earnings have changed. Non-Zambians are, from a range of nationalities, including Indians, Pakistanis and Mauritians as well as many Europeans.

Table IV: Employees and average annual earnings in all industries.

Zambia 1964 - 1979

<u>Year</u>	<u>Employees</u>		<u>Average Annual Earnings Kwacha</u>	
	Zambian	Non Zambian	Zambian	Non Zambian
1964	236 900	31 690	382	3 294
1968	325 150	29 050	789	4 875
1972	333 790	34 140	1 014	4 548
1976	340 980	27 810	1 478	6 858
1979	351 330	22 540	2 103	7 669

Numbers of non-Zambians fell by 30% and numbers of Zambians increased by 62%. By 1979 the number of non-Zambians employed in Agriculture, Forestry and Fisheries was only 2 020. White commercial farmers are not listed, being self-employed.

Zambia and South Africa

In spite of being insulated by Zimbabwe, Botswana and the Zambezi River from direct contact, Zambia has remarkably close links with South Africa. In terms of trade South Africa overtook the UK in 1982 as Zambia's number one source of imports, for a total of ZK 134.6m compared with imports worth ZK 120.4m from the UK. Declining during the period of Rhodesian sanctions, imports started to rise again in 1980.

Visitors from South Africa have also increased, as Table V shows.

Table V: Visitors to Zambia from selected countries of permanent residence.

(Central Statistical Office, 1982)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
South Africa	931	1 178	1 099	1 697	2 952	1 594	3 544	4 310
Zimbabwe	1 030	765	1 491	2 606	1 334	366	13 679	27 698
USA	2 516	2 587	2 703	2 002	2 285	1 885	2 112	3 888

One important side-effect of the present troubles in South Africa has been the drop in tourism. Zambia has tremendous potential as a wildlife tourist centre and its South Luangwa National Park has a higher concentration of a wide range of species than probably any other park in Southern Africa. However, according to the Minister of Tourism, the numbers of tourists fell by 23% in 1985. Most of the 100 000 tourists in Zambia came from Europe, Asia and North America and, as compared with Zimbabwe, there are very few South African tourists. Possibly the television publicity given to South Africa has had an adverse spin-off effect on tourism to Zambia.

Economic Problems

Zambia faces the same problems as many other African countries such as declining export prices, production cuts with increased government spending.

In Zambia's case the situation has been accentuated by the effects of the Rhodesian sanctions and the disruption caused by the fighting along the Zambezi River.

It is erroneous to blame all Zambia's economic problems on the falling copper price, rising oil prices (until recently) and other import costs. Lack of effective supervision in starting and manning new enterprises without adequate feasibility studies is also to blame and considerable savings could have been achieved by reducing military and diplomatic expenditure.

The French agronomist René Dumont has been extremely critical both of Zambia's performance as well as her future plans. In an interview he said: 'Zambia totally lacks a coherent agricultural development policy. At present the Zambian government is trying to set up large provincial farms, managed by bureaucrats, to act as dynamic agricultural growth points. Given the record of Zambian agriculture since independence, I can sadly say this approach is assured of one thing: certain failure'. He was referring to the Operation Food Production launched in 1980. It was intended to attract countries worldwide to set up 20 000 hectare farms in each province. Some twenty-five countries were expected to participate. The response was extremely poor with several countries withdrawing after making feasibility studies. According to 1984 figures six feasibility studies were completed and three actually commenced operations in 1983/84. An effort is being made to promote high value exports of horticultural perishables, mainly to neighbouring countries.

Much has been made of Zambia's failure to feed herself in recent years. For a country which has a more reliable rainfall and much more land than Zimbabwe this may seem inexcusable. However, it should be pointed out that vast areas of the country have never been opened up. Of the total land available for agriculture in the country (41 million hectares) about 71% is still uncultivated bush. 45% of the uncultivated areas are in North Western and Western Provinces. Zambia also has a much smaller commercial farming population than Zimbabwe (approximately 1000 compared with 8 000).

Another reason for the failure to expand food supplies is the very rapid growth of population. If the United States or Britain doubled their populations in just over 20 years would they be able to cope? There is no reason why, with the right investment and good management, Zambia should not become a bread basket for other African countries. But this will not come about unless the capital and managerial skills are found to develop new areas.

Non-Alignment

Zambia is a member of the Non-Aligned Movement and President Kaunda is keen to maintain a neutral stance in foreign policy. Having said that, there is no question that economically Zambia is influenced much more by the Western than the Eastern Bloc. Numbers of visitors in 1978 from Non-African countries are given in Table VI below.

