

DECLARATION

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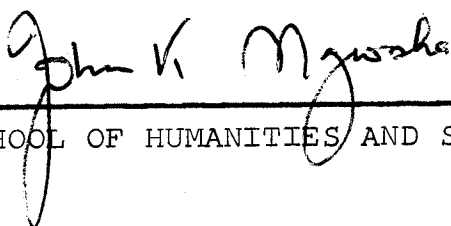
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PUBLIC POLICY-MAKERS IN ZAMBIA

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INTRODUCTION

While the writing on the role of transnational organizations (TNOs), particularly multinational corporations, in relationship to the nation-state has been rather extensive, it has tended to suffer from two failings. The first shortcoming is a dearth of primary research on Third World countries in general, and on African states in particular. The second failing is a tendency to examine the "balance of power" between transnationals and governments primarily from the standpoint of transnational organizations. Gaining "access" into nation states and "complementary conflict" between transnationals and governments has been the main research focus. One writer has gone so far as to elevate the conflictual relationship between transnational corporations and national governments to a status approaching scientific law.¹ According to the thesis, there are three

¹ Raymond Vernon (Sovereignty at Bay (New York 1971), pp. 132-34,) points out the fact that private transnational corporations have come to recognize the power of national governments to deny them access and have accordingly become more "conciliatory"; Huntington accepts this cyclical paradigm for private transnational business firms and argues that it may also apply to non-business transnationals such as the Roman Catholic Church. See Samuel P. Huntington. "Transnational Organizations in World Politics, XXV (April 1973), pp. 366-67. For an application of the thesis to the Catholic Church see Ivan Vallier, "The Roman Catholic Church: Transnational Relations in World Politics (Cambridge, Mass, 1972).

phases in the relationship. In the first phase the initiative is with the transnational to gain access to the territory controlled by the government. In the second phase, the government asserts its control over the transnational even to the extent of displacing it altogether. In the third phase, the transnational and the government achieve a new equilibrium worked out between the two.

While it is not the concern of the present research to test the validity of a cyclical conflict model of the relationship between transnational organizations and a national government, an effort will be made to explore the political framework of the relationship between TNOs and a government. Specifically, the relationship between TNOs and government will be examined from the perspective of governmental policy-makers.

The circumstances under which transnational organizations participate in public policy-making in a national-state will be examined. That is to say, the question of why certain TNOs participate in governmental policy formulation while others are excluded from the policy-making process will be investigated.

Keohane and Nye have posed a similar question on their agenda for future research on TNOs only with exclusive reference to trans-governmental coalitions between sub-units

of different governments and coalitions between national governments and international organizations.² The present research parallels this research task but has a different focus. The emphasis of the research will be upon TNOs access to public policy-makers in a single national state - Zambia.

The literature which discusses the success or failure of transnational organizations in the Third World fails to provide any clear answer to this question. It is surprising, in fact, to note how few efforts in this direction have been made. Bergsten - one of the few writers to address this question - has argued that "functionally specific" transnational organizations "succeed" in achieving their goals in nation-states better than "multipurpose organizations".³ However, he not only fails to provide a criterion for differentiating between organizations which have "specific" as opposed to "multipurpose" goals but the work also ignores the question of the probability of success or failure of transnational organizations within these two categories. In other words, would all functionally specific transnationals be equally successful and would all multipurpose TNOs be equally disadvantaged ?

² Keohane and Nye have posed the following question: "It is intriguing to ask specifically why some potential coalitions become active while others remain merely potential". "Transgovernmental Relations and International Organizations" World Politics (October 1974), p. 51.

³ Fred Bergsten, "Interdependence and International Institutions", International Organization, Vol. XXII, 1977, pp. 17-37.

Vilakazi has made an effort to explain the probable success of transnational organizations in African states.⁴ He argued that there were basically three types of transnational organizations in Africa: financial, political and social or service, organizations. On the basis of classifying transnationals as being one of the three types of organizations, he argues that transnationals in the financial and social or service categories tend to be more successful than political TNOs because the latter type of organization can be construed to be a threat to African governments. As was the case with Bergsten, however, Vilakazi's efforts to forecast the probable success of transnational organizations in terms of their stated objectives ignores entirely the question of how governments actually perceive the transnationals themselves. For example, the World Bank and IMF, and Lonrho or the Catholic Church can simultaneously be viewed as potential friends or enemies of an African state depending upon the problems facing the government, the leadership of the country, the history of the relationship between the transnational and the government and a whole host of related questions which are ignored by Bergsten and Vilakazi.

⁴ Absalom L. Vilakazi, "The Importance of International Organizations to African Diplomacy, "Mawazo: The Makere Journal of Arts and Social Sciences, Vol. 4, No. 3 1975, p.30.

Research for the present work is based upon an assessment of the government's perception of important transnational non-governmental, and quasi-governmental, organizations in Zambia. Zambia appears to be well suited to the research task because of the important role of the private sector in Zambia. Next to Nigeria and Kenya, in fact, there are few states in sub-Saharan Black Africa where there is as large and as important a private sector as Zambia has⁵.

For purposes of the present research, Huntington's definition of a transnational organization will be adopted. According to Huntington, transnational organizations share three characteristics: (1) They are large, complex bureaucracies; (2) They perform specialized, technical functions;

⁵ One indication of the size of Zambia's private sector is the government's published break-out of employees in the modern sector of the economy. The following table provides a clear indication of the importance of the private sector. Out of an estimated total of about 340 thousand employees, 94 thousand more in the private sector of the economy. Even this figure, however, is deflated since many of the large-scale employers such as the mining companies were parastatal bodies which combine both the public and private sectors.

Zambian Employees in Each Sector
(December, 1976)

Public Sector	124,040
Parastatal Sector	121,920
Private Sector	94,560

Source: Monthly Digest of Statistics,
Vol. XIV, Nos. 7 to 9 (Supplement), 1978

(3) They operate across one or more state boundaries.⁶

Reliance will also be placed upon Keohane and Nye's original formulation of transnational interactions as involving interaction between a governmental organization and non-governmental organization.⁷ This definition includes parastatal organizations in which a TNO has minority ownership. In fact, the largest transnationals in Zambia are managed by parastatal bodies.⁸

⁶ Samuel P. Huntington, "Transnational Organization in World Politics", *World Politics*, XXV (April 1973), p.333. The second condition that transnational organizations perform specialized, technical functions which do not usually have political objectives of affecting the "balance of power" within the local society requires qualification. As Keohane and Nye quite rightly point out, governmental organizations such as the CIA and AID which Huntington includes within his categorization of transnational organizations, usually do have political objectives. However, this qualification should go beyond governmental organizations to include non-governmental or "transnational" organizations as well. Transposed to the domestic setting of a nation state, all important transnational organizations have domestic political interests and policy preferences. Additionally, depending upon the policy framework of the host government and the nature of leadership in the country, particular transnationals are encouraged to play an active role in the formulation of government policy. Therefore, all major transnationals have political objectives (or policy and leadership preferences) in the context of the national setting where they operate and all major transnationals in one way or another aspire to play a role in the formulation of public policy which affects them.

⁷ See Robert O. Keohane and Joseph S. Nye, Jr., eds., Transnational Relations and World Politics (Cambridge, Mass. Harvard University Press, 1972).

⁸ The giant mining companies - NCCM and RCM, for example, are managed by a parastatal organization; Sheridan Johns has defined parastatal bodies in Zambia as follows: "Parastatal organizations are created by executive action and incorporated under the Companies Ordinance like any private company but are not within the formal governmental structure though they are subject to ministerial direction. However, they have considerable latitude to operate independently outside the regular governmental bureaucratic channels." S. Johns, "Parastatal Bodies in Zambia". (Unpublished memo, 1975), p.1.

