Southern Africa A Review of the Region

Sanusha Naidu¹

Introduction

The year 2000 marked the beginning of the new millennium. For Southern Africa, however, the year 2000 heralded few changes. Most of the various political and economic challenges experienced in 1999 were carried over into the new era.

Threats to democracy and human rights escalated in Zimbabwe, while in Angola the civil war raged on, despite efforts by both regional leaders and the international community to find a lasting solution to the crisis. Of special concern was the spillover effect that the Angolan war had on neighbouring states, namely Zambia and Namibia, creating the threat of regional conflict.

In Mozambique the strengthening of the democratic process was put on hold as the opposition boycotted Parliament to protest the 1999 election results. The Zambian and Malawian presidents undermined the democratic system in their countries by threatening to run for third terms in office. Calls for political reform in Swaziland led to a trade union strike in the latter part of 2000, which was met with increased repression by state authorities.

Furthermore, the transparency of state institutions (that is, public knowledge of how they operate) and the freedom of the press remained vulnerable to the power of state elites. Threats and court interdicts against the independent and critical voice of the media escalated in Zimbabwe, with state authorities manipulating the rule of law so as to control them. In Mozambique the assassination of journalist Carlos Cardoso in November 2000 undermined the democratic process.² Both examples indicate the vulnerability of the media and civil society in all the countries in the region, save for South Africa. At the same time attacks against individual freedom and preferences had taken centre stage in Namibia. The promotion of hate-speech by President Nujoma

¹SANUSHA NAIDU is a research specialist in Integrated Development with the Human Sciences Research Council in Durban.

Ostheimer A, 'Mozambique: The permanent entrenchment of democratic minimalism?', African Security Review, 10, 1, 2001.

against gays and lesbians gave rise to a wave of intolerance and xenophobia amongst cabinet ministers and members of Parliament.

Alongside these threats to democracy, Zimbabwe and Tanzania held elections in 2000. In June, ordinary Zimbabweans went to the polls to vote in parliamentary elections which were anything but free or fair, as incidents of violence and acts of intimidation marred the electoral process. In Tanzania, November 2000 saw the re-election of Benjamin Mkapa and the *Chama Cha Mapinduzi* into power. The election was declared free and fair, although on the island of Zanzibar the issue of autonomy for the island caused clashes between the police and Civic United Front supporters.

On the economic front, the region still grappled with the difficulty of attracting foreign direct investment (FDI). According to *The World Investment Report 2001*, FDI inflows to the region decreased from \$5.3 billion in 1999 to \$3.9 billion in 2000.³ This decline was indicative of the negative perception investors have of the region, given the contagion impact of political conflict on regional economies as well as the alarming spread of the HIV/Aids pandemic. Over 70% of the world's HIV/Aids victims live in sub-Saharan Africa, the vast majority of them in Southern Africa, ⁴ where the cost of one course of treatment for sufferers is more than the amount most people earn in one year.⁵

Another reason for lack of progress on the economic front was the slow pace of industrialisation and diversification of economies. With many countries still dependent on the export of raw materials and on imported foreign goods for most industrial products, the region is fast losing out on valuable opportunities to increase its manufactured value-added exports.

The erratic weather patterns also exacerbated the development challenges experienced by Southern African states in 2000. As the region approached the harvest season, a mixture of erratic rainfall and prolonged dry spells led to serious food shortages and the displacement of people.⁷

This chapter will review significant economic and political events which took place in the year 2000, and offer a view of the future of the

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³ UNCTAD, The World Investment Report 2001. See www.unctad.org/en/press/pro118en.htm.

Of the 190 million people living in the region, 11 million people are believed to be infected with HIV/Aids.

⁵ IRIN, 'Southern Africa: SADC launches Aids plan', 10 July 2000.

⁶ 'Where are the Smokestacks?', Southern Africa Monitor, 5, 1, January 2000, p.1.

IRIN, 'Southern Africa: Food situation uncertain', 2 March 2000.

sub-continent.

Angola

Angola: Basic statistics	
Population (millions) (1999)	12.8
Life expectancy at birth (1999)	43.6 male; 46.3 female
Infant mortality rate (per 1,000 live births: 2000)	172
Adult HIV rate (proportion of population aged 15–49: 2000)	2.12%
GDP—real growth rate (1999)	4%
GDP—per capita (1999)	\$1,030
Inflation rate (1999)	270%
Exports (1999)	\$5 billion
Imports (1999)	\$3 billion
Debt—external (1999)	\$10.5 billion
Economic aid—recipient (1995)	\$493.1 million
Sources: Guide to Country Profile: The World Fact Book 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.	

Events in Angola in 2000 were characterised by the civil war and its debilitating social and economic consequences. The architecture of the civil war in 2000 saw Jonas Savimbi's *União Naçional para a Independênçia Total d'Angola* (Unita) suffer some critical military reverses, while, on the other hand, the *Movimento Popular de Libertação de Angola* (MPLA) government's offensive to secure the country's northern, eastern and western borders expanded the Angolan conflict into neighbouring states.

The military capacity and overall strategic aim of the government's offensive against the rebels was rejuvenated shortly after President Dos Santos received around \$900 million in 'signature bonuses' from oil companies awarded exploration rights, which reportedly bypassed the central bank. This money was used to buy heavy weaponry from ex-Soviet bloc countries. At the same time Unita rethought its strategy. First, it returned to hit-and-run guerrilla tactics, and second, it widened the war beyond Angola's border.

⁸ 'Angola: Glimmers of hope?', Southern Africa Monitor, 7, 6, March 2000, p.10.

