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**Director of
Central
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Zambia: Prospects for Kaunda



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Interagency Intelligence Memorandum

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*NI IIM 87-10014
October 1987*

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ZAMBIA:
PROSPECTS FOR KAUNDA



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Information available as of 28 September 1987 was used in the preparation of this Memorandum, approved for publication on 1 October 1987 by the Chairman of the National Intelligence Council.

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SCOPE NOTE

Zambia's President Kenneth Kaunda has assumed unusually broad international responsibilities just as he is facing at home his most difficult political challenge since independence in 1964. His leadership in the Organization of African Unity, the Frontline States confronting South Africa, and the Nonaligned Movement's Africa Fund, as well as Zambia's seat on the UN Security Council, will enable him to influence a variety of Third World, African, and regional issues. Yet economic decay and growing domestic criticism of his performance raise doubts about the durability of his power base in Zambia. [redacted]

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Expectations for Kaunda were last addressed in 1981 during a similar period of domestic distress. NI IIM 81-10005, *Zambia: Kaunda's Political Prospects*, clearly underestimated Kaunda's survival powers, for it only granted him "at least an even chance" of remaining in office for the next year. The Memorandum, in anticipating challenges to Kaunda's rule, drew too strong a predictive link between Zambia's persisting economic slide and effective political opposition. It also underplayed his ability to attract economic aid from abroad while co-opting or intimidating critics at home. [redacted]

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This Memorandum, requested by the State Department, examines prospects for Kaunda over the next two years. It addresses his international agenda, the impact of Zambia's internal situation on his recently expanded leadership roles, and the implications of these for the United States and the Soviet Union. [redacted]

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KEY JUDGMENTS

As the new chairman of the Organization of African Unity (OAU), incumbent chairman of southern Africa's Frontline States (FLS), and head of a country occupying a rotational seat on the UN Security Council, Zambian President Kenneth Kaunda is likely to be an activist leader. This will open opportunities for both conflict and cooperation with the United States on a range of African and Third World issues. Zambia's worsening economy and rising domestic discontent are likely to distract him from time to time and may even lead to a serious challenge to his rule. Nonetheless, he stands a better-than-even chance of retaining power for the two-year period of this Memorandum.

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Kaunda's International Agenda

During his impending visit to North America, Kaunda will sound themes likely to remain on his international agenda for the next several years. Driven by Zambia's parlous economic situation and deep antipathy for South African apartheid, Kaunda probably will:

- Demand stiffer international economic sanctions against South Africa in public while working more constructively behind the scenes to reduce FLS economic and transportation dependence on Pretoria.
- Urge a renewed push for Namibian independence by proposing a UN General Assembly resolution that would bypass the Security Council.
- Seek to justify Zambia's break with the IMF while pressing for Africa-wide debt relief and ceilings on debt service payments, but not call for outright repudiation of debts.
- Appeal for greater Western aid, trade, and investment in Africa, particularly Zambia.

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Kaunda's Prospects

This Memorandum examines several key variables that will affect Kaunda's tenure and effectiveness in his expanded leadership roles over the next two years:

- *The deteriorating Zambian economy.* Kaunda's statist policies ensure further decline, but economic assistance from Western donors and short-term buoyancy in prices for Zambia's dominant export, copper, probably will stave off a precipitous plummet.

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- *Internal political opposition.* Growing criticism of Kaunda is unlikely to coalesce into a successful challenge as long as he continues effectively to balance rival groups and to monitor opponents using Zambia's relatively capable security service.
- *Threats from South Africa.* Although South Africa will strike African National Congress (ANC) insurgent targets in Zambia whenever it deems necessary, and may step up economic pressures, it probably will not seek to topple Kaunda and risk the possibility of a less desirable replacement.
- *Kaunda's ability to cope.* The burden of his increased leadership roles combined with domestic tensions and strains in his personal life are likely to cause periods of erratic behavior, but we believe his personal resilience will carry him through the next two years.

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Alternative Scenarios

Should Kaunda die or be removed from the Zambian scene, no prospective replacement would have his stature or would accede automatically to his international posts. Zambia's future direction would depend on the succession scenario:

- Prospects for a military coup would rise should economically inspired unrest or South African actions enfeeble Kaunda; the new regime would be ill equipped to govern and prone to erratic policies, particularly if such a coup came from junior ranks.
- A sudden acceleration of Zambia's economic decline, perhaps coupled with interference from South Africa, could bring together a coalition of businessmen, labor leaders, and other disgruntled elements; if successful in toppling Kaunda, they probably would pursue an economically conservative, pro-Western course.
- A constitutional succession, made necessary by Kaunda's sudden death or incapacitation, probably would bring ruling party leader Grey Zulu to power; he would advocate socialist policies and closer relations with the USSR and Cuba.
- Least likely, should Kaunda under growing public and personal pressure decide to step aside, he might move to install protege Prime Minister Musokotwane as his successor; he would be well disposed toward the United States but probably ineffective in coming to grips with Zambia's problems.