II

PUBLIC IMAGE OF TRANSNATIONAL ORGANIZATIONS

In seeking to answer the research question: what are the circumstances under which TNOs participate in the formulation of public policy-making in Zambia; and why do certain transnationals participate in national policy formation while others are excluded, the major transnationals in Zambia have been ranked on the basis of their ability to get government licences for importation. TNOs in Zambia have been ranked according to their ability to get import licences from the government during the period between 1966 (shortly after independence) and 1976.

Governmental Import Policy

For any non-oil producing developing country, the issue of import licences is among the most important decisions affecting the economy. This is due not only to the fact that foreign exchange is one of a developing country's most important resources but it is also a crucial issue in relation to encouraging the development of indigenous industry as opposed to increasing the country's dependence upon transnationals for industrial output as well as for consumer goods and essential commodities. Zambia is no exception to this. The Zambian government has been explicit about the use of import licences to reduce its dependence upon importation and to stimulate the production and consumption of

its own industrial products.⁹ This was a clear indication that the Zambian government has used its import policy primarily as a means to regulate transnational organizations. Hence, the success which transnationals have had in gaining approval from the government to import is a measure of the government's favourable or unfavourable attitude towards a particular TNO at any point in time.

Tables 1 and 2 contain data on the issue of import licences by the Zambian Government to the 35 transnationals which have applied for the largest and greatest number of licences from 1966 to 1976.^{(See Appendix).} Table 1 gives a break-out of licence data according to the absolute value of approved import licences granted to particular transnationals for given years. The TNOs have been ranked in ascending order from 1 - which is NCCM - to the Jehovah's Witness which is number 35. In 1966, NCCM received government-approved import licences valued at K35.4 million while the Jehovah's Witnesses received no licences for that year.

⁹ The Ministry of Trade and Industry issued the following statement in 1973 on the government's import policy. "The reason for the use of import licences is to encourage this country to produce and consume its own industrial products instead of importing them. This policy will encourage import substitution, i.e., the domestic production of what would otherwise have been imported, and this process takes place when domestic production rises faster than imports. Thus our restriction on the issue of import licences and types of goods to be imported". Ministry of Trade and Industry Circular No. 73/2 of 8 February 1973. pp.1-2.

In Table 2, the same TNOs have been ranked according to approved licence applications as a percentage of the total applications each TNO submitted for a given year. For example, in 1966 NCCM submitted 158 applications and was granted government approval for all 158 licence applications. By contrast, Lonrho Zambia Ltd. applied for 108 licences in 1966 but received approval for only 51 of the licence applications for an approved licence ratio of 47.2 percent.

An examination of Tables 1 and 2 provides an indication of the relative success which the various TNOs in Zambia have had in being granted the right to import by the government during a ten year period. Table 1 shows the TNOs which were the largest importers according to the total value of licences and Table 2 gives the success ratio of each TNO as a percentage of the number of licence applications the TNOs submitted for approval by government. In other words, Table 1 gives a ranking of TNOs according to the total value of their imports and Table 2 indicates the success rate of each TNO regardless of the combined value of the licences. Table 2 makes possible the identification of TNOs which were successful in receiving governmental approval for their licence applications and yet have not required large licences. Obviously, the churches and the commercial banks would fall into the latter category. An examination of Tables 1 and 2, therefore, provides an indication of which TNOs have been successful and which have not been successful in obtaining import licences from the government.

NCCM and RCM

NCCM had the highest success rating in terms of its ability to secure import licences. Tables 1 and 2 show that the other major mining company - RCM, received an overall ranking of 3 out of the 35 TNOs examined. The high rankings of these two important TNOs can be partly explained in terms of their dominant role in the Zambian economy. However, while NCCM and RCM are both managed by a parastatal and are in the same business - the mining and processing copper ore and its derivatives, there is a difference in their relationship with government. This difference can be explained in terms of their public images in Zambia.

The contrast between NCCM and RCM is instructive in the sense that these two TNOs are (parastatal) organizations in minority partnership with the Government of Zambia. From all objective characteristics, therefore, they should be treated in the same way by the government insofar as their ability to obtain licences is concerned. There was a difference, however, between NCCM and RCM's ability to get licences as shown in Tables 1 and 2. This is particularly evident beginning in 1972. In Table 1 - value of approved licences, RCM was ranked 5, 4 and 4 in 1972, 1974 and 1975 respectively. NCCM, by contrast was ranked 1, 2 and 1 in the same years. This pattern was also evident in Table 2. For the years 1972, 1974 and 1976, RCM was ranked

9, 5 and 4, respectively, while NCCM was ranked 2, 7 and 2 for the same years. This reveals a slight preference by government for NCCM over RCM in the issuance of import licences.

Since NCCM and RCM are both parastatal organizations, in partnership with the Zambia government and since their operations and requirements for imports are almost identical, the difference in their treatment by the government cannot be explained in terms of the economic requirements of the two companies. In fact, both NCCM and RCM are in deep financial difficulties faced with increasing costs of production and declining output as a result in part, at least, of their inability to get larger import licences for the purchase of equipment and spare parts needed to expand their production. Nevertheless, despite the difficulties encountered by both TNOs, NCCM is favoured by the government over RCM.

In order to explain this difference in the government's treatment of NCCM and RCM, it is necessary to explore the nature of the public images of the copper companies. The basis of the government's perception of NCCM and RCM has its roots in President Kaunda's policy of disengagement from Rhodesia shortly after Rhodesian Premier, Ian Smith, declared UDI in 1965. At the time, Anglo-American (the minority shareholder NCCM) was perceived to be in support

of the government's foreign policy. By contrast, Roan Selection Trust (RST) which was the minority shareholder in RCM was perceived by government to doubt the realism of Kaunda's policies towards Rhodesia. In fact, RST/RCM was described in government circles as following policies which were designed to discredit the government in the eyes of the Rhodesians, the South Africans and the world as a whole. In other words, NCCM was perceived by government to be supportive of President Kaunda's policies of endeavouring to find alternative export routes to the southern one, and of expanding mineral output and diversifying into other sectors of the Zambian economy. NCCM was seen by the government to be in support of their policies even at the risk of losing short-term commercial opportunities. The government's perception of NCCM was that it had unquestioningly accepted the government's policies and had energetically pursued alternative courses of action in the company's operation in an effort to circumvent the political difficulties raised by the government's policies. On the other hand, RCM was perceived by the government as questioning the wisdom of Dr. Kaunda's foreign policy and as being prepared to do little to circumvent the problems created by those policies; particularly as they adversely affected the commercial viability of RCM's operations.

The government's perception of the copper companies was reinforced by numerous actions or lack of initiative shown by NCCM and RCM. Although it is beyond the purview of the present essay to explore fully the policies of the companies in order to assess the validity of the government's perceptions of NCCM and RCM, a few examples which appear to figure prominently in the thinking of government officials will be mentioned.

One area of friction between RCM and the Zambian government was over the use of the southern railway route through which the companies had been shipping their copper exports. The route passed through Rhodesia and linked up with ocean-going freighters at Mozambican and South African ports. President Kaunda's decision to keep the Zambian-Rhodesian border closed to Zambian export-import traffic after the Smith regime closed the border in 1973, triggered RCM's opposition. RCM appeared to be particularly incensed about the fact that Zairean goods including copper, ^{Rhodesian} was still being transported on the line which passed through Zambia on the way to Katanga and back. RCM openly doubted the economic realism of re-routing Zambia's copper.

One action taken by RCM which aroused the hostility of the government was RCM's decision to purchase two Lockheed Hercules aircraft which could fly about 35 tonnes of copper out of Zambia on each flight. The Zambian government strongly disapproved of this plan and said that RCM knew that it

would require at least 35 aircraft to handle the shipment of Zambia's copper and that the proposal was clearly impractical and uneconomic. President Kaunda's emotional criticism of the plan indicated that the government felt that RCM was trying to embarrass them into accepting the impracticality of the border closure with Rhodesia.