It was Unita's design to internationalise the conflict that ultimately set off alarm bells amongst regional leaders and the international

community. All were aware that the civil war was in danger of creating another regional conflict. Already the Angolan army has intervened in the Republic of Congo (Brazzaville) and the Democratic Republic of Congo (DRC) to deny fall-back areas to Unita. It also hopes to plug the 'opened corridor' that Unita has apparently set up in the north-eastern region in order 'to move supplies from the Democratic Republic of Congo'. A successful campaign has been fought from Namibian soil (with the assistance of the Namibian army) against Unita in Cuando Cubango province. ¹⁰

The government's strategic offensive led to the capture of diamond-rich areas, which has affected Unita's source of revenue for financing the war. This has introduced new players into the diamond market. Most army generals are now said to be in control of mines, or to have an interest in their successful operation. If these events have impinged on Unita's key source of revenue in financing its war effort, so too has the internationally-driven effort to monitor the certification and sale of conflict diamonds on world markets. The global campaign, which was skilfully conducted by *Global Witness*, 2 was widely supported in the West and represents a diplomatic triumph for the Angolan government.

Closely related to the international efforts towards diamond certification was the tightening of sanctions against Unita. In April 2000, the United Nations (UN) Security Council voted unanimously to enforce more stringently the sanctions against the rebel movement. At the centre of the drive was the hard-hitting report produced by the Panel of Experts on Violations of the Security Council sanctions against Unita, headed by Canadian ambassador to the UN, Robert Fowler. The report caused ripples in the international community, as it accused Bulgaria of being a principal supplier of arms to Unita, and cited Belgium as being unwilling or unable to police the trade in illegal Angolan diamonds at its Antwerp

Report of the Secretary-General on the United Nations in Angola, United Nations Security Council, 10 October 2000, p.3.

Shaw M, 'Angola: War without end?', Country Report No. 2. Johannesburg: South African Institute of International Affairs, 2001, p.37.

For instance 'the army's chief of staff owns a private security company that protects one mine'. Shaw M, ibid., p.34.

See Global Witness, 'Conflict diamonds: Possibilities for the identification, certification and control of diamonds', June 2000.

Report of the Panel of Experts on Violations of the Security Council sanctions against Unita. UN Security Council, March 2000.

market. 14 The report also spelt out allegations linking Unita's activities to those of smugglers in Zambia, arms-brokers in South Africa, rebels in the

DRC and officials in Gabon, Congo-Brazzaville and Côte d'Ivoire. Cumulatively, these developments are likely to limit Unita's ability to use diamond sales to fund its military campaign in the future.

Recently Savimbi made it known that he is willing to negotiate, although the MPLA government has firmly ruled out any such notion. Yet at the 25th anniversary of independence celebrations in November 2000. President Dos Santos used the occasion to announce a new amnesty plan, which would involve clemency for those rebels who laid down their arms.15

This vacillating commitment to peace between the two sides has done little to address the dire social and economic conditions in which ordinary Angolans are living. The plight of the masses seems to be getting worse, if anything, especially amongst women and children. In an unpublished United Nations Children's Fund (UNICEF) document, Angola was given the worst rating in the world in terms of child risk measure (96/100). 16 In September 2000, Unicef released a donor update which warned that 'the threat of epidemics and resurgent diseases closely linked to shortfalls in vaccination coverage, poor environmental hygiene and control measures' 17 posed a very real threat to the survival of children. Aggravating the situation was the acute problem of malnutrition. By the end of May 2000, the World Food Programme was feeding an estimated 1.5 million people in Angola.¹⁸

Accompanying this crisis was the poor human rights record of both government authorities and Unita. According to a United States (US) State Department report, 19 Angola has one of the poorest human rights records in the region. The civil war has effectively eroded any means of protection of the civilian population against extortion by government security authorities or widespread abuse by Unita forces.

This echoes a similar statement that the president made earlier in the year, when he emphasised that dialogue can only be pursued with those who are willing to lay down their arms, recognise the legitimate authority of the country and contribute to its democratic reconstruction and development. But Unita pointedly refused the offer. 'War and independence', January–March 2000, http://www.bbc.co.uk.

^{&#}x27;Friends in high places', July-September 2000, http://www.bbc.co.uk.

UNICEF, The Present State of Angola's Children. Unpublished document.

UNICEF, 'Emergency campaigns', Angola Donor Update, 22 September 2000.

Shaw M, op. cit., p.11.

IRIN, 'Southern Africa: Regional human rights report', 2 March 2000.

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From an international perspective, there seems to be renewed interest in finding a lasting solution to the conflict in Angola. The MPLA has won some diplomatic victories and built strong relations with the West,

particularly the US, which in turn appears to be isolating Unita. Obviously better relations between Luanda and Washington have not been driven by MPLA diplomacy alone; American strategic oil interests have motivated this friendly engagement. This trend is even more evident under the new Republican administration, whose foreign economic policy is motivated by US oil interests. However, warm relations between the US and Angola could also put pressure on Luanda's elite to seek a political settlement to the conflict. To a certain degree this could be the reason why the authorities in Luanda have indicated that elections would be held sometime during 2002, although Dos Santos has declared that he will not stand for another term in office. This political move by the MPLA leader could have been motivated by similar announcements made by Presidents Chiluba and Chissano, as well as to attract foreign investors to the country. The latter seems to be the case, as the International Monetary Fund (IMF) has hinted at the possible introduction of an economic programme to rejuvenate the increasingly depressed economy. However, if the MPLA wants to capitalise on this window of opportunity, it needs to firmly demonstrate its political maturity by setting an election date and nominating a presidential candidate to contest the election.

Botswana

Botswana: Basic statistics	
Population (millions) (1999)	1.5
Life expectancy at birth (1999)	41.6 male; 41.9 female
Infant mortality rate (per 1,000 live births: 2000)	46
HIV rate (proportion of population aged 15–49: 2000)	25.10%
GDP—real growth rate (1999)	6.5%
GDP—per capita (1999)	\$3,900
Inflation rate (1999)	7.7%
Exports (1999)	\$2.36 billion
Imports (1999)	\$2.25 billion
Debt—external (1998)	\$651 million
Economic aid—recipient (1995)	\$73 million
Sources: Guide to Country Profile: The World Fact Development Indicators 2000; World Development	Book 2000; World Bank at Indicators 2001; World

Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human

Development Report 2001.