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Implications for the United States and the Soviet Union

Although Kaunda is an outspoken critic of many US policies in Africa and elsewhere, during the next two years he may attempt helpful mediating efforts when he perceives that he can be effective, especially if Zambian interests are directly at stake. To improve prospects for peace in southern Africa, for example, he may encourage negotiations toward national reconciliation in Angola coupled with independence for Namibia and a withdrawal of Cuban troops from Angola. He may also work toward opening a dialogue between the white regime in Pretoria and key black opposition groups, particularly the ANC, whose headquarters is in Zambia. On non-African issues, however, Kaunda is likely to indulge in rhetorical outbursts that irritate relations with the United States. Although he is likely to press favored themes such as a new international economic order, Kaunda's influence beyond the African stage is likely to be slight. [REDACTED]

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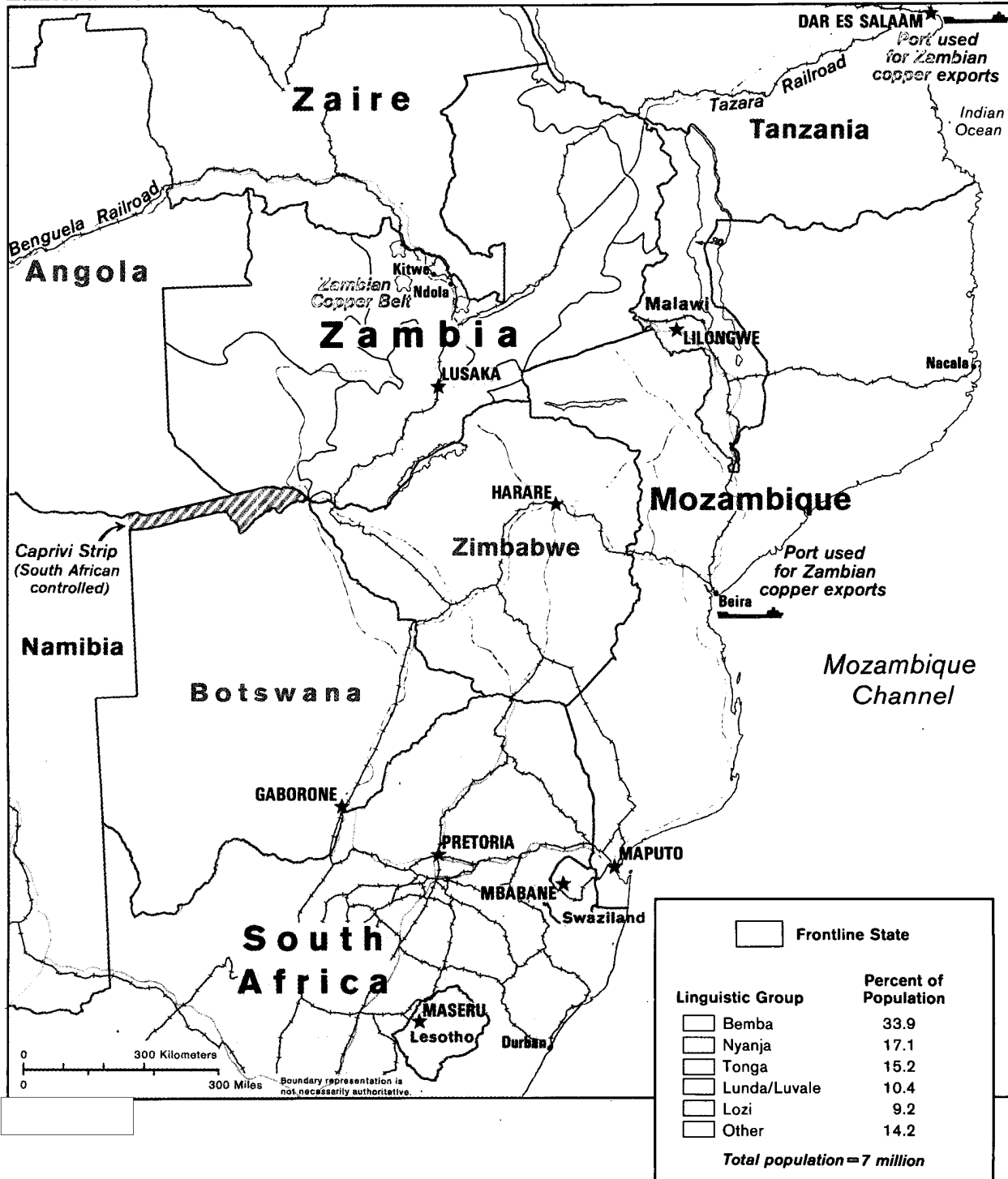
The Soviet Union values relations with Zambia primarily because of Kaunda's African leadership roles. Moscow probably will offer inducements to Kaunda to use his new Third World leadership stature to criticize the United States and to support Soviet positions in international forums. Although Kaunda probably will accept more arms from Moscow, Zambia's continuing need for Western economic aid will serve to limit Soviet success and lead him to pursue moderate policies on key issues, particularly regarding southern Africa. [REDACTED]

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Figure 1
Zambia and Other Frontline States



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DISCUSSION

1. As the current chairman of the Frontline States (FLS), this year's chairman of the Organization of African Unity (OAU), and leader of a country occupying a seat on the UN Security Council until 1989, Zambian President Kenneth Kaunda is in an unusually strong position over the next two years to influence issues affecting US policy in southern Africa particularly and broader US interests in the Third World generally. These issues include efforts to accelerate the elimination of apartheid in South Africa. They also include African proposals to end regional conflicts in Chad, Mozambique, and Angola; secure independence for Namibia; resolve the African debt problem; and establish a more "equitable" international economic order [redacted]

2. Although Kaunda has been President of Zambia since independence in 1964, a seriously deteriorating economy and rising internal criticism now threaten to erode further his domestic authority, which may constrain his international effectiveness. An emotional, moralistic man of modest education but keen political instincts, Kaunda carefully apportions power and positions among rival individuals and groups. He also exercises his considerable persuasive powers to achieve consensus, but reserves for himself the final decision on major policy questions. Kaunda's personal lack of a strong tribal identification has enabled him to rise above ethnic rivalries and, by balancing them, to reduce the influence of large groups such as the Bemba. He has also narrowed opportunities for political competition by establishing a one-party state. Kaunda has made effective use of Zambia's reasonably capable internal security service, and he promptly disciplines those suspected of disloyalty with public verbal abuse and at least the threat of detention. Nonetheless, domestic, regional, and international responsibilities will all compete for his time and attention and will place significant demands on his personal stamina and political skills to deliver on all fronts. [redacted]