Another illustration of action taken by RCM which was construed by the government to be an effort to circumvent their foreign policy was the decision by RCM shortly after the border closure with Rhodesia to compensate for the loss of the high grade coal imported from Wankie in Rhodesia for the fuel supply of the copper smelters in Zambia. Unlike NCCM, which accepted the government's decision to close the border and endeavoured to substitute for the loss of Rhodesian coal by expanding the lower grade Zambian coal mines at Nampundwe and Maamba - after 1973, and by opening a new coal mine, RCM imported expensive equipment and machinery to convert its largest mine - Mufulira, from coal burning to oil burning. The significance of this decision was that it came at precisely the time that the government was rationing oil in the country in 1974.

RCM nevertheless proceeded to substitute for Rhodesia coal by converting their largest mine to the use of oil for smelting purposes. The government's reaction was predictably hostile. Zambian officials openly criticized RCM's decision to convert to oil-burning on grounds that it would substantially increase Zambia's fuel requirements which were in critically short supply.

Another example of friction between RCM and the Zambian government was the government's decision to close an old WENELA mining labour road which handled three percent of Zambia's imports comprised mostly of equipment which was manufactured in South Africa and shipped to Zambia.¹⁰

While NCCM remained silent or at least refrained from any public statement on the closure of the road and, in fact, immediately re-routed their equipment imports via Dar-es-Salaam, RCM publically attacked the decision. RCM argued that the closure of the road was not part of the government's policy of closing the Rhodesian border to rail traffic for imports to Zambia. Since the road crossed only Botswana's territory, that exempted the route from the 1973 decision to close the border with Rhodesia. RCM's position, hence, was interpreted by the Zambians as yet another example of RCM's propensity to circumvent the government's policies rather than accept the government's policy and attempt to mitigate the economic disadvantages of the policy on their operations.

¹⁰ Burgess has argued that one reason for the closure of the road was that since it involved the use of only one mile of Botswana territory it was a subterfuge for a direct trading route with South Africa. Julian Burgess, "Interdependence in Southern Africa" (EIU Special Report No. 32, July, 1976), p.49. Another possible reason for the closure of the route was the fact that WENELA constructed the road for the express purpose of recruiting Zambians for labour in South African mines. This may have violated Kaunda's moral sensibilities.

Closely related to the differing images of the copper companies in government thinking was the successful cultivation of public relations between representatives of Anglo-American and the rather poor personal representation of R.S.T. in Zambia. One example of R.S.T.'s rough public relations was the Annual Report of 1968 in which the Chairman, Sir Ronald Prain publicly disputed the government's criticism that R.S.T. had distributed too high a proportion of their profits as dividends and that RCM's action had inhibited mining expansion in the country.¹¹ At the time of the nationalization negotiations in Lusaka between Anglo-American and R.S.T and Zambian officials, the greater finesse of the South Africans representing Anglo-American compared to the American representatives in assuaging the Zambians' sensibilities was evident.¹²

¹¹ Anthony Martin, Minding Their Own Business (Harmondsworth; Penguin Books, 1975), p.91.

¹² Ibid., pp. 182-187.

Significance of RCM's Negative Image

Having noted the fact that RCM had a more negative public image than had NCCM, this is not to say that in the case of RCM, at least, their relatively negative image has resulted in the government's overt discriminatory treatment of RCM. In fact, to the contrary, RCM had received roughly the same treatment in its dealings with the government as NCCM had. The reason for this lies not in the unimportance of a TNO's public image but rather in the importance of RCM to the Zambian economy. One indication of the importance of RCM to Zambia is its contribution to the government's annual revenue and its contribution to the country's exports.

TABLE 3 : CONTRIBUTION OF THE COPPER INDUSTRY TO GOVERNMENT REVENUE AND EXPORTS (SELECTED YEARS)

Year	Government Revenue (K million)	Contribution to Government Revenue (K million)	Contribution to Exports %
1968	301	176	96
1970	435	251	97
1972	302	56	93
1974	647	341	94
1976	443	12	93

Source: Adapted from the Zambia Mining Year Book, 1977, p.24.

Table 3 shows that despite extreme fluctuations in the mining industry's contribution to governmental revenue (due largely to fluctuations in the world price for copper) the mining companies were the largest single source of governmental revenue. In addition, and perhaps of greater importance, was the fact that copper exports constituted almost the sole source of foreign exchange earnings for the government.

NCCM had the largest mining production in Zambia. The gross value of NCCM's copper sales in 1976, for example, was about 436,627 tonnes. This compared to RCM's output of about 298,250 tonnes in the same year. RCM constituted roughly 41 percent of Zambia's total copper sales in 1976. Given the importance of copper production to the government, therefore, the fate of the government was intertwined with the success of RCM. Therefore, while the Zambian government had a negative image of RCM, they could not afford to indulge in the luxury of inhibiting the successful operation of RCM lest they jeopardize the government's single most important source of revenue - the sale of copper.

The government's relatively even-handed treatment of NCCM and RCM was evident in the government's granting of large import licences to both TNOs the use of railway wagons for transporting their copper exports through Rhodesia to Mozambique and to South Africa. As the cheapest and most efficient route, the TNOs in Zambia have, generally

speaking, preferred to use this route despite the government's policy of discouraging the use of the "southern route" on grounds of enforcing U.N. economic sanctions against Rhodesia.¹³

TABLE 4 : RAILWAY WAGONS GRANTED TO NCCM AND RCM FOR USE ON THE SOUTHERN ROUTE(Selected Years)

	1966	1967	1971	1978	1979 ^a
<u>NCCM</u>					
Wagons Requested	8,402	8,647	8,751	6,520	1,873
Wagons Granted	8,376	8,622	8,545	5,574	1,871
%	99.1	99.7	97.6	85.5	99.9
<u>RCM</u>					
Wagons Requested	7,868	8,870	8,237	6,114	1,763
Wagons Granted	7,588	8,475	8,038	5,155	1,749
%	96.4	95.5	96.7	84.3	99.2 ^a

^a Figures for the First Quarter of 1979.

Source: Office of Contingency Planning, Ministry of Power, Transport & Communications

¹³ Even during the so-called border closure in 1973, the mining companies were allowed to use the route on an emergency basis. After the border with Rhodesia was reopened in October 1978, NCCM and RCM along with other favoured TNOs such as Lonrho, Chibote Holdings and LMA were granted permission to use the route. The use of the southern route, however, placed the TNOs in a dilemma. On the one hand, the TNOs were relieved when the line through Rhodesia was opened because it meant that they could efficiently and inexpensively get out of Zambia not only their normal annual production of copper but they could also export an estimated 100,000 tonnes of copper which was stranded between the Zambian copper-belt and Dar-es-Salaam. On the other hand, the TNOs had misgivings about depending heavily upon the southern route. The government of Muzorewa controlled the Rhodesian side of the line while the ZAPU forces - ZIPRA - could at least disrupt the Zambian side of the line if they wished. If, as seemed inevitable, the Zambian government were forced to deal with the Muzorewa government to ensure continued use of the southern route through Rhodesia, such cooperation might incite ZIPRA forces to disrupt the line on the Zambian side of the border.

The data on the granting of railway wagons to NCCM and RCM in Table 4 shows an absence of preferential treatment of the TNOs by the government. The wagons which were granted as a proportion of the wagons requested by NCCM and RCM averaged in the mid-90 percentile for both TNOs. This was significant, especially for the 1978 and 1979 periods, since only 5 TNOs in Zambia were allowed to use the transport route through Rhodesia.

The Transformation of Lonrho's Negative Image

The history of Lonrho Zambia Limited is the clearest illustration of the importance of image in a TNO's success in Zambia. An examination of Tables 1 and 2 reveals a major metamorphosis in Lonrho's relationship with government. Table 1 shows that Lonrho went from being ranked 12 in 1966 to being ranked 2 in 1976 in terms of the total value of approved import licences. Table 2 indicates that Lonrho went from a ranking of 24.5 in 1966 to being ranked 12 in 1976. Both indices suggest a major improvement in Lonrho's ability to get import licences from the government. The case of Lonrho clearly indicates what a severe liability a poor image is for a TNO which wishes to operate successfully in Zambia and, alternatively, the success which a transnational can have after overcoming its poor image.