The year 2000 was a relatively stable year for Botswana, with the

domestic political scene virtually free from any internal shocks. On the economic front Botswana was given the highest rating in Africa by the international ratings agency Moodys, which placed the country in the middle category of offering financial security and upper medium investment.²⁰ This enabled the government and domestic companies to access loans in the international market more easily and at better rates than was previously the case.

The favourable credit rating was underpinned by Botswana's political stability. According to a security risk survey conducted by the Economist Intelligence Unit early in 2000, Botswana offered the lowest security risk for investors and creditors. 21 But the report warned that volatile regional conditions would threaten Botswana's political stability and economic prospects. Already an estimated 400 Namibians have fled into Botswana from the Caprivi Strip region bordering Angola, while the worsening political and economic conditions in Zimbabwe have had a negative impact on FDI in Botswana and on the local currency, the pula. And, of course, the country still has to diversify the economy, combat the socioeconomic challenges posted by HIV/Aids and contain public spending.

In August, the government reportedly introduced a new law compelling HIV-positive people to disclose their status to their sexual partners. Through the law, the government intends to change the sexual behaviour of Botswana's population. (At present more than one in three adults is infected with the HIV virus or has Aids.)²² However, concerns have mounted that the criminalisation of certain behaviour by those suffering from HIV/Aids will be counterproductive: it could discourage people from taking tests to ascertain their HIV status, and so prevent those infected from seeking treatment. Above all it could induce a climate of silence and fear rather than public awareness.

Alongside this issue was the government's stand concerning the Basarwa (San) people, which continued to be a source of international embarrassment. The government has been trying to move the San people from a central Kalahari game reserve for some time, claiming that it can

 $^{^{20}\,}$ 'Botswana gains "good security" A2 rating', $Southern\ Africa\ Report,\ 19,\ 11,\ 16\ March$ 2000, p.7.

IRIN, 'Southern Africa: Risk survey', 5 April 2000.

^{&#}x27;Botswana plans HIV disclosure law', 11 August 2000, http://www.bbc.co.uk; 'Half of deaths in Botswana due to AIDS', 8 August 2000, http://www.news24.co.za.

provide adequate facilities like schools and clinics only outside the reserve. However, the government recently admitted that the Gope diamond mine will operate in the game reserve, where schools and houses will be built for the mineworkers and their families. This has led

observers to deduce that the government's attempts to move the Basarwa are based on ethnic rather than social considerations. In November 2000, representatives from the Basarwa community attended a three-day conference in South Africa, where they alleged that the government had embarked on a process of forced removals and land dispossession. ²³ In a petition to the Organisation of African Unity and international human rights organisations, NGOs acting on behalf of the Bararwa urged the international community to bring pressure on the government to end the persecution and restore their land to the community, claiming it as their birthright. But the government have made it clear that they want the San people removed from the reserve and are unwilling to entertain any agreement with the community.

The calamitous weather conditions in 2000 also caused significant damage to roads, bridges, and sanitation systems, while displacing about 66,178 people. The impact of the floods exposed the government's inability to provide disaster relief. Botswana became reliant on assistance from the international community and South Africa to help alleviate the human suffering and the damage to infrastructure caused by floods.

The year also saw the unveiling of Botswana's biggest diamond venture in the central mining town of Orapa in May. The project, completed at a cost of about \$4 million, 24 is intended to double Botswana's annual diamond production at the Orapa mine from six million to 12 million carats, which in turn will boost the domestic economy. Hopefully this will reduce unemployment and alleviate poverty in the country.

Lesotho

Lesotho: Basic statistics	
Population (millions) (1999)	2.1
Life expectancy at birth (1999)	49.78 male; 51.84 female
Infant mortality rate (per 1,000 live births: 2000)	93
HIV rate (proportion of population aged 15–49: 2000)	8.35%

²³ IRIN, 'Botswana: Concern at resettlement of ethnic minority', 3 November 2000.

²⁴ IRIN, 'Botswana: Diamond venture to be unveiled', 19 May 2000.

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GDP—real growth rate (1998)	10%
GDP—per capita (1998)	\$2,240
Inflation rate (1998)	8%
Exports (1998)	\$235 million
Imports (1998)	\$700 million
Debt—external (1998)	\$675 million
Economic aid—recipient (1995)	\$123.7 million

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

Throughout the year, Lesotho struggled to cope with the economic impact of large-scale retrenchments in the South African mining industry, which is a key source of jobs and income into Lesotho. On the political front, tension grew between the government and opposition forces over the schedule for the general elections, which had been planned for May 2000 but were later postponed until 2002.

The country is still struggling to recover from the political coup in 1998. Efforts to restore democracy appear to be thwarted by disagreement between state authorities and the opposition over the new electoral model for holding elections. At the centre of the disagreements were claims by the opposition that the entire electoral process is being undermined by the government, which seems to be reneging on its decision to allow a new election model to be adopted. Officials from the Interim Political Authority (IPA), which was set up to oversee the process, have indicated that the procedure is being taken over by the representatives of the ruling Lesotho Congress for Democracy (LCD) in Parliament. In February, the 80-member parliament, 79 of whom belong to the LCD, rejected the IPA's approved mixed-member electoral model, and resolved instead that a referendum be held on the proposed amendments.²⁵ The rejection of the proposed model, which extends the 80-member parliament to 130 through a mixture of constituency and proportional representation in the electoral system, has threatened the continued existence of the IPA.

The oscillation in scheduling an election date has also led to political tensions amongst the electorate. In May, an anonymous group distributed leaflets calling on Basotho workers to stay away from work to support demands for the holding of elections and the establishment of a government of national unity.²⁶ Such frustrations threaten the already

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²⁵ IRIN, 'Lesotho: Political tensions rise', 8 March 2000.