Key Variables

3. This Memorandum examines several key variables that will affect Kaunda's tenure and effectiveness

Impending Western Itinerary

During his forthcoming visit to North America, Kaunda will raise issues that are likely to remain on his international agenda for the next several years. Before his official visit to Washington in his capacities as OAU and FLS chairman in early October 1987, he will address the UN General Assembly (UNGA) on 6 October as both head of the OAU and President of Zambia. He is likely to stress African themes in his address to the UNGA and to introduce a new resolution emphasizing the urgency of securing independence for Namibia. While en route to New York, he may stop in the United Kingdom to try to convince British Prime Minister Margaret Thatcher to adopt stricter economic sanctions against South Africa. [redacted]

[redacted] Kaunda probably will advocate an approach to the sanctions issue that stresses the importance of reducing FLS dependence on South Africa through greater Western aid. He may encourage negotiations on withdrawal of Cuban troops from Angola. Kaunda also will want to discuss Zambia's nearly \$6 billion external debt and to justify his country's break with the IMF last May, which he probably will explain in the context of the larger African debt crisis. As chairman of the OAU, Kaunda already has called for a summit on African debt for December 1987 in Addis Ababa, Ethiopia. Finally, he may urge President Reagan to use his influence toward resolving the Iran-Iraq war. [redacted]

Following his visits in the United States, Kaunda will attend the Summit of Commonwealth Heads of Government in Vancouver, Canada, from 13 to 17 October where he probably will raise the African debt problem again. The sanctions issue probably will also arise in this forum, particularly if Zimbabwean Prime Minister Robert Mugabe attempts to force the United Kingdom and other moderates to implement stern new measures against South Africa. Although he will take a tough public stance on the sanctions issue, behind the scenes Kaunda probably will exert a moderating influence over proceedings in Vancouver. As chairman of the FLS, he may initiate discussions on the creation of a special Commonwealth fund for Mozambique in addition to the Nonaligned Movement's Africa fund, whose operation is under Zambia's supervision. The new fund may be used to provide security assistance to protect the Beira transportation route through Mozambique, which is important for most of the FLS countries. [redacted]

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in regional and international leadership positions:

- The Zambian economy.
- Internal political dissent and Kaunda's ability to contain it.
- External influences, especially from South Africa, other neighboring states, and the East and the West.
- And Kaunda's ability to manage the onerous competing demands on his time and energy.



Zambia's Declining Economy

4. During the period of this Memorandum, Kaunda will find it increasingly difficult to deflect domestic criticism for Zambia's grim economic situation. The economy is handicapped by heavy reliance on a single export (copper), a longtime decline in its terms of trade, and landlocked Zambia's need to use transportation networks that run through neighboring countries. Moreover, Zambia under Kaunda has suffered from corruption and mismanagement and has pursued statist policies—including price controls—that have reduced what prospects there were for economic growth.

5. **Dependence on Copper.** Because copper (and ancillary cobalt) exports traditionally account for almost half of GDP, from one-third to one-half of government revenues, and at least 90 percent of Zambia's foreign exchange earnings, a continuation of this year's 33-percent surge in global copper prices offers the only near-term chance of relief for the economy. Recently higher prices, which reverse a decade of decline, result from low world stocks and increased consumption. Prospects for sustained high prices are uncertain, however; mining companies are increasing production, and some commodities analysts expect that prices are likely to decline again once stocks are replenished.

6. Uncertainty over copper prices, plus Zambia's rapid depletion of its known deposits of recoverable ore, bode poorly for maintaining even the present standard of living as long as the country depends so heavily on the copper industry. Moreover, the diversion since late 1986 of Zambia's copper exports from South African transportation routes to less reliable rail lines and the inefficient ports of Beira, Mozambique, and Dar es Salaam, Tanzania, could result in irregular deliveries, higher transportation costs, and a falloff of purchase contracts.

7. **Foreign Debt and the IMF.** Rather than working to diversify the economy, privatize or improve the

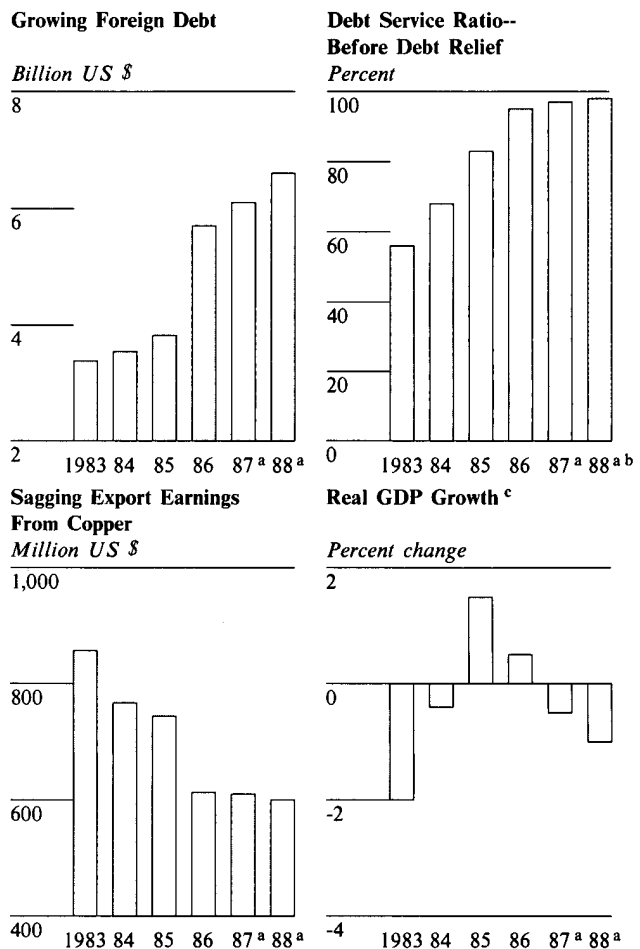
efficiency of state-owned enterprises, or resign itself to a decline in living standards compatible with the rapid deterioration in its terms of trade, Zambia has compensated for weak copper revenues by borrowing heavily since the mid-1970s. Accumulated foreign debt, totaling about \$6 billion, now involves debt service obligations equaling almost 100 percent of export earnings.