In 1959 Lonrho's headquarters was in Salisbury.¹⁴

Both, in fact, and as a matter of public image, Lonrho was a Rhodesian-based company. This was a serious problem for a transnational corporation which ^{wished to} operate in black African countries. In 1961, when R.W. Rowland took over as the Managing Director of Lonrho, he set out not only to diversify the company's operations but importantly, he sought to expand Lonrho's investments northward into independent black African states. By 1967, Lonrho had succeeded in opening offices in 14 countries north of the Zambian border.¹⁵ The history of Lonrho in Zambia is the history of a transnational overcoming a highly negative image of a company which was established and grew to prosperity in what the Zambians perceived to be an illegal and racist minority colony of Great Britain.

¹⁴ Lonrho was incorporated in 1909 as the London and Rhodesia Mining and Land Company Limited. Its principal functions were to "purchase, take on, lease, or otherwise acquire, any mines, mining rights and metalliferous land in Rhodesia, South Africa, or elsewhere in Africa." In the early 1960s Lonrho operated or managed a handful of gold mines and owned about 700,000 acres of land on which some of the largest herds of cattle were raised. In 1959, Lonrho set up Rhodesian Television (Pvt.) Ltd., they leased some office buildings in Salisbury and had a central transport depot for the industrial sector. See Suzanne Cronie (et al), Lonrho: Portrait of a Multinational (London: Julian Friedmann Books, 1976), p.17; the well-known Managing Director of Lonrho, R.W. Rowland, was himself an emigrant to Rhodesia in the 1940s. He not only bought a farm in Rhodesia but his formative business career was in Rhodesia.

¹⁵ African Development (December, 1971), p.13..

One way in which Rowland sought to overcome Lonrho's negative image was to cultivate personal relationships with the Zambian political elite.¹⁶ Rowland did this by granting favours to Zambian political leaders such as making large contributions to the ruling party of Zambia - UNIP. For example, Lonrho made a new white Beechcraft Queen Air 80 available to Kaunda in 1963 for talks with President Nyerere in Dar-es-Salaam. Lonrho also made heavy financial contributions to the independence celebrations fund of UNIP in 1964. Despite these personal favours, however, and despite Lonrho's eagerness to expand their investments in Zambia, the TNO was consistently rebuffed by the government. A few illustrations will serve to show the problems which frustrated Lonrho's early attempts to transfer from its base of operations in Rhodesia to Zambia.

In 1963, Lonrho proposed to the Zambian government that Lonrho be allowed to finance a 500-mile rail link between Zambia and Tanzania (a forerunner of the Tazara which was eventually financed by the People's Republic of China and which was opened in 1976). The Zambian government rejected Lonrho's proposal ostensibly on grounds of the unacceptability of Lonrho's requirement that it be guaranteed a monopoly on the transshipment of Zambia's copper. A more likely reason, however, for Zambia's refusal of Lonrho was the forceful intervention of a highly prestigious TNO in Zambia - NCCM, which opposed Lonrho's

¹⁶ Cronje, p.33.

proposal. The Chairman of the Anglo-American corporation which was based in South Africa, Harry Oppenheimer, personally intervened in the matter to persuade Kaunda that Lonrho's proposal was ill-advised. The argument Oppenheimer advanced was that Lonrho was a new company in Zambia and as such did not understand the problems of a developing country like Zambia. By contrast, Anglo-American had had a long history in Zambia and well understood the requirements not only of the copper industry but also understood Zambia's development requirements.¹⁷ Despite the fact that Kaunda was initially favourable towards Lonrho's proposal and, in fact, was prepared to announce his approval for it, Anglo-American was able to persuade the government against Lonrho's proposal. There was an irony in the outcome of the dispute over Lonrho's proposal, at least in terms of the comparative images of the TNOs.

A South African based TNO - Anglo-American - successfully argued against the government's acceptance of a Rhodesian-based TNO - Lonrho - on grounds of the latter's unfamiliarity with the needs of a developing African country and on grounds that Lonrho had not demonstrated its commitment to the developmental needs of Zambia.

¹⁷ Richard Hall, The High Price of Principles: Kaunda and the White South (Harmondsworth: Penguin, 1973), p.212; Interviews with officials of the Zambian government, various dates.

Another illustration of Lonrho's difficulties in establishing itself in Zambia came in 1966 in connection with Lonrho's proposal to the government to construct a 1,693 km oil pipeline between Dar-es-Salaam and Ndola on the Zambian Copperbelt. Rowland's proposal was also rejected by the government. The reason for the government's action was that it had serious doubts about depending upon a company with strong Rhodesian connections for a strategic project such as constructing an alternative oil supply route to substitute for the existing one which passed through Rhodesia.¹⁸ Lonrho encountered similar difficulties in connection with Rowland's bid to take over Zambia's major daily newspapers. In 1965 and 1968, Rowland sought to get into a joint newspaper scheme with the Zambian government and thus be a part owner of the government newspaper. Both attempts failed and the government proceeded to establish its own government newspaper.¹⁹

¹⁸ Anthony Martin argues that the Vice-President, Simon Kapwepwe, vetoed Lonrho's proposal on grounds that Lonrho should not be allowed to expand in Zambia until its connections with Rhodesia had been clarified. Martin, p.198; The pipeline was ultimately constructed by the Italian firm Mediobanca which put forward a bid which was higher than Lonrho's but which did not include ownership and management rights to the project as Lonrho's proposal had.

¹⁹ Cronje, pp.34-36.

The reason for Lonrho's failure was similar to Lonrho's earlier unsuccessful attempts to establish cooperative ties with the Zambian government. Lonrho's image as a "Rhodesian company" undermined its ability to secure an effective political relationship with the government.

The turning point for Lonrho's operation in Zambia came in 1972. Lonrho's total value of import licences jumped from K13.5 million in 1970 to K25.9 million in 1972. This is almost a 100 percent increase in the value of Lonrho's licences. It placed Lonrho second only to NCCM. Lonrho thus had an enormous increase in import licences from K9.8 million in 1966, to K25.9 million in 1972 - a jump of just over 250 percent in six years. There were two reasons for this dramatic turnabout in Lonrho's standing with the Zambian government; they were both related to Lonrho's improved image. The first change occurred in 1968 when the company which held the largest block of shares in the Mozambique-Rhodesia Pipeline Company (C.P.M.R.) voluntarily discontinued the use of its pipeline for the supply of oil to Rhodesia via Mozambique.²⁰ Lonrho's decision to

²⁰ Robert C. Good, U.D.I.: The International Politics of the Rhodesia Rebellion (Faber & Faber: London, 1973), p.135; Rowland followed up his policy of enforcing UDI sanctions against Rhodesia by lodging a law suit against the oil companies which had originally contracted to use Lonrho's pipeline in supplying Rhodesia. Lonrho argued that it was unlawful to supply Rhodesia with oil but in the event that oil were supplied to Rhodesia the contracting companies had a legal obligation to use Lonrho's pipeline. Lonrho not only instituted a law suit in 1977 against the oil companies, but they subsequently handed over their legal brief to the Zambian government which subsequently instituted legal proceedings against the offending oil companies.

voluntarily comply with the sanctions against Rhodesia was interpreted by the Zambians as a clear indication that Lonrho was prepared to forego profits in the interests of supporting the political objectives of the Zambian government. Beyond that, however, Lonrho's decision to shut off the pipeline supply of oil to Rhodesia demonstrated that Lonrho's loyalty did not lie with the illegal white ruled regime. To the Zambians it showed that Lonrho was committed to supporting the Zambian government's policies even when Lonrho's profits were at stake. This removed a source of deep ambivalence which the Zambians had long held towards Lonrho and it cleared the way for the company's rise to pre-eminent standing in Zambia.