The USSR, China and the Eastern Bloc countries are not separately listed but could not exceed 3558, the combined numbers of the rest of Europe and the rest of Asia. In terms of aid the most prominent Marxist countries are North Korea, China and Yugoslavia. Their achievements range from the Tanzam railway through power stations to rice farms.

Table VI: Non African visitors to Zambia 1978

(Central Statistical Office, 1982)

USA	2 285	Rest of Asia	590	Netherlands	359
Rest of America	750	Belgium	230	Sweden	561
India	1 090	West Germany	1 192	UK	5 892
Japan	431	France	581	Rest of Europe	2 968
		Italy	848	Oceania	449

While the above projects represent a considerable contribution to development one could not claim that there is in any sense domination by these countries. Large numbers of Chinese (People's Republic) technicians are brought in but very few speak English and social mixing is minimal. Other Eastern Bloc countries are also isolated from Zambian society partly by language but also by their own security regulations. Large numbers of Zambians are trained in Eastern Bloc countries but very few return with a strong marxist commitment. In terms of aid there is a very considerable bias towards western countries. In agriculture there are currently about 140 aid projects in train, of which only two belong to the 'communist bloc'. About fourteen projects are run by 'neutral' countries such as Sweden, Switzerland and Ireland.

Ethnic Adjustment

It would be grossly misleading to suggest that the Whites of Zambia have all made major adjustments in their attitudes. Strangely, many of the old style liberal pro-African activists have departed whilst many of the diehard conservatives have remained. White Zambians write regularly to the press and are not afraid to be critical of government actions: white farmers are also highly critical of their government and are able to put their views directly to the relevant Ministers at meetings arranged through the Commercial Farmers' Bureau.

A 1961 survey showed that Whites had a greater resistance to social integration as compared to economic integration. The situation today has not changed significantly, although there are many fewer Whites. The old exclusive clubs are no longer exclusive or so popular. Generally, people mix easily when they need to without too much consciousness of race. Mixed marriages between white and black are largely restricted to two groups: volunteer or 'aid' expatriates who marry black Zambian women and black Zambian males who return from overseas courses with expatriate wives.

The Future Economic role of Whites

A major reason for the failure of most African economies to expand since independence has been lack of access to and unwise use of investment and aid funds. This is a long-standing situation and reflects the 1938 position quoted by Mazrui where out of UK £1 222 million capital invested in Africa UK £550 million was invested in South Africa. Rapid population growth leads to a major diversion of resources to schools and health services, which is not immediately productive. As a result industry, agriculture and such essentials as road maintenance have been starved of investment funds both at a national and local level. Those Zambians that do make a success of a business or industry often have their efforts undermined by the pressures

of the extended family. Whites therefore have a major role as leading entrepreneurs in countries such as Zambia, and this role should increase if these countries become more stable and fears of a possible Amin-type situation are dispelled. Uncertainty and insecurity lead to a syphoning-off of profits into overseas bank accounts, which is not only bad for the economy but eventually undermines Black acceptance of Whites as fellow citizens. In Zambia these fears are at present increased by the rising tension over South Africa. If the struggle for power in South Africa can be resolved reasonably quickly and peacefully there is every hope that Whites in Zambia will be more confident of their position and more willing to invest profits within the country.

On a fairly limited scale, Zambia is currently attempting to reverse the common post-independence trend of taking over large-scale farmers and replacing them with smaller-scale black farmers. Along the Zambezi River, below its confluence with the Kafue, an area of over 20 000 hectares is currently being developed by white immigrants. The allocation of new land to Whites in an area bordering Zimbabwe is seen as undesirable by some Zambians. In fact, the move makes considerable sense from the economic point of view. Zambia has vast areas of unoccupied land, much of which has agricultural potential. Current estimates give a total of some 3 000 000 hectares. However this potential can only be realised if the necessary capital, skills and management can be found. These are just what Zambia lacks. It also has an appalling and growing unemployment problem. Foreign investment is essential if Zambia is to break out of the spiral of poverty.

Zambia is in an extremely vulnerable financial position at present with the depressed world market for primary raw materials and much will depend on Southern African stability. There is therefore a strong case for carefully controlled long-term immigration to develop new areas of the country.

Given the assistance of expatriate skills, coupled with upgraded domestic and technical education, leading to more effective diversification of the Zambian economy, there is no doubt that Zambia could become a successful and viable state, straddling, as it does the gap between the underdeveloped Central African nations and the more varied and dynamic economies of the South. If the posturing and rhetoric over the state of the African continent and its environment can be translated into substantial action and assistance on the part of the First World, Zambia may be well placed to take advantage of it.

Recent statements by African heads of state seem to suggest the emergence of a new sense of realism and practicality which bodes well for the future.

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