²⁶ IRIN, 'Lesotho: Violence threats scare workers', 10 May 2000.

fragile Lesotho state. They also lead to constant attempts at mediation by multilateral organisations such as the UN, the Southern African Development Community and the Commonwealth. In June, the United Nations Development Programme (UNDP) launched a \$250,000

governance and democratisation programme.²⁷ Its aim is to encourage a democratic culture in the country by supporting the democratisation process, peacebuilding and national efforts to prevent violent conflict, such as that which erupted after the announcement of the results of the general election of 1998. In July, the Commonwealth secretary-general, Don McKinnon, visited the country as part of the process of encouraging peace and promoting a democratic dispensation in the country.²⁸

At the same time the government faced a deteriorating economy, with massive retrenchments being recorded amongst mineworkers. Since the beginning of 2000, more than 10,000 mineworkers employed in South African gold mines have lost their jobs.²⁹ As the country's GDP is largely shock dependent on mineworkers' remittances. the of being felt all sectors retrenchments isby of the population. Unemployment is estimated to be between 40-45%, while government revenue has decreased.³⁰ In March, the minister of finance, Kelebone Maope, presented his budget speech, which painted a very bleak picture of the economy. He told Parliament that a further 17,000 Basotho mineworkers faced job losses in 2000 and that, in spite of the deteriorating economy, the government needed to create 40,000 new jobs.³¹

The economic challenges were further aggravated by the hidden costs of the HIV/Aids scourge, especially among mineworkers. In an economy that is largely agrarian and entirely dependent on South Africa for trade, finance and employment, such challenges do not bode well for the government. The authorities have undertaken a 'shadow' economic programme with the IMF.³² Under the agreement Lesotho has negotiated a formal Poverty Reduction and Growth Facility loan estimated at \$32 million, and in return has committed itself to diversifying the economy towards export-friendly policies as well as to large-scale restructuring of

IRIN, 'Lesotho: Countdown to 2001 elections', 6 July 2000.

²⁸ IRIN, 'Lesotho: Commonwealth chief visits', 27 July 2000.

²⁹ IRIN, 'Lesotho: More miners lose jobs', 2 May 2000.

³⁰ IRIN, 'Lesotho: Mine lay-offs hit economy',, 4 February 2000.

³¹ 'Lesotho: More miners lose jobs', op. cit.

^{32 &#}x27;Small country, big politics', Southern Africa Monitor, 5, 4, April 2000, p.9.

the public sector, including privatisation. Unfortunately the political uncertainty regarding the election date puts the need for economic reform on the back burner.

Malawi

Malawi: Basic statistics	
Population (millions) (1999)	11.0
Life expectancy at birth (1999)	40.4 male; 40.2 female
Infant mortality rate (per 1,000 live births: 2000)	132
HIV rate (proportion of population aged 15–49: 2000)	14.92%
GDP—real growth rate (1999)	4.2%
GDP—per capita (1999)	\$940
Inflation rate (1999)	45%
Exports (1999)	\$510 million
Imports (1999)	\$512 million
Debt—external (1999)	\$2.3 billion
Economic aid recipient (1995)	\$416.5 million

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

For most of 2000, the government of Malawi faced challenges to the June 1999 general election results. The re-election of President Bakili Muluzi and his party, the United Democratic Front (UDF), was contested by the opposition, who claimed that the outcome was fraudulent. These claims were supported by the release of a report in March by the British anticensorship group, Article 19, which claimed that the UDF had set up two disinformation teams that planted false news stories during the campaign.³³ The report sparked heated debates which were discomforting to the Muluzi government, but although the opposition took their case to the High Court and later to the Supreme Court, they were unable to overturn the election results.

The political wrangling over the election results had a negative impact on the local government elections held in November 2000. Even though the UDF recorded a landslide victory, the low voter turnout reflected a general political unease.³⁴ Observers attributed the low voter turnout to a

3 See http://www.cpj.org/attacks00/africa00/Malawi.html; see also www.article19.org.

 $^{^{34}}$ Approximately 14% of registered voters cast their votes, compared to 92% in the 1999

growing disillusionment with politics: the electorate appeared to be tired of voting for politicians who were prospering at the taxpayer's expense,

while the people remained poor. In an official report³⁵ released towards the end of November, the government noted that at least 65.3% of Malawians still live below the poverty line. Of these 29% are so poor that they are barely surviving.

In the past year, the government came under increasing domestic and international pressure to address the level of corruption and economic mismanagement in Malawi. This prompted the president to reshuffle his cabinet and institute a criminal investigation which ultimately led to the dissolution of the cabinet in November, while three former cabinet members were investigated for fraud involving \$2.5 million. These actions by the president were motivated by a decision by the IMF and World Bank to grant the country \$1 billion debt relief package in December. The programme would channel money saved from debt servicing into poverty relief programmes, which would see the IMF and World Bank contribute \$147.7 million to the highly indebted poor countries relief programme.³⁶

Even though the agreement with the international financial institutions was applauded by the government, economic reform is urgently needed to complement the assistance programme. Monetary policy needs to be tightened and government spending needs to be curbed in order to combat sluggish growth. More importantly, a balanced budget that is targeted towards increases in social spending needs to be adopted. So far the privatisation process has earned the government about \$21.7 million, which is seen as a positive sign for macro-economic stability.

Yet the government needs to demonstrate a clear commitment to the principles of a democratic culture and political competitiveness before it can implement macro-economic reform.

In 2000, there were rumours that President Muluzi was entertaining the idea of standing for a third term. Even though in recent months the president has denied these rumours,³⁷ this issue may be revisited at a later stage. In the current setting of political uncertainty, this may provide a pretext for the UDF and the president to remain in power and insulate itself from the investigation of corrupt practices. Such a course of

general election. IRIN, 'Malawi: Low turnout mars local point', 22 November 2000.

³⁵ IRIN, 'Malawi: Report says 65% of population living in poverty', 4 December 2000.

³⁶ IRIN, 'Malawi: Debt relief to help poverty programmes', 27 December 2000.