The second reason for Lonrho's dramatic rise to eminence in Zambia was that Lonrho directly committed itself to the achievement of the objectives of the government's Second National Development Plan (1972-1976). At precisely the time that Zambia was having serious agricultural production and supply problems in 1970-71, Rowland approached the government with a proposition to help finance important agricultural projects to overcome these obstacles. The objective was for Lonrho to identify itself with the Zambian government's concern about the agricultural sector of the country by agreeing to play a major role in implementing

a high priority development policy for the government.²¹

Adverse Publicity and the Oil TNOs

The oil companies in Zambia offer an illustration of a TNO which developed a poor image and as a result it was being squeezed out of the country's petroleum supply market. Another oil TNO - one with a less tarnished image - had been rewarded with the business denied the oil TNO with a bad image. The irony was that both TNOs had been guilty of engaging in the same practice although on different scales of activity and with differing public visibility.

²¹ Rowland cashed in on the agricultural crisis in Zambia in 1970-71 by linking Lonrho's investment activities with those of a development plan which was designed to revitalize the agricultural sector of the country. The Zambian's humiliation of having to go to the U.N. to ask for a special dispensation to purchase maize from Rhodesia in violation of the U.N. sanctions symbolized for the Zambian government the political consequences of the failure of the agricultural sector. The decline in production was aggravated by the exodus of expatriate commercial farmers and the decline in the number of Zambian peasant farmers, both of which depleted the number of growers and added to the cash demand for agricultural produce. See, African Development (October 1974), p.17. Rowland cultivated the government's concern with its agricultural problem by offering to make major investment in agricultural projects in order to help fulfill the government's new Second National Development Plan 1972-1976. The result was the doubling of Lonrho's import licence allocation in 1972 - largely for agricultural development projects. Lonrho's agricultural investments were K1.5 million in 1975; 1976 (K1.8m); 1977 (K2.0m); and 1978 (K2.5m). Interview with John Price, Chief Executive of Lonrho Zambia Ltd., 10 May 1979 in Lusaka; See the Second National Development Plan, January, 1972 - December, 1976 (Ministry of Development Planning and National Guidance; Lusaka, December, 1971. The Second National Development Plan projected a dramatic increase in investments during the First National Development Plan to K135 million in the SNDP period ending in 1976.

The oil TNOs in Zambia are another clear example of how the public image of transnationals have affected their relationship with government. Table 1 shows that Shell & B.P. went from an import licence valuation of K17.2 million in 1966 to a figure of only K5.7 million in 1976, which is about a 300 percent decline in the value of their annual import licences. During the same period, their competitor, the American company - Caltex - went from a total annual value of import licences granted, from K13.3 million in 1966 to K12.1 million in 1976. In other words, while Shell & B.P.

experienced a serious decline in the value of their annual licences granted by government, the value of Caltex's import licences remained relatively constant.²² The reason for the government's preferential treatment of Caltex is to be found in the differing public images of the two oil TNOs.

²² The other oil transnationals underwent a decline in the value of import licences similar to Shell & B.P. Agip went from K14.7 million in 1966 to K6.5 million in 1978; Mobil Oil went from K12.9 million in 1966 to K4.2 million in 1978. One reason for the overall decline in the value of import licences for oil imports was the opening of the oil pipeline from Dar-es-Salaam to Ndola at the end of 1968. This source of oil importation did not require licencing. Hence, the crude oil which was brought in through the pipeline was paid for directly by governmental transfers without the issuance of licences.

The government's decision to bring a law suit against the oil companies for breaking the U.N. Sanctions prohibiting, among other things, the supply of oil to Rhodesia, was based upon the premise that by supplying Rhodesia, the oil TNOs were violating the Zambia government's policies towards Rhodesia. The government sued both Shell & BP and Caltex along with the other major western oil TNOs in Zambia for sanctions-busting in Rhodesia. Despite the fact that Caltex was being sued along with Shell & B.P. for the same offence, however, the government did not penalize Caltex in terms of the company's authorization to import. The 1976 figure for Shell & B.P.'s import licences shows that their value of licences dropped to only K5.7 million, whereas Caltex remained constant at K12.1 million in the value of its 1976 imports. The reason for the difference in governmental treatment of the oil TNOs, lies in their public images.

Shell and B.P. was a British-based company which was considered by the Zambians to be actively engaged in protecting the interests of British "subjects" in Rhodesia. Caltex, on the other hand, was considered to be not as guilty of violating sanctions as Shell & B.P. because Caltex was an American-based TNO and, therefore, was perceived by the Zambians to have been "influenced" by the main leader - i.e. Shell & B.P. in oil sanction-busting. In other words, the Zambians viewed Caltex as having only a marginal role in supporting the Rhodesian regime whereas they perceived Shell

& B.P. as being the leading oil TNO in supporting the government of Ian Smith. Obviously, the nationality of the TNOs played a major role in influencing the Zambian government's perception of the TNO's political loyalties. Shell & B.P. was a British company which supplied oil to the Rhodesian government in contravention of Zambia's foreign policy. Caltex was an American TNO, on the other hand, which was perceived by the Zambians as merely following the lead of the British TNO. Since Caltex was an American-based company which did not have a long history of direct, major business activity in Rhodesia, Caltex was regarded as being less guilty or less culpable than the British TNO. Importantly, the release of a series of public revelations of British sanctions-busting in Rhodesia sensitized the Zambians to the activity of British TNOs which had interests in Rhodesia. This adverse publicity appears to have fatally tarnished Shell & B.P.'s image with the Zambians.

The adverse publicity raised serious doubts about their loyalty and trustworthiness towards Zambia in the eyes of the government. Although Caltex engaged in the same activity as Shell & B.P., Caltex not only was not punished by being denied import licences as Shell & B.P. was, but Caltex inherited the former role occupied by Shell & BP. as Zambia's major oil import supplier. Table 5 shows the reversal in the roles of Shell & B.P. and Caltex.

TABLE 5 : IMPORT LICENCES GRANTED THE OIL TNOs IN 1977 & 1978

	(1977)		(1978)	
	<u>Approved Licences as a Percent of Total Submitted</u>			
	Ratio	%	Ratio	%
Caltex	84:75	89.5	86:81	93.8
Shell and B.P.	65:32	49.3	71:37	51.7
	<u>Total Value of Approved Licences (millions of Kwacha)</u>			
Caltex	16.7		19.6	
Shell and B.P.	7.9		8.3	

Source: Ministry of Commerce and Foreign Trade, (Lusaka 1979).

The table shows the continued difficulty which Shell and B.P. have had in getting import licences from the government. It also shows the increasing role of Caltex as the government's major TNO oil supplier. Caltex went from a total of K12.1 million in the annual value of its import licences in 1966 to K19.6 million in 1978; this was 100 percent greater than the value of licences received by Shell & B.P. for the same year.

A major reason for the reversal of roles of Shell & B.P. and Caltex as the government's major oil suppliers must have been the adverse publicity given to Shell & B.P.'s involvement in oil sanctions-busting in Rhodesia.²³

²³ According to the Bingham Report which was issued by the British Government, Shell, London gave assurances to the Rhodesian Secretary of Trade, Industry and Development and to his Deputy Secretary that the supply of oil to Rhodesia would not be interrupted allegedly because to do so would also deny oil to Zambia which would not be accepted by African states. T.M. Bingham and S.M. Gray, "Report on the Supply of Petroleum and Petroleum Products to Rhodesia". September, 1978, p. 59.

The fact that there was no comparable publicity regarding Caltex's role in sanctions-busting gave Caltex a lower public profile as a sanction's buster in the eyes of the Zambians.²⁴

The relative concealment from the public eye of Caltex's participation in oil sanctions-busting thus saved the government the embarrassment of relying heavily upon a publicly

acknowledged sanction's busting TNO - i.e., Shell & BP. Since the government was forced to deal with an oil TNO for crucial petroleum imports and since in terms of public image, at least, the Caltex company was "less guilty" than Shell & B.P., the government chose to deal with the American TNO rather than continue with their traditional British TNO oil supplier.