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8. In the past few years, however, under a series of ambitious IMF and World Bank restructuring programs designed to mobilize domestic savings, efficiently allocate resources, restructure economic incentives,

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Figure 2 *Note scale change*
Zambia: Selected Economic Indicators, 1983-88



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^a Estimated.
^b Ceiling imposed on debt service payments.
^c Fiscal year ending on 30 June.



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diversify the production base, and move the economy toward a sustainable external payments position, the economy began to show some improvement. It grew in real terms at a rate of 1.5 percent in 1985 and at 0.5 percent in 1986, reversing the pattern of negative growth since 1981. Notwithstanding this modest growth, however, Kaunda calculated that the stringent IMF and World Bank deregulation and austerity measures were not politically sustainable. The abrupt and poorly managed removal of subsidies on maize, the main staple in the Zambian diet, in December 1986 produced bloody riots in the copper belt, which forced Kaunda to rescind the price hikes. To lift the burden of austerity and boost his flagging popularity, he decided to break with the Fund in early May 1987 and implement Zambia's own economic program.

9. Zambia's new 18-month recovery plan replaces the IMF-supported program and reverts to greater government control of the economy, which bodes ill for stimulating growth and investment. The major provisions of the new recovery plan slash debt service payments to only 10 percent of net export earnings, replace the IMF-sponsored auction system with state allocation of foreign exchange at a fixed rate, impose price controls, and retain subsidies on maize. The plan offers vague proposals for developing agriculture, but its major emphasis is on continued expansion of mining. This will probably lead to an even greater disparity between urban and rural incomes and to continued migration to the copper belt and Lusaka by those seeking employment in the mining industry and the already bloated public sector. Moreover, the reduction in external donor assistance as a result of the break with the IMF is likely to aggravate shortages of consumer items and fuel over the next few months.

10. Although Kaunda probably could regain previous levels of external assistance and strengthen the economy by returning to the IMF fold as he has done in the past, such a move may not be politically feasible for him before elections in 1988 unless it brings a timely injection of foreign exchange. Zambia lacks the foreign exchange reserves to hold out much beyond the election without suffering severe shortages. Blaming external constraints not only for Zambia's but for the whole of Africa's economic morass, Kaunda probably will continue to avoid accepting public responsibility for the effects of his policies.

11. In the absence of economic growth, much higher copper prices, or quick success with ongoing petroleum exploration, external donor assistance to Zambia will be critical if Kaunda is to contain economically

inspired violence and antigovernment protest. He probably will solicit increased assistance from all prospective donors to make ends meet over the next year and a half. External donor response to Zambia in the wake of its break with the IMF, however, has so far been mixed. Western technical and project aid does not require compliance with IMF guidelines and probably will continue at present levels. Balance-of-payments support, on the other hand, probably will decline because Kaunda has canceled the foreign exchange auction through which this support was channeled under the IMF program. The ceiling on debt servicing will also jeopardize critical sources of assistance because permitted payments will not meet debt obligations, on which much further assistance is contingent. Maintaining essential donor support will depend on Kaunda's ability to attract new assistance from such countries as Japan, which has granted Zambia \$25 million in 1987 as part of a five-year grant to the least developed countries, and from international organizations offering development and financial assistance to the poorest Third World countries. Continued World Bank lending is unlikely, however.

Internal Political Pressures

12. Poor economic performance has provided a rallying point for opposition elements in key constituencies that are increasingly critical of Kaunda's leadership and policies. For instance, it took the Army and a policy reversal to quell the December 1986 food riots. Moreover, Kaunda has excited expectations that the new economic program will improve living conditions, and, unless external donors make up for the plan's shortcomings, economic grievances will increase frustration with Kaunda's leadership and act as a catalyst for political agitation. However, no one has yet emerged who appears capable of offering new policies and leadership that would unify the opposition and win broad popular support. Although a serious challenge to Kaunda's rule probably will surface during the time frame of this Memorandum, the chances are reasonably good that it will fail because of Kaunda's far-reaching system of patronage and the efforts of his capable internal security service.

13. *The Military.* Zambia's approximately 17,000-man armed forces, whose loyalty to Kaunda was once unquestioned, are probably the greatest potential challenge to his rule. Kaunda effectively tasks his intelligence service to monitor discontent within the military, however, and uses patronage to maintain the loyalty of key senior officers. He will continue to shuffle the military leadership, to assign suspect officers abroad, and to meet regularly with groups of

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officers to prevent active coup plotting. In the past, Kaunda has overcome military discontent with pay-offs—such as new equipment, salary increases, and other perquisites—and, more than likely, he will divert resources for this purpose again in the future.

[REDACTED]

14. Although Kaunda's tactics minimize the risk of a senior officer coup over the next two years, the worsening economy and potential military confrontation with South Africa could provoke serious plotting by junior officers and enlisted elements of the military. Critical of his failure to improve living conditions in the armed forces, dissatisfied with pay increases considered insufficient to keep pace with the rising cost of living, and nervous about their inability to halt South African raids on anti-South African insurgents in Zambia, the Zambian enlisted ranks and junior officers will remain restive.