³⁷ IRIN, 'Malawi: Muluzi denies third term bid', 15 January 2001. IRIN, 'Malawi: No constitutional amendments to allow third term', 1 May 2000.

action would not bode well for the future social and economic reconstruction of the country, especially considering that the government needs to woo foreign donors and investors to help deepen democracy.³⁸

Mozambique

Mozambique: Basic statistics	
Population (millions) (1999)	17.9
Life expectancy at birth (1999)	38.8 male; 40.8 female
Infant mortality rate (per 1,000 live births: 2000)	127
HIV rate (proportion of population aged 15–49: 2000)	14.17%
GDP—real growth rate (1999)	10%
GDP—per capita (1999)	\$1,000
Inflation rate (1999)	4%
Exports (1999)	\$300 million
Imports (1999)	\$1.6 billion
Debt—external (1999)	\$4.8 billion
Economic aid—recipient (1995)	\$1.115 billion

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

The year 2000 was characterised by the determination of the opposition, Resistência Nacional Moçambicana (Renamo), to overturn the 1999 general election results. At the centre of the dispute was Renamo's disapproval of the constitutional principle that gives the Mozambican president the right to appoint provincial governors even in provinces where the ruling party—Frente de Libertação de Moçambique (Frelimo)—did not win a majority. This centralising tendency spurred Renamo and its coalition partners to boycott Parliament for most of 2000, while simultaneously cautioning the government that an Angolan-style war of attrition could once again rise if the government did not allow for some sort of power-sharing instrument. In November, Renamo staged

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In 2000, the Economic Intelligence Unit conducted a political risk survey, which found that Malawi was the worst performer in terms of being a political risk for investors. 'Southern Africa: Risk survey', op. cit.

³⁹ In the 1999 election Renamo had won a majority in six provinces. See Naidu S, 'Mozambique: A lasting peace', Country Report No. 4. Johannesburg: South African Institute of International Affairs, 2001, p.24.

Mail and Guardian, 17 November 2000.

demonstrations in the north of the country in protest against Chissano's appointment of Frelimo-affiliated governors to those provinces where Renamo had won. The demonstrations were peaceful but turned violent in certain areas, when police used force to disperse demonstrators. Questions later emerged over human rights abuses against imprisoned

protesters.41

The rising political tensions eventually led to a meeting between the leaders of both parties in December 2000. This meeting set the platform for further meetings in 2001 in which both leaders agreed to work together to end the tensions that are undermining the country's relative stability. A decisive step in this regard was the opposition's recognition of the government. A further development was Chissano's announcement in May 2001 that he would not stand for a third term. Although speculation immediately ensued about a possible successor, Chissano's ambiguous statement in September regarding the possibility of seeking a third term, 'if that was the will of the people', created confusion about his true position.

The democratic process was further challenged in November with the assassination of Carlos Cardoso, a respected investigative journalist, allegedly because of his investigation into a fraud scandal related to the privatisation of the Commercial Bank of Mozambique. 42 Cardoso's death sent shock waves through members of the domestic media, who felt that their independence was being threatened. But the assassination also signalled that if democracy is to be strengthened in the country, then it is important for the authorities to realise that an inquiring and inquisitive press is integral to a democratic culture of transparency and accountability. On the economic front, the floods in 2000 threatened to roll back the impressive economic growth that the country has recorded thus far. The floods cut across all sectors contributing to GDP, while bringing disease and malnutrition in their wake. The Ministry of Agriculture noted a 13% drop in agricultural production as a result of the flooding in 2000. In spite of the devastation, the report by the Economist Intelligence Unit in October 2000⁴³ asserted that the outlook for the country's commodity-based exports for 2001/02 remained positive. Yet the growth forecast of seven percent for 2002 remains conditional on an

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⁴¹ Hanlon J, 'Violence in Mozambique: In whose interests?', Review of African Political Economy, 27, 86, December 2000, p.596. See also Ostheimer A, 'Mozambique: The permanent entrenchment of democratic minimalism?', African Security Review, 10, 1, January 2001, p.25.

⁴² Ostheimer A, ibid.

⁴³ Mozambique: Country Report, Economist Intelligence Unit, October 2000, p.11.

assessment of the damage caused by the 2001 flood.

Despite the optimism concerning Mozambique's economic recovery, poverty continues to be one of the government's most pressing challenges. According to the Ministry of Planning and Finance, 'the incidence of absolute poverty is 69.4%, indicating that more than two-thirds of the

Mozambican population is living below the poverty line. 44 This has prompted the World Bank and IMF to agree to accelerate debt relief in 2001 by forgiving 100% of the debt service owed by the country. The intention is to allow the country to save more money, which can then be channelled to poverty reduction.

In spite of the flooding, the country remains a favourable destination for FDI. The year saw the second-phase expansion of the Mozal smelter. This is intended to bolster output, create more employment and increase the smelter's contribution to the country's GDP (which was estimated at seven percent of GDP in 2000). Moreover, to date the government has finalised the privatisation of state assets and is currently preparing a strategy to deal with its remaining companies in the productive sector.

The planned Sasol gas pipeline and petro-chemical plant in Sofala province has been completed. It will anchor and catalyse economic development along the Beira Development Corridor and in surrounding areas. However, given its close geographical proximity to the political turmoil in Zimbabwe, the Corridor is not at present attracting investment.

Namibia

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Namibia: Basic statistics	
Population (millions) (1999)	1.7
Life expectancy at birth (1999)	44.7 male; 44.9 female
Infant mortality rate (per 1,000 live births: 2000)	56
HIV rate (proportion of population aged 15–49: 2000)	19.94%
GDP—real growth rate (1999)	3%
GDP—per capita (1999)	\$4,300
Inflation rate (1999)	8.5%
Exports (1999)	\$1.4 billion
Imports (1999)	\$1.5 billion

Ministry of Planning and Finance, Absolute Poverty Reduction Action Plan (2000–2004).
Maputo: Quarto Press, 2000, p.13.

^{45 &#}x27;SADC investor survey: Complex terrain', BusinessMap, Johannesburg, November 2000, p.37.

Debt—external (1999)	\$159 million
Economic aid—recipient (1998)	\$127 million

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

The year 2000 saw the country celebrate its tenth anniversary of independence, during which President Sam Nujoma was elected to an unprecedented third term in office. The celebrations were marred, however, by political instability at both the domestic and regional levels. The Caprivi issue continued to simmer as the Angolan government deployed more troops in the area to fight against Unita rebels. At the same time the Namibian authorities also stepped up their military efforts to root out Unita rebels in the Caprivi Strip who are allegedly supporting Caprivi secessionists who are threatening to destabilise the Nujoma government.