²⁴ Although Caltex's role in oil sanctions-busting has not been publicized, Caltex is one of the largest oil companies in South Africa with an estimated \$225 million invested in 1977 in the country. Jennifer Davies, "U.S. Dollars in South Africa: Context and Consequences", ISSUE Vol. VII, No.4, Winter 1977, p.18; since South Africa was the link through which sanctions-busting in Rhodesia occurred, it is not unlikely that Caltex was deeply implicated in the Rhodesian sanctions busting; The Bingham report states that Caltex did not have direct contact with their New York Headquarters office, p.354. Shell, on the other hand, was described as "the supplier of all Rhodesia requirements of Augas 100/130 and of base lubricants for local blending" p.1. Caltex had subsidiaries in both South Africa and Rhodesia and in fact, was the co-owner of the storage depot outside Salisbury which was hit by ZIPRA guerrillas in December 1978. Despite this fact, the U.S. State Department has refused to support efforts to re-open investigations into the role of U.S. oil companies in sanction-busting in Rhodesia on grounds that the "Bingham Report did not shed any new light on the operations of American oil companies in regard to Rhodesia. "Lid off U.S. Sanctions-Busting, New African, March 1979, p.95.

OVERLAPPING CHURCH TNO-GOVERNMENTAL CONSTITUENCIES

Political Role of Church TNOs in Zambia

The major churches in Zambia in terms of membership were the United Church of Zambia and the Roman Catholic Church of Zambia. Other minor churches were the Reformed Church of Zambia, the Jehovah's Witnesses, New Apostolic Church, Seventh Day Adventist Church and the Anglican Church.²⁵ Since the United Church of Zambia, however, was not a TNO, it was not included in the study except when it has acted in association with a church TNO. All of the other churches were TNOs. The largest church TNO was the Roman Catholic Church which comprised a membership of about 38.8 percent of the total church affiliated population of Zambia.

The church TNOs which were favoured by the government were the Roman Catholic Church of Zambia and the Anglican Church while the smaller churches did not have a close relationship with government. The important role which the Catholic Church of Zambia along with the Anglican Church have played in public policy-making in the country is unique.

²⁵ These churches have the following memberships:
United Church of Zambia - 1.7m; Roman Catholic Church of Zambia - 1.2 million; Jehovah's Witnesses - 50,000; New Apostolic Church - 58,000; Reformed Church of Zambia - 50,000; Seventh Day Adventist Church - 30,000; Anglican Church - 30,000.

The other churches were not favoured with access to governmental decision-making partly because of problems they have had with their image. For example, the Jehovah's Witnesses, the Seventh Day Adventist and the New Apostolic Church doctrines proscribe the symbolic demonstration of their member's support for the government through the salute of the national flag and the singing of the national anthem.²⁶ In government thinking, this was a sign of the churches' questionable allegiance to the government. Likewise, the Reformed Church of Zambia which had financial and organizational links with the Dutch Reformed Church of South Africa was not in favour with the government. The fact that the Reformed Church of Zambia was connected, even if peripherally, with an Afrikaner-based church of South Africa which practised apartheid, tended to taint the Reformed Church's image.²⁷ The government's attitude toward the

²⁶ Roberts points out, for example, that the Jehovah's Witnesses have challenged the Zambian Government. The Witnesses refused to vote, sing the national anthem and salute the national flag. This provoked the anger of UNIP branches resulting in violent clashes between the Party and Witnesses in 1969. Andrew Roberts, A History of Zambia, (London : Heinemann, 1976), p.250; The New Apostolic doctrine also precluded saluting the national flag and singing the national anthem, and members have refused to participate in the Christian Council of Zambia where social and political issues were discussed. The New Apostolic Church is a member of Pentacostal Evangelical Fellowship based in the U.S. Interview with C.N. Monga, Secretary of the Christian Bible Society of Zambia on 13, 15, 16 May, 1979 in Lusaka.

²⁷ Speaking at the installation ceremony of a Roman Catholic Bishop, the Secretary-General of the ruling party - UNIP - Grey Zulu, said the international character of the Christian Church was necessary to prevent such "unwholesome" consequences as the development of the Dutch Reformed Church of South Africa is almost a "segregationist organization". Zambia Daily Mail, April 29, 1974.

Reformed Church, therefore, was unrelated to the actual activities of the Reformed Church in Zambia which had been actively engaged in Missionary work in the Eastern Province of the country for more than half a century.

The Roman Catholic Church and the Anglican Church were favoured by the government. This was evident in their ability to gain access to public policy-making circles and has enabled them to exert some impact upon governmental policy. In order to understand the role which these two church TNOs have performed in public policy-making, it is necessary to examine the political framework which the government has set for its relationship with the churches in Zambia.

The Zambian government's official ideology is "Humanism". The governmental handbook on Humanism sets out the following role for religious leaders :

Religion must continue to play an important part in our national life. We need religious leaders to give us guidelines. But moral and spiritual development must also be part and parcel of the party and government programme. Hence, it is seriously proposed that the Party's programme include moral and spiritual teaching.²⁸

²⁸ Dr. Kenneth D. Kaunda, Humanism in Zambia and A Guide to its Implementation, Part II, 1974, p.118.

An indication that the party has taken this injunction seriously is evident in the fact that, for example, leaders of both of the favoured church TNOs, occupied positions in the highest policy-making body of the party - the Central Committee of UNIP. The Catholic's Archbishop Emmanuel Milingo was a member of the Cultural and Social Subcommittee of the Central Committee and the Anglican Archbishop Elias Mutale was on the Rural Development Subcommittee of the Central Committee.²⁹ This has guaranteed the Roman Catholic Church and the Anglican Church continued access to party policy-making circles.³⁰

Presidential Petition by Church Leaders

An illustration of the churches' active involvement in governmental policy-making at the highest level was their petition to see President Kaunda in 1978 concerning two sensitive political issues affecting the Party.³¹

²⁹ Times of Zambia, February 21, 1974, p.4.

³⁰ The influence of the Anglican Church in Zambia despite its small membership is in part due to the church's long-standing supportive relationship with President Kaunda and UNIP, which pre-dates Zambia's independence. Several Anglican ministers have played a major role in Zambia's independence struggle. Colin Morris, for example, was an Anglican Bishop and a correspondent and friend of President Kaunda and John Papworth was an Anglican minister and has been a member of the President's personal staff in Lusaka.

³¹ Archbishop Mutale and Rev. Mwenda, "Report on the Meeting Held with His Excellency the President, Dr. K.D. Kaunda, at State House on Thursday, 6th April, 1978" (private typescript). The leaders of the delegation of group leaders which met with the President were Archbishop Mutale of the Anglican Church and Rev. Mwenda of the United Church of Zambia.

In early April 1978, the church leaders sought a meeting with the President to warn him of the dangers to his government of pursuing two policies. The first was the President's public rejection of a highly controversial proposal by a special Parliamentary Select Committee of the Zambian National Assembly, popularly known by the name of the chairman of the committee - Mwanakatwe, the Minister of Finance.³²

In connection with the recommendations of the Mwanakatwe Report, there were three areas of concern expressed by the church leaders in their meeting with the President. The first was that the use of coercion in redirecting government employees, including youths in the Zambia National Service, (a military service training for post secondary school leavers) into "productive farming" in the rural areas of the country should cease. Church leaders took the position that secondary school leavers and government employees should not be forced to go into farming without their consent and that civil servants should not be prematurely retired and forced to undertake farming.³³

³² Republic of Zambia (National Assembly), The Report of the Special Parliamentary Select Committee (Lusaka: November, 1977); The committee was appointed in response to President Kaunda's address to the First Emergency Meeting of Parliament in October 1977 in which the President, among other things, called upon Parliament to "re-examine, adjust and discard some of the political, economic, and social superstructures" which were suitable before the serious economic decline of the country and which have now outlived their usefulness. The task which the President set for the country was to forge "a new and overall economic policy for our country without complete and total dependence on copper." Ibid., p.21.