15. **Organized Labor.** The Zambian Congress of Trade Unions (ZCTU), which represents 60 percent of nearly 400,000 wage earners, is economically and politically influential, but Kaunda is moving to curb the power of top labor leaders. The ZCTU has long pressed its interests with considerable success. It is capable of severely disrupting the economy by encouraging strikes, particularly by the Mineworkers Union whose ranks are drawn from the traditionally assertive Bemba tribe in the copper belt. Kaunda's concern about his ability to control labor following a wave of public-sector strikes early in the year led him to place labor funds under close scrutiny and to revoke the passports of top ZCTU officials, including the popular and outspoken chairman, Frederick Chiluba. Kaunda loyalists have removed Chiluba from his executive position on a key union council. Additional crack-downs on labor leaders could provoke protest strikes that might turn violent.

16. **The Sole Party.** The United National Independence Party (UNIP) dominates national decisionmaking in Zambia, although only 5 percent of the population are party members. Kaunda's support within UNIP appears to be eroding as members of the central committee publicly criticize economic mismanagement, government inefficiency, and corruption. The party newspaper recently carried a front page account of a senior UNIP official's call for the establishment of a multiparty system, and some party leaders and others among the rank and file are considering nominating candidates other than Kaunda to run in the presidential election slated for 1988. Former UNIP Secretary General and current Ambassador to Canada, Humphrey Mulemba, aspires to national office, although he was forced to recant his ambitions recently when directly confronted by Kaunda.

17. **The Business Community.** Prospects are for a further increase in tensions between Kaunda and Zambian businessmen, who, although few in number, include several influential party officials. Some businessmen are resisting the government's newly imposed price controls on retail goods and probably will oppose Kaunda's strong stand against privatization of state-owned companies, which dominate the economy. Kaunda has attempted to check opposition among their ranks by withdrawing the passports of some merchants accused of "economic crimes" or cooperation with South Africa, but that has only fanned their resentment.

18. **Internal Security Forces.** A plot to unseat Kaunda during the period of this Memorandum probably would be frustrated by Kaunda's loyal and relatively efficient intelligence service. The Zambian Intelligence and Security Service (ZISS) has been particularly effective over the years at monitoring the activities of the major civilian and military opposition groups. Kaunda directly controls the service's budget, and he can use that control to insulate ZISS morale from the country's economic distress. The 10,000 to 12,000 lightly armed national police perform routine functions and appear reasonably capable of controlling localized outbreaks of public unrest. Discipline and loyalty in the police, however, are not as certain as in the ZISS.

External Actors

19. With Kaunda at the helm, Zambia's traditional efforts to balance and exploit relations with the West and the Soviet Union will continue over the next two years. As a result of Kaunda's expanded leadership roles, however, Zambia probably will take on added importance in the regional foreign policy of both Western nations and the Soviet Bloc. His increased stature probably will also enhance Zambia's relations with other FLS and neighboring countries, and he will use his new leverage to keep pressure on South Africa to end apartheid and to encourage a reduction in FLS dependency on Pretoria. At the same time, Kaunda is unlikely to confront South Africa directly.

20. **The West.** Zambia will seek to avoid a cutoff of US aid under the Brooke amendment, which will take effect early next year if Zambia is still in arrears on its loan payments to the United States. Kaunda probably will appeal to the United States to encourage the IMF and World Bank to be more flexible in dealing with Zambia and other African states. Moreover, Zambia's economic plight ensures that Kaunda will continue to seek good relations with other Western donors. Japan probably will continue to allocate funds to Zambia

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Soviet and Cuban Presence

In addition to at least 70 Soviet military advisers, there are about 300 Soviet and 100 East European civilian economic advisers in Zambia, plus 50 Soviet Embassy personnel. Soviet economic aid and bilateral trade are negligible. A cultural agreement signed in 1986 provides for exchanges of health and education delegations, however, and about 150 Zambian students are studying in the Soviet Union.

Cuba has 15 diplomats and eight medical personnel in Zambia. Havana has repeatedly offered military assistance, but Lusaka fears provoking South Africa. Although Cuba has provided no significant economic aid so far, Lusaka reportedly is interested in receiving Cuban agricultural assistance.

annually under its \$500 million five-year grant to several African states, and the Scandinavian countries, important donors to development efforts in the southern Africa region, are also likely to continue support.

21. *The Soviet Union.* The Soviet Union values relations with Zambia primarily because of Kaunda's Third World leadership role. Moscow appears to be seeking modestly improved relations with Lusaka, but Kaunda is not likely to accept greater Soviet involvement in Zambia beyond traditional arms and military training assistance. Zambia's continued need for economic assistance requires cooperation with the West. Moscow will remain Zambia's major military supplier, but the Soviets will not divert the resources necessary to address Zambia's economic problems.

22. *Neighboring FLS States.* Zambia's relations with its neighbors remain on an even keel despite intermittent border tensions over smuggling, refugees, and cross-border incursions from war-torn Mozambique and Angola. Economic interdependence, shared security concerns, and the desire among all FLS countries to develop transportation routes that do not transit South Africa will continue to provide incentives for regional cooperation. Zambia has entered into a joint agreement with Angola and neighboring Zaire to rehabilitate the Benguela railroad. Regardless of the reluctance of Kaunda and most Frontline leaders to impose their own sanctions against Pretoria, which would provoke South African countermeasures causing massive economic dislocations, they will continue to urge the West to impose more severe sanctions.