Throughout the year the ongoing conflict had debilitating effects on residents in the Caprivi area. There were reports of human rights abuses as well as the forced recruitment and training of male residents as mercenaries for Angola's MPLA regime.⁴⁷ Of particular concern were reports that the Angolan troops had resorted to terrorising residents and using extortion methods to confiscate food and livestock from the locals. Many businesses in the area faced closure.

In the first half of the year, observers warned that the situation in the Caprivi region might tempt Windhoek to go further along the path of militarisation.⁴⁸ This became evident in the announcement of the budget, which saw military expenditure increase, while an additional budget was set up to defray the costs of the military incursion into the Caprivi region.⁴⁹ On the other hand, the budget for social services suffered dramatic cuts.

A further cause for concern is that Namibia's involvement in the Angolan conflict and the DRC civil war has put donor assistance in jeopardy. Germany, Britain and Finland have voiced their displeasure at the government's continual increase of its military budget, and have decided to express their disapproval by reducing their development aid to

^{46 &#}x27;Why is Namibia at war?', Sowetan, 18 January 2000.

^{47 &#}x27;Namibians count and query cost of supporting the MPLA', The Sunday Independent, 9 January 2000.

^{48 &#}x27;Play it again Sam', Southern Africa Monitor, 5, 2, February 2000, p.9.

^{&#}x27;Namibia's part in wars under scrutiny', Business Day, 25 January 2000.

the country.⁵⁰ This has dealt another blow to the economy, following the Bank of Namibia's forecast of another year of low economic growth. The reasons for sluggish growth are attributed mainly to the decline in total productivity and chronic unemployment,⁵¹ both of which have been exacerbated by the HIV/Aids pandemic.

On the positive side, Namibia has formalised plans to set up an oil refinery, in collaboration with Nigeria, to counter rising fuel costs.⁵² In addition, it was discovered that the country has oil and gas deposits that, if exploited, could make the country more self-reliant in the long term. This potential has motivated the Kudu project,⁵³ which is due to start between 2004 and 2005, after the construction of a harbour, platform and pipelines has been completed.⁵⁴

Russia and Namibia entered into a trade and political pact during Nujoma's state visit to Russia. Under the agreement, both countries are considering a joint venture for the exploration and marketing of offshore diamonds in Namibia. Moreover the agreement gives Russia direct access to the huge diamond deposits in the region, and builds on the Russian joint venture operations in post-war Angola. Other sectors covered by the pact include defence, trade, higher education and technology.⁵⁵

Swaziland

Swaziland: Basic statist	ics
Population (millions) (1999)	0.9

Wars scare off Namibian aid donors', The Star, 20 May 2000.

^{51 &#}x27;Namibia's spate of low economic growth looks set to continue', Business Report, 22 November 2000.

⁵² 'Namibia firms up oil refinery plans', *Business Day*, 21 November 2000.

⁵³The Kudu project is designed to pipe natural gas from the Kudu Oil Fields off the coast of Namibia to the Western Cape, where it would be used in a gas-fired power station. Gas from the oil fields will feed the first station in Oranjemund with half the power exported to the Western Cape. The planned pipeline is divided into two phases. Phase one entails the development of offshore facilities and a pipeline to Oranjemund, representing a capital investment of about R2.3 billion. Phase two is to pipe gas to a new power station in Cape Town and also for industrial steel production at Saldanha Bay. The Kudu project would be financed by a partnership between Shell Exploration and Production Namibia B.V. (75%), Chevron-Texaco (15%) and Energy Africa (10%).

⁵⁴ 'Namibia has oil and gas for 1000 years', *Business Day*, 9 June 2000.

⁵⁵ 'Namibia, Russia in deal', *Business Day*, 13 June 2000.

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Life expectancy at birth (1999)	46.0 male; 48.0 female
Infant mortality rate (per 1,000 live births: 2000)	62
HIV rate (proportion of population aged 15–49: 2000)	18.50%
GDP—real growth rate (1999)	3.1%
GDP—per capita (1999)	\$4,200
Inflation rate (1999)	6%
Exports (1999)	\$825 million
Imports (1999)	\$1.5 billion
Debt—external (1999)	\$180 million
Economic aid—recipient (1995)	\$55 million

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

For the greater part of the year political turmoil dominated the landscape of the country. The focus was primarily on democratic reform and calls by the opposition and the trade union movement to speed up the political reform process. The Constitutional Review Commission, which had been appointed by King Mswati in 1996 to make recommendations on setting up a modern constitution, came under increasing criticism for lack of performance. Since its inception the Commission, which was scheduled to complete its work in 1998, has twice asked for extensions, fuelling speculation that it was deliberately dragging its feet to buy more time for the monarchy. Moreover the media has been barred from reporting on the Commission's hearings, while at least four high-profile pro-democracy academics resigned from the Commission shortly after its genesis, calling into question whether the Commission is still able to fulfil its mandate. The strategy of the strateg

The government's refusal to adopt less repressive labour legislation caused the US to threaten to exclude the country from the Generalised System of Trade Preferences (GSP). The GSP falls under the Africa Growth and Opportunity Act, which, inter alia, calls for industrial relations reform.⁵⁸ In October 2000, Washington deferred its decision on sanctions following guarantees by the authorities to review Swaziland's industrial relations policies.⁵⁹ However, by the end of November the tense political situation had led to a planned blockage of the country's borders in order to force the monarchy to initiate democratic change. This led to

⁵⁶ IRIN, 'Swaziland: Focus on democratic reforms', 11 January 2000

⁵⁷ *Ibid*.

⁵⁸ IRIN, 'Swaziland: Focus on economic downturn', 25 September 2000.