³³ Ibid., p.11.

The second area of concern had to do with what the churches felt was a costly and ineffective duplication of Party officials and offices. Consistent with the Mwanakatwe Report, therefore, the religious leaders recommended that members of the Central Committee should be part-time rather than full-time members. Church leaders also recommended that the posts of Provincial Political Secretaries should be abolished throughout the country and that the offices of the Member of the Central Committee for the Provinces should be eliminated. In the place of Provincial Secretaries they recommended that only a Cabinet Minister for each Province be retained. In other words, the church leaders recommended that the party organization be removed from the provincial level of governmental administration and that only a Cabinet-level government official remain to represent the provinces. This proposal was clearly directed at reducing the numbers of party officials in the capital and in the provinces.

According to the church leaders' letter to President Kaunda, the reason for the recommendation was that the Mwanakatwe report contained "recommendations which may be beneficial in the restoration of the popular confidence people have in UNIP leadership".

The third area of the church leaders' concern as expressed to the President, was the nature of the Presidential and Parliamentary election campaign in early 1978.

The church leaders criticized Central Committee members for campaigning on the basis of Kaunda's popularity as the only national leader capable of uniting the competing tribal groups and regions of the country. Central Committee members were criticized for emphasizing the symbolic importance of retaining Kaunda as President rather than explaining the current economic crisis to the electorate and setting out proposals for resolving the crisis. The religious leaders were particularly incensed by analogies made by certain Central Committee members between the religious qualities of Jesus and President Kaunda.

What was behind the third area of the Church leaders' grievances was the untoward nature of the campaign for the Presidential and Parliamentary general elections which were scheduled for December 1978. The ruling Party - UNIP - was, in fact, putting pressure upon the President to defer the election for fear that Kaunda might lose the election. The serious decline in the economy and the widespread shortages had inevitably led to popular dissatisfaction. The Party leaders felt that action had to be taken by the government to either alleviate the shortages, or at least change Kaunda's policy of prohibiting trade between Zambia and the White South by reopening the Rhodesian border to trade with South Africa. Since Kaunda has resisted the pressure to reopen the border to the South, the Party was

placed in a dilemma.³⁴ They felt that they either had to have a concrete change in the government's economic policy or they had to postpone the forthcoming elections. Both options, however, were ruled out by Kaunda. This put UNIP in the position of attempting to avoid the issue of the country's economic problems altogether.³⁵ Party leaders began instead to emphasize the leadership qualities of the President almost to the extent of defying him. For example, one popular UNIP campaign slogan in Bemba which was used on the Copperbelt in 1978 was: "Kumulu, Lesa; Panshi Kaunda" which translated: "God in Heaven and on Earth is Kaunda". Predictably the reaction of the church leaders was outrage. They felt that the Members of the Central Committee and Provincial Party Secretaries as well as Cabinet Ministers had overstepped themselves. The church leaders argued that

³⁴ Kaunda ultimately gave way to pressure to reopen the border under mounting opposition from his political rivals - Simon Kapwepwe and Harry Nkumbula, who were campaigning on a platform of reopening Zambia's trade routes with the south. The border was reopened in October 1978, just two months before the elections.

³⁵ The Central Committee members feared that Kaunda might lose the Presidential election because of his sharply declining popularity due to the serious deterioration of the economy. According to the Constitution of the Republic of Zambia, if President Kaunda had failed to receive 51% of the total votes cast, then he would have lost the election. In that event, the Secretary-General of the Party would become the acting President for 90 days during which time the Party must reconstitute the Party Conference at Mulungushi Rock in order to select a new Presidential candidate. A new date would then be set for General Elections. See The Constitution of Zambia, Act, 1973, No. 27 of 1973, Republic of Zambia Government Gazette, 25 August, 1973, p.233.

the country would be cursed as a result of this type of behaviour. They pointed out that such campaigning violated the Humanist philosophy of Zambia. The Humanist ideal forbade any human being from being made into a demigod or from being held to be equal to God.

The President's reaction to the church leaders' petition against what they regarded as unethical and immoral political campaigning, was immediate. Shortly after the church leaders' meeting with the President on April 6th, 1978, Kaunda issued a directive to the Members of the Central Committee and to other party officials and Ministers.

In Kaunda's communication to party leaders, he pointed out the fact that the exaggerated emphasis upon his personal role in Zambian politics was a personal embarrassment and was degrading to his office. He eschewed any efforts to make him a "life President" and felt that it was unnecessary for party officials to personalise the election campaigning to such an extent. Kaunda pointed out to the MCCs that since the balloting was in secret, any public display by them of the President's indispensability and his angelic qualities, might not have the effect which the party officials wished. Instead of focussing upon Kaunda's personal qualities, he said that party leaders should concentrate upon educating the electorate on the importance of giving their support to the

party and that leaders should explain the party's efforts to solve Zambia's economic difficulties.³⁴

Urban "Constituencies" of the Catholic and Anglican Churches

The access which the Roman Catholic Church of Zambia and the Anglican Church had to the highest policy-making circles in the country on highly political issues underscored the success which these two church TNOs have had in their relationship with the government. They not only had representatives on the highest party organ of the country, but they had direct access to the President on matters of the most delicate political nature.

In attempting to explain why the Anglican and Catholic churches were successful in gaining entree to governmental policy-making circles while the Seventh Day Adventists, the Reformed Church of Zambia, New Apostolic Church and Jehovah's Witnesses, did not have entree, it is necessary to go beyond the question of images, personalities, issues and even church doctrine. The major reason for the differing success which the various churches appeared to have had

in their relationships with government lies in the nature of the constituencies in Zambia which the churches serve. The Roman Catholic and Anglican Churches have concentrated their organizational efforts mainly in the urban centres of the country. The other church TNOs, on the other

³⁴ Interview with members of the Central Committee of UNIP on May 21, 1979, in Lusaka, Zambia.

political unsuccessful churches - viz. the SDA, Apostolic, and Jehovah's Witnesses. One indication of this was the representation of the Reformed Church at the April 1978 meeting between the church leaders and President Kaunda. In fact, the Reformed Church was the only church TNO in addition to the Catholic and Anglican churches which was represented at the meeting. It is also significant that the Reformed Church and the Catholic Church were the only ones which had special offices to politically represent their TNOs with the government.³⁵

UNIP's Urban Constituency

The significance of the fact that the church TNOs which had effective political relationships with the government were urban-based while the less successful church TNOs were based in the rural areas lies in the fact that the urban church constituencies overlapped with the ruling political party's constituency. Table 7 shows the urban concentration of UNIP's official membership.

³⁵ The Reverend Mwale, the Principal of the Theological College of the Reformed Church of Zambia, represented the church at the April 6th meeting with the President. The church's political representative is called the "Mufotokozi wa Malamulo". The office bearer at the time of the meeting with the President was Rev. Phiri; the Roman Catholic Church was represented by an Embassy of the Holy See in Lusaka.

TABLE 7 : UNITED NATIONAL INDEPENDENCE PARTY'S OFFICIAL
MEMBERSHIP AND TOTAL POPULATION BY PROVINCE (1978)

Province	Population ^a ('000)	UNIP Membership
<u>Urban</u>		
Copperbelt	1,046	39,404
Lusaka)	<u>920</u>	37,987
Central)		<u>16,984</u>
<u>Subtotal</u>	<u>1,966</u>	<u>94,375</u>
<u>Rural</u>		
Southern	540	28,742
Eastern	568	34,329
Northern	580	17,347
Luapula	321	8,943
Western	463	8,408
Northwestern	<u>256</u>	<u>20,393</u>
<u>Total</u>	<u>4,695</u>	<u>212,537</u>

The UNIP membership which resided in urban areas represented about 44 percent of the Party's total membership. This meant that just under one half of the ruling party's total membership was located in three predominantly urban provinces. Since the Catholic, Anglican and the Reformed Church, to a lesser degree, were heavily concentrated in the three urban provinces, this meant that the three church TNOs which had the most successful political relationship with the government were concentrated in the provinces where the party also had the largest following.