23. *South Africa.* Pretoria barely tolerates Kaunda's support for the African National Congress (ANC),

which has its headquarters in Lusaka. South Africa has on occasion acted with near impunity in attacking across the border at ANC facilities in Zambia, but both sides will continue to exercise some restraint over the period of this Memorandum. Pretoria will monitor Kaunda's attempts to pursue regional initiatives and will strike ANC targets in Zambia whenever it deems necessary, but it probably will not seek to overthrow Kaunda and risk the possibility of a less desirable replacement. For his part, Kaunda recognizes the need to avoid provoking further economic or military retaliation by the dominant regional power, which could take the form of trade disruptions, sabotage, cross-border attacks, or South African backing for Zambian dissident groups. Zambia buys 40 percent of its imports from South Africa—including manufactured goods, machinery, and transport equipment—and 60 percent of its total imports transit South Africa. Kaunda will act cautiously to avoid raising South African suspicions about his intentions both at home and abroad and, as he has done in the past, he may from time to time offer to talk with South African leaders to reduce regional pressures.

Kaunda's Ability To Cope

24. The burden of Kaunda's greater regional and international roles, combined with domestic tensions and strains in his personal life, are likely to stimulate periods of erratic behavior and greater isolation from key advisers over the next two years. Although Kaunda himself is in good health, one of his sons died from AIDS last year, a daughter-in-law and a grandchild are stricken with the disease, and a second son is infected with the human immunodeficiency virus (HIV). Nonetheless, Kaunda seems to enjoy immersing himself in international problems, which allow him to indulge in rhetoric and philosophizing, and we believe that his personal resilience will carry him through the next two years.

Outlook

25. Kaunda's eroding authority at home and the threat of South African intimidation almost certainly will distract him from his expanded international leadership roles from time to time, but he stands a better-than-even chance of retaining power over the two-year period of this Memorandum. He probably will muster sufficient support to win the presidential election slated for next year. Kaunda probably will want domestic elections early in 1988 in order to capitalize on the initial popularity of his new economic recovery program, his break with the IMF, and his enhanced international standing. As the weaknesses of

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[REDACTED]

Impact of AIDS

Acquired Immune Deficiency Syndrome (AIDS)—which has an apparent 100-percent mortality, no preventative vaccine, and no cure—is spreading rapidly and is out of control in Zambia and throughout central Africa. [REDACTED]

[REDACTED] The spread of AIDS is so rapid in large part because heterosexual contact is the major mode of transmitting the AIDS-related human immunodeficiency virus (HIV) in Africa, and African health systems are, and will continue to be, inadequate.

Zambia and other heavily infected countries are suffering irreplaceable population losses in those groups most essential to their future development: midlevel economic and political managers, urban and agrarian workers, and military personnel:

- The disease strikes hardest at the healthy, productive, 15-to-50 age group. Zambia's small elite is at high risk.
- Approximately 15 to 20 percent of Zambia's urban population may be HIV infected, according to studies at Lusaka's University Hospital. AIDS is likely to ravage the mining industry, capital city, and settlements near the railroad—all concentrated in central Zambia.
- Rural areas have been thought to have lower infection rates, but these more sparsely populated agricultural areas may simply be three to five years behind the cities rather than somehow at less risk.
- The Zambian armed forces reportedly are heavily infected and may become unable to defend the country and maintain order. Air Force officer blood donors at University Hospital, for example, were found recently to be 35 percent infected.

Because a medical breakthrough in prevention, suppression, or cure, or a benign mutation of the disease, are unlikely, Zambian deaths due to AIDS may climb into the tens of thousands, and the size and intellectual development of the next generation of Zambians will be severely stunted. Moreover, epidemics of measles, tuberculosis, and other endemic diseases could well get a foothold in AIDS-weakened groups and spread quickly to others, rapidly raising the death toll.

[REDACTED]

the new reform program become evident through appearances of consumer shortages, however, Kaunda will look to his security apparatus to ensure stability and to prevent the formation of a coalition opposed to his rule. Zambia's security forces probably will be able

to cope with anticipated economically inspired unrest.

[REDACTED]

26. Kaunda will attempt to parlay his heightened international profile and enduring stature as an African statesman into increased standing at home. He will focus on issues that draw favorable publicity or help address Zambia's economic plight. [REDACTED]

27. As a skilled and experienced mediator, Kaunda is likely to be an active chairman of the OAU. He wasted little time after assuming the post in patching together a fragile cease-fire between Chad and Libya. The OAU Conference on African debt that Kaunda has called for late this year is probably of even greater interest to him because of its possible direct impact on Zambia. If a consensus is reached there on dealing with Africa's official debt problem, Kaunda probably will call for incorporating it into the 1986-90 UN Program of Action for Economic Recovery and Development in Africa. To avoid further alienating Western donors, he will not encourage proposals to repudiate all foreign debts or moratoriums on debt service payments. He will, however, support limiting such payments to a fixed percentage of GNP. [REDACTED]

28. Kaunda also will attempt to address broader Third World initiatives, including a reordering of the world economic system and cooperation among Third World countries to compete more effectively in the global marketplace. Along these lines he may urge the establishment of a copper cartel, an international financial organization already proposed by France to promote development, food security plans, and increased air travel linkages. None of these initiatives is likely to gain significant momentum during the next two years, but Kaunda will air his views and work to shape Third World thought on the issues. [REDACTED]

Alternative Scenarios

29. A military coup led by disgruntled junior officers or enlisted men cannot be ruled out despite Kaunda's efforts to keep in close touch with military sentiments. Disaffected military elements might be tempted to seize power, particularly if there were widespread disorder in Zambia. A military regime would lack the skills to govern effectively, however, and Zambia would face a period of instability. [REDACTED]

30. In the event of a rapid deterioration of the domestic economic and political situation causing a precipitous decline of Kaunda's authority, a broad coalition of his opponents in party, business, labor, and military circles might emerge. The current Ambassador to Canada, Humphrey Mulemba, is perhaps the

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most likely leader of such a coalition. Should he succeed in ousting Kaunda, Mulemba would support private enterprise, efficiency, and Western investment. Depending on the extent to which Kaunda's grip on power had slipped, of course, he could counter with his own choice of successor and back him with whatever weight his endorsement still carried. []