⁵⁹ IRIN, 'Swaziland: Washington defers decision on sanctions', 2 October 2000.

clashes between police and protesters, which, in turn, took a toll on the economy. 60

The general state of political unrest in the country was aggravated by uncertainties surrounding the global sugar market. A shrinking market for sugar, coupled with doubts as to whether the European Union–Africa–

Carribean—Pacific Sugar Protocol would be renewed in 2001, have created an uncertain economic future for Swaziland, whose sugar exports account for a substantial share of foreign revenue. The economic situation has also been affected by dwindling foreign investment.

Against this backdrop it would appear that very little has been done by the authorities to address the calls for political reform. Instead the opposite seems to be taking place. In July 2001, a political decree was passed, vesting greater executive power in the king, while creating tighter controls over the media's independence. Even though the decree was repealed by the king, this kind of political oscillation does not send the right signals to foreign investors that the authorities are committed to democratic reform, which in turn implies that Swaziland will be unable to sustain long-term stability.

IRIN, 'Swaziland: Unrest takes its toll on economy', 20 November 2000.

Zambia

Zambia: Basic statistics	
Population (millions) (1999)	10.2
Life expectancy at birth (1999)	41.4 male; 40.6 female
Infant mortality rate (per 1,000 live births: 2000)	112
HIV rate (proportion of population aged 15–49: 2000)	19.07%
GDP—real growth rate (1999)	1.5%
GDP—per capita (1999)	\$880
Inflation rate (1999)	27.4%
Exports (1999)	\$900 million
Imports (1999)	\$1.15 billion
Debt—external (1999)	\$180 million
Economic aid—recipient (1995)	\$55 million
Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000: World Development Indicators 2001: World	

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

Throughout 2000, the country struggled to isolate itself from the conflicts in Angola and the DRC. Apart from the refugee crisis, a major source of concern for Zambia was the growing tension between Luanda and Lusaka regarding the regionalisation of the Angolan conflict. Starting in January and continuing for most of the year, the Angolan authorities accused the Chiluba regime of backing Unita rebels who had crossed over from the western border. These allegations were denied. However, the Zambian authorities put the army on alert to monitor the situation in the event of fighting spreading into the country. In May, President Chiluba indicated that diplomatic channels of dialogue were being pursued with Angola concerning military incursions by Angolan soldiers into Zambia, but this did not do much to reduce tensions between the two countries.

On the domestic front, the ruling Movement for Multiparty Democracy (MMD) continued to demonstrate its political muscle. With presidential and parliamentary elections due to be held in November 2001, it seems likely that the MMD will win. However, observers fear that the increasing level of intolerance of opposition, both within and outside the party, could mar the electoral process. Signs that Chiluba may seek a third term grew

⁶¹ Shaw M, op. cit., p.37.

⁶² 'Zambia denies backing Unita', *The Citizen*, 10 January 2000. Also see *www.stratfor.com*, 'Zambian politics and power'.

stronger towards the latter part of the year, with the president expelling rival candidates from the party and banning internal party debate over his successor. In May 2001, following civic protest and pressure from within the party, Chiluba publicly declared that he would not stand for a third term. Whether he will keep his promise is still doubtful, especially considering that before his announcement he dissolved the cabinet and replaced it with ministers who are loyalists and would not oppose his political designs. 4

On the economic front, Zambia continues to grapple with sluggish growth, increasing poverty and an overall decline in social spending. This pushed per capita income down from \$320 in 1999 to \$273 in 2000.⁶⁵ The slow growth was mainly attributable to soaring debt service costs, ⁶⁶ speculative attacks on the kwacha and economic mismanagement.

In April, the government finalised the privatisation of the Zambia Consolidated Copper Mines (ZCCM), which opened the gates to much-needed foreign currency and donor funds to boost the recovery of the economy. In June, the IMF and World Bank announced a debt relief package of \$2.8 million for the country. Under the package, Zambia has committed itself to an economic reform programme that will reduce poverty, institute better governance and introduce fiscal discipline. The package, estimated at around \$60 million, is designed to run for three years, paving the way for increased financial aid from Western donors.

The agreement has already helped Zambia to secure fresh donor aid: in

^{63 &#}x27;Chiluba may seek third term', Business Day, 9 October 2000. See also 'Chiluba reign: "A lost decade", Business Day, 15 November 2000.

⁶⁴ 'Zambia Puzzle', Sowetan, 14 May 2001. See also 'Seeming calm at the storm's centre', Mail and Guardian, 20 April 2001.

⁶⁵ http://www.usaid.gov/country/afr/zm/.

Foreign debt is estimated at US\$6.5 billion, which amounts to about 80% of GDP.

⁶⁷ 'Zambia finally sells mines, opens way to slow recovery', *The Star*, 3 April 2000. See also 'Zambia reaps ZCCM rewards', *Business Day*, 18 October 2000. But not everyone believes that the privatisation process will reap the rewards intended. For one thing the process is slow and it will be a while before it will make an impact on the economy. On the other hand, there are those NGOs, like Oxfam, which argue that privatisation stands to benefit only the companies who have acquired the mines. Ordinary citizens still remain on the periphery of the profits to be gained from the sale of the mines.

⁶⁸ 'Zambia may get debt relief', Business Day, 23 June 2000.

Gambia agrees to IMF reform package for reform in next three years', The Citizen, 18 July 2000. Also see 'Tentative agreement on reform', Business Day, 18 July 2000. This, they argued, would allow the country to save money, which could then be channelled into increased spending on health and education.

July 2001 international donors pledged about \$1 billion towards assisting sustained economic growth and reducing poverty. But for Zambia to maximise the benefits of this aid, the government needs to demonstrate a clear commitment to good governance and increased transparency and accountability in the use of public funds. The government's resolve in this regard will no doubt be tested in the run-up to the 2001 elections and thereafter.

Zimbabwe⁷²

Zimbabwe: Basic statistics	
12.4	
43.2 male; 42.6 female	
60	
25.84%	
0%	
\$2,400	
59%	
\$2 billion	
\$2 billion	
\$5 billion	
\$437.6 million	

Sources: Guide to Country Profile: The World Fact Book, 2000; World Bank Development Indicators 2000; World Development Indicators 2001; World Population Data Sheet 2000; UNICEF Basic Indicators 2000; UNDP Human Development Report 2001.