31. Although Kaunda appears capable of containing these threats to his rule for the next two years, the possibility remains that he might resign, be assassinated, or die of natural causes. If so, the Zambian Constitution provides that the secretary general of the ruling party—currently Grey Zulu, a staunch proponent of socialist policies—would become acting head of state until a new president can be chosen by a party congress and confirmed in a general election. As acting president and the top party official, Zulu would be in the best position to succeed, in our view. []

32. Least likely, in the event of a downturn in his health, Kaunda may try to install a different successor by naming a new UNIP secretary general. Prime Minister Kebby Musokotwane might be Kaunda's choice; he is young, pragmatic, and energetic, and he probably would carry on Kaunda's basic policies albeit with an infusion of his own ideas. Musokotwane favors Western economic principles but lacks support in the UNIP party and is a member of a small and uninfluential ethnic group. []

33. None of Kaunda's possible successors possesses his international stature, and the new Zambian president would not automatically assume his vacant positions at the OAU or FLS. []

Implications

For the Soviet Union

34. Over the next two years, Moscow will try to improve ties—largely through military relationships but also through carefully tailored diplomatic and political moves—with all of the Frontline States that are not already Soviet clients. Through these efforts, the Soviets are attempting to increase their influence in the region, to bolster the capabilities of the FLS to resist South Africa, and to improve Moscow's own credentials as an opponent of Pretoria and especially of its apartheid policy. Zambia, however, will continue to play only a small part in the Soviet strategy because the Soviets' primary focus in the region will remain on their principal clients, Angola and Mozambique. []

35. The Soviets will try to take advantage of Kaunda's desire to balance relations with the East and the

West, relying principally on its position as Lusaka's primary military supplier. Moscow will not significantly increase bilateral economic aid, however. The Soviets are looking for ways to limit their economic burdens in Africa and probably will rely on their recent \$100 million pledge to the Nonaligned Movement's Africa Fund, some of which will be disbursed to Zambia. []

36. Zambia's break with the IMF and Kaunda's increased visibility does afford the Soviets a propaganda opportunity. Moscow probably will offer inducements to Kaunda to use his new Third World leadership stature to criticize the Fund and to support Soviet positions in international forums. For instance, Moscow recently offered to replace unserviceable MIG-21 aircraft in Zambia's inventory at no cost, and it offered a new \$5 million line of credit for the purchase of more military equipment contingent on at least partial repayment of Zambia's debt. []

For the United States

37. President Kaunda's elevated international status creates opportunities both for conflict and for cooperation with the United States. Although a moderate by Third World standards, Kaunda is an outspoken critic of many US policies in Africa and elsewhere. []

38. Where he believes he can be effective, particularly for issues close to home, Kaunda is likely to attempt to bring parties together and to broker a deal acceptable to all. Kaunda's notion of pragmatic solutions to specific problems, however, may differ substantially from US views. Two such issues are:

— *Angolan Insurgency and Namibian Independence.* Although he initially encouraged US support to National Union for the Total Independence of Angola (UNITA) in the 1975-76 civil war, publicly Kaunda is now vehemently opposed to what he characterizes as an unholy alliance among UNITA, the United States, and South Africa. He also is a vocal critic of the US approach to Namibian independence. []


[] he sounds a more moderate tone, motivated by his discomfort with the large Soviet/Cuban presence in neighboring Angola. He also fears that South Africa is exploiting its position in Namibia and its relations with UNITA in order to aid Zambian dissidents. Kaunda thus will cooperate in efforts to achieve Namibian independence and a withdrawal of Cuban forces from Angola. If the opportunity arose, he probably would support negotiations for a Cuban troop withdrawal and national reconciliation in Angola

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because peace there would stabilize Zambia's western border.

settlement, he would not be dogmatic concerning the final form of such a settlement. 

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— *Political Change in South Africa.* Although he often leads rhetorical charges against apartheid, Kaunda is sincerely interested in promoting peaceful political change in South Africa. Since becoming aware of the high costs that trade sanctions would impose on the FLS, he has moderated Zambian and FLS policy, continuing to call for international sanctions but noting that the FLS members are too dependent on South Africa to do so themselves. He may offer to broker a dialogue between the white regime and its black opponents. Although he would insist that the ANC be included in any South African internal

39. Where Zambia's interests are minimally engaged, on the other hand, Kaunda will be harder to deal with. He will use his leadership positions to press Third World positions critical of the West. His first speech as OAU chairman, for example, touched lightly on Africa but dwelt at length on the Palestinians, Lebanon, and the Iran-Iraq war. In such areas, he tends to adopt standard Third World rhetoric and is unlikely to play a constructive role. Kaunda will use his own country's problems as examples of what is wrong with Western aid, trade, and fiscal policies. Such efforts will inject additional irritants into US-Zambian relations. 

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ANNEX A

Senior Zambian Officials



Alexander Grey Zulu

Secretary General, United National Independence Party (UNIP) since April 1985

Zambia's most prominent leftist, Grey Zulu, holds the number-two position in the government. The Zambian Constitution provides that, should President Kenneth Kaunda die or become incapacitated, Zulu, the party Secretary General, would serve as interim chief executive and have responsibility for organizing new elections within 90 days. His primary political asset is his longtime friendship with President Kaunda, but he also has developed a personal following among some senior members of the military, fellow Nyanja speakers, and other leftist government officials. Zulu uses his position to feed Kaunda's fears concerning domestic and foreign enemies, to consolidate his own position, and to move Zambia away from the West.

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He recently signed a protocol in Havana to establish regular consultations and exchange study delegations with Cuba through 1990.

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Zulu, 62, has a secondary school education. In 1958 he was banished by the British for his part in founding Kaunda's Zambian African National Congress, the forerunner of UNIP. He was elected to the colonial Parliament in 1962 and since independence has held numerous Cabinet portfolios. In addition, he served during 1978-85 as Secretary of State for Defense and

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Security with responsibility for the Zambian military and the intelligence and security services.



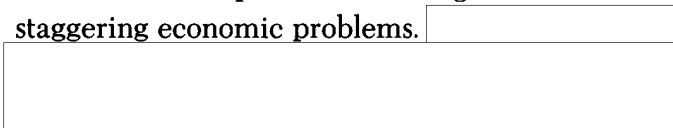
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Kebby Musokotwane

Prime Minister since 1985

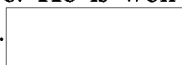
Kebby Musokotwane, number three in the government hierarchy, is a loyal protege of President Kaunda. A longshot to succeed his mentor, he is a member of one of Zambia's smallest tribes and has negligible backing in UNIP. Basically a technocrat, Musokotwane was, until recently, also Minister of Finance and has extensive experience working on Zambia's staggering economic problems.



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Musokotwane, 42, was educated in Zambia by US missionaries. He taught in local schools from 1964 until 1973, when he became a member of Parliament. Besides a previous stint as Finance Minister (1979-83), he also has held the Cabinet portfolios of Water and Natural Resources, Youth and Sports (twice), and General Education and Culture. He is well disposed toward the United States.



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Humphrey Mulemba

High Commissioner to Canada since 1985

As a former secretary general of UNIP, Humphrey Mulemba retains substantial support among Zambian businessmen and parliamentarians, despite his posting overseas. Many of his supporters would like to see him challenge Kaunda in the 1988 elections. Mulemba's relations with Kaunda are poor. The President demoted him to the diplomatic corps because Kaunda feared he was developing an independent base of support through his UNIP position. Mulemba favors privatization of the economy and is pro-West.




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Mulemba, 55, was educated in Zambia and was active in the preindependence labor movement. He has held several prominent party and government positions, including serving as a member of the UNIP central committee from 1971-85. He is a member of a small ethnic group. 

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Garry Kalenge

Commander, Zambian Army since 1987


Lt. Gen. Garry Kalenge is unpopular in the Army and is disliked by his fellow officers, many of whom were personally loyal to his predecessor. Kalenge's apparent lack of political ambition and his loyalty to President Kaunda were probably responsible for his elevation to Army commander. Kalenge, who is about 40 years old, is a Tonga speaker. He previously served as deputy Army commander. 

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Frederick Chiluba

Chairman, Zambian Congress of Trade Unions (ZCTU) since 1974

Chiluba, a dynamic and effective labor official, has long been one of President Kaunda's most outspoken critics. The politically savvy and ambitious Chiluba aims his criticism at Kaunda's economic policies but avoids attacking the President personally. He is vocally pro-Western and critical of socialist development models. Chiluba's outspokenness earned him several months of government detention in 1981. The government recently revoked his passport to hamper his participation in international labor conferences and also ousted him from his executive position in the National Union of Building, Engineering, and General Workers. 

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Chiluba studied financial management in Italy and the Netherlands. He has been a

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director of the Zambia Industrial and Mining Corporation, the country's largest parastatal, since 1982. Chiluba belongs to the Lunda, a Bemba-speaking tribal group. He is about 44.



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ANNEX B**Armed Forces at a Glance****Army**

Strength 14,000 personnel.

Major units Five infantry battalions, one armored regiment, one artillery regiment, various support elements.

Major weapons 34 medium tanks, 31 light tanks, 101 other armored vehicles, 55 medium field artillery pieces, and more than 30 shoulder-fired surface-to-air missiles.

Capabilities The Army's war-fighting capabilities are marginal. The force has virtually no capability to conduct offensive operations beyond its borders and will continue to be ineffective against border incursions, particularly by South Africa. It could probably engage a slow-moving force from Malawi, Zaire, or Mozambique; but any operations would be hindered by severe logistic, transport, and command and control deficiencies.

Air Force

Strength 1,800 personnel.

Major units Three fighter squadrons, three transport squadrons, two flight training squadrons, one surface-to-air missile unit.

Major equipment 26 fighter aircraft, 27 transports, 64 trainers, 41 helicopters, 12 SAM launchers. Aircraft often are not operational.

Capabilities Armed jet aircraft give the Air Force a minor combat capability, but it lacks the training and equipment to provide effective air defense or close air support. The force is capable of airlifting one or two companies, providing VIP transport, and flying fair weather reconnaissance. The force suffers from poor maintenance, insufficient qualified pilots, and heavy dependence on foreign advisers, trainers, and technicians.

Paramilitary

Strength More than 1,400 personnel.

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Major units One presidential guard force, one police mobile force battalion, and one police paramilitary battalion.

Foreign Military Presence

Soviet Union At least 70 advisers (providing armor, air defense, and pilot training; aircraft, and SAM maintenance).

North Korea At least 20 advisers (training army, paramilitary, and national service personnel).

Foreign Military Assistance

Since independence, Zambia has obtained military assistance from diverse suppliers. Non-Communist nations have provided about \$236 million in military sales and \$98 million in grant aid. Communist countries have provided \$410 million in sales and \$20 million in grant aid.

Until the mid-1970s, Zambia depended primarily on the United Kingdom (\$45.6 million in sales and \$24 million in grants). With major arms deliveries between 1979 and 1981 totaling \$280 million in military agreements, the Soviet Union became Zambia's largest arms supplier. Despite this influx of Soviet equipment and ongoing advisory presence, the Zambian military has not significantly improved its capabilities. Testy relations between Zambians and Soviet advisers contribute to the military's marginal effectiveness.



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