The ongoing crisis of political legitimacy and governance in Zimbabwe continued to heighten in 2000. The campaign of political violence and intimidation unleashed against supporters of the Movement for Democratic Change (MDC) in the run-up to the parliamentary elections in June revealed the lengths to which President Mugabe and his ruling Zanu–PF were prepared to go to retain power.

SA Yearbook of International Affairs, 2001/02

⁷⁰ 'Zambia's foreign donors pledge \$1 billion', *Business Day*, 19 July 2001.

 $^{^{71}\,}$ 'Zambia secures fresh donor aid', $Mail\ \&\ Guardian,\ 21\ July\ 2000.$

For a precise overview of the crisis, see Pabst M, 'Zimbabwe at the crossroads', *Country Report No. 3.* Johannesburg: South African Institute of International Affairs, 2001. See also http://www.crisisweb.org.

In the months leading up to the election, NGOs in the country documented gross violations of human rights: extra-judicial killings, torture, widespread intimidation and mass psychological torture. There were over 350,000 politically motivated criminal acts, of which 90% were committed by Zanu–PF supporters, according to Amani Trust, a human rights NGO based in the country. Not surprisingly, the election results saw Mugabe and Zanu–PF retain power. However, the opposition, MDC, made an impressive showing, winning 57 of the 120 contested seats. This represented a challenge to Zanu–PF's electoral support base in the urban centres. It also showed a significant democratic advance from what has essentially been a one-party state.

In the immediate aftermath of the elections, Mugabe stepped up the politics of intimidation, the erosion of the rule of law and the farm invasions. In August the government announced an extension of the confiscation programme from 800 farms to more than 3,000, which roughly translates into about two-thirds of the existing commercial farms. This was underpinned by reports in the *Financial Gazette*, an independent weekly newspaper, that Zanu–PF had formed a crack team for intimidation, comprising mainly 'war veterans' and army officials, to execute and fast-track 'the resettlement programme'.⁷⁴

Throughout 2000, Mugabe accused the media (both at home and abroad) and the international community of racial prejudice against his government and of systematically seeking to discredit the land reform programme. Zimbabwe faced international ostracism, especially by the IMF and World Bank, who have refused to extend further loans to the country. In addition, in October the US Senate tabled the Zimbabwe Democracy Bill, which advocates a suspension of US bilateral assistance to and debt reduction in Zimbabwe.⁷⁵

The political decay of the country has depressed the economy even further. With FDI suspended from 1999, the economy has suffered more shocks than it can handle, with ordinary citizens bearing the brunt. The government's budget deficit reached 25% of GDP, inflation soared to well over 50% (and is presently estimated at around 80%), while unemployment increased dramatically to 50% (although analysts put this figure much higher). Overall economic growth contracted by over 5%,

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Sidiropoulos E & D Long, 'Zimbabwe: Where to from here?', Traders, Issue No. 6, April–June 2001.

^{74 &#}x27;Zimbabwe: Zanu-PF allegedly forms crack unit for intimidation', Financial Gazette (Harare), 21 December 2000. See also 'Mugabe mobilises army for huge farm invasions', The Guardian (London), 2 August 2000.

Sidiropoulos E & D Long, op. cit.

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making Zimbabwe the world's fastest-shrinking economy. 76 All in all the collapse of the economy and the uncertainty concerning property rights have seen international companies and private investors flee Zimbabwe en masse. The situation has been compounded by a recent Economist Intelligence Report, which ranked Zimbabwe as the third most risky investment location in global emerging markets, and the least attractive in Africa.⁷⁷

Currently Zimbabwe does not seem to be showing any signs of improvement. Much depends on Mugabe and his willingness to restore peace, stability and the rule of law, so that economic recovery can take place. With the presidential elections set for 2002, he does not seem to be responding to his country's plight. He has surrounded himself with loyalists and threatened to declare a state of emergency, 78 which appeared to be intended to allow him and his party to continue their current course of political intimidation.

Conclusion: What lies ahead?

The current climate of the region poses serious challenges for deepening integration. With political conflicts assuming a regional dimension, member states in the region face a real challenge in attempting to resolve these crises. The democratic process has been set at risk in some countries, with political leaders in Namibia, Zimbabwe and Swaziland more inclined to consolidate their power than to allow for the expression of democratic competitiveness. Elections, which ought to be 'free and fair', have become nothing more than a meaningless opportunity for leaders to manipulate the ballot boxes so that they can retain political office.

The issue of land redistribution also remains critical to the future of the region. The question of land reform has become dominant in the policy deliberations of almost all countries in the region, with the electorate growing impatient over the slow pace of progress by authorities. The issue, which has already been raised in Namibia and South Africa, could soon lead to further destabilisation of the region if not addressed in a pragmatic manner.

^{&#}x27;South Africa and Zimbabwe: Failures of leadership', Strategic Survey2000/2001. London, Institute of International Strategic Studies: Oxford University Press, May 2001.

⁷⁷ Sidiropoulos E & D Long, op. cit.

⁷⁸While there was talk of a state of emergency following the tabling of the US Democracy Bill, this never materialised.

It is indisputable that the region needs to undertake political and economic reform if it wants to attract foreign direct investment. But this can only be achieved if leaders in Southern Africa recognise that good governance complements economic prosperity. It is the latter which will no doubt inform the region's progress in the 21st century, which has been declared to be the era in which 'putting people first' will be the primary aim.

Suggested reading

Evans D & P Holmes, *SADC: The Cost of Non-Integration*. Harare: SAPES, 2000.

Cilliers J & C Dietrich, *Angola's War Economy: The Role of Oil and Diamonds*. Pretoria: Institute of Security Studies, 2000.

Ostheimer A, 'Mozambique: The permanent entrenchment of democratic minimalism?', *African Security Review*, 10(1), 2001.

Rich PB (ed.), *The Dynamic of Change in Southern Africa*. Great Britain: St. Martin Press, 1994.