³⁶ Secretary-General of the Party, Mr. Grey Zulu, in an address at Mansa in Luapula Province, as reported in the Zambia Daily Mail of April 29, 1974.

In other words, the most politically successful church TNOs had overlapping constituencies with the political party in power. The overlapping nature of the church TNO constituencies with the Party's constituency has been acknowledged by high party officials. For example, the Secretary-General of UNIP said that the Party regarded "the church as a partner with the Party and government in social and economic environment."³⁶ The Secretary-General argued that Zambia's Philosophy of Humanism meant that the goals of the church and state must be the same.

This would suggest that the governmental framework for church TNOs was that they had a responsibility to serve the social and economic goals of the state. Since the ruling party's constituency was concentrated in the same areas where the Catholic and Anglican Churches were concentrated, and since the government expected the churches to support the government's social and economic objectives, effective church TNOs would necessarily have to have economic and political policies. By contrast, church TNOs whose membership constituencies were concentrated in areas of the country where UNIP's membership was low or where the party was not popular was suspect in the eyes of the government. In other words, church TNOs which concentrated their activities in relative isolation of the ruling party would be disinclined to coordinate their church's organizational activities with the party and government if the

³⁶ Secretary-General of the Party, Mr. Grey Zulu in an address at Mansa in Luapula Province, as reported in the Zambia Daily Mail of April 29, 1974.

churches' constituents were not party members and if their members' interests basically lie outside of governmental activities.

Overlapping Church - Government Goals

Examples of overlapping church and governmental goals were the Catholic and Anglican churches coordination of its policies with the government's development and social welfare policies. The Catholic Church, for example, provided financial assistance to the government in the sum of K1.5 million in 1976 for agricultural development. The Anglican Church established an agricultural scheme at Fiwila on the Copperbelt as well as a school for the blind in the Eastern Province and the Waddington Centre in Lusaka which provided training for women in sewing, needlework, cookery and domestic science.

Both the Anglican and Catholic churches have supported the government's policy of removing young boys who were school drop-outs from the streets where they were trading scarce commodities on the black market - principally in the urban areas of the country. Both churches have also organized short-courses in basketry and tannery for the "mishanga boys".³⁷

³⁷ Mishanga is a Bemba word for cigarettes. The illegal trading activities of the black market vendors ranges from cigarettes to batteries and includes practically every commodity which is in short supply in the urban areas.

While the Reformed Church has not been as active in promoting the government's policies for development and social welfare in the urban areas where the Reformed Church's constituency is also contrasted, the Reformed Church has sought to assist the government in its objectives.³⁸

Irrelevance of Government Goals to 'Non-Political' Churches

In contrast to the church TNOs which had taken an active political role in governmental decision-making in Zambia were the "non-political" church TNOs - viz., the SDA, Apostolic and Jehovah's Witnesses. These churches were primarily located outside of the urban areas of the country. The non-political churches operated basically where the ruling party had its weakest following and where governmental development activities were the least pronounced.³⁹ The official position of these churches was that it was not their role to act as political pressure groups. They saw their role as allowing the government to act as it saw fit. Since the non-political church constituencies were predominantly rural, these TNOs saw their primary concern as serving the relatively poor, agrarian farming communities in Zambia. The government's developmental objectives were heavily concentrated in the urban centres, however, where their political party constituents were also concentrated. Since the rural churches

³⁸ The Reformed church maintained a hospital with 180 beds in Chipata and a school for the blind in Magwero both of which were in the Eastern province which was the historic centre of the church in Zambia

³⁹ Ollawa has made the following observation on the absence of developmental linkage in the rural areas of Zambia. "Quite apart from the issue of income differentials, and indeed, a major factor responsible for the low levels of living in the rural areas is that the development strategy which Zambia has followed since independence, lacks

focussed upon the needs of their agrarian church members who on the whole were not members of UNIP, the goals of the party and government and the goal of the non-political churches diverged.

Basically, the non-political church TNOs did not pursue policies which were designed to help the government achieve its development-related goals for the country. The limited social services which the churches did make available was primarily for their own members. For example, the S.D.A. had Yuka hospital in Kalabo District in the Western Province which primarily catered to S.D.A. church members. It also had Msofu Mission school in the Northern Province and Rusangu Secondary School in Monze in the Southern province which were primarily schools for members of the S.D.A. church. Neither the Apostolic nor Jehovah's Witnesses had organizations which provided economic, social, or welfare services for their members. Essentially, the three church TNOs concentrated their limited organizational resources upon their constituents - who tended to be in rural areas where the ruling party - UNIP, had a weak following. The non-political church TNOs eschewed supporting governmental policies for the development of the country as a whole and the churches did not associate themselves with governmental policies designed to promote development in the urban areas where the non-political churches had few members.

39 (cont)

the dynamic capacity to link up development in the modern sector with rural transformation". Patrick E. Ollawa, "Rural Development Strategy and Performance in Zambia. An Evaluation of Past Efforts", African Studies Review, Vol. 21, XXI, No. 2, September 1978, p.106.

The chief difference between the politically successful church TNOs and the "non-political" church TNOs lies in their differing membership constituencies.⁴⁰ Since the Catholic and Anglican Churches had constituencies which overlapped with the Party's, by supporting the government's development and social welfare policies, the Catholic and Anglican churches were at the same time serving their own constituents. In other words, the politically successful church TNOs had overlapping constituencies and their socio-economic objectives overlapped with those of the Zambian government. They did, indeed, see themselves as partners in the development of the Zambian state. The "non-political" churches, on the other hand, saw the government's policy objectives as irrelevant to the TNOs and to their memberships. The "non-political" church TNOs, therefore, had goals which diverged from those of the government. This placed the "non-political" churches outside of the governmental framework of "cooperation" with the church TNOs and thereby excluded the "non-political" church TNOs from participating in governmental decision-making.

⁴⁰ Another explanation for the difference in the position of the "non-political" church TNOs compared with the Catholic and Anglican churches lies in the "Soul-centred" doctrine of the rural churches. See, for example, Seventh Day Adventist Church, Lusaka District Letter of 23rd May, 1979 by Paster H.E. Marais, the President of the SDA of the Zambia Union.

IV

"POLITICAL LEADERSHIP" OF TNOs

The third analytical category to explain the relative success of TNOs in gaining access to public policy-makers in Zambia was the political leadership of the TNOs. The leadership of TNOs in Zambia appeared to be crucial in determining the success of the organizations.

In order to identify the leadership attributes of the TNOs which appeared to contribute to effectively representing the organizations to the government, five major trans-nationals were selected for examination. The five TNOs were the Standard Bank of Zambia Limited, Lonrho Zambia Limited, the Catholic Church of Zambia, Honda Zambia Limited, and Chibote Holdings Limited. They were selected because they were effective in their relationship with the government and also because they represented different "styles" of political leadership.⁴¹

⁴¹ The political leadership of a TNO is the style or technique which a TNO employs to gain, and to maintain, access to policy-making circles in the government. In Zambia, the political leadership of TNOs is an appropriate term since all executive level appointments of Zambians to TNOs must receive government clearance prior to their appointment. The Special Investigation Team on Economy and Trade (SITEU) investigates all TNO candidates for susceptibility to corruption such as economic and political sabotage of the country. The government wished to ensure that Zambians who were representing TNOs in the country did not use the organizations as platforms for subverting the government of Zambia.

Each of the TNOs had at least one official whose principal function was to represent the organization's interests to the government. Because of the importance of personalities in the politics of African states, it was not surprising to find that the political interests of the TNOs was represented by a dominant personality in their organization.⁴² What was significant, however, was that the TNOs had widely varying styles of political representation.

Table 8 illustrates the differing political leadership "styles" of the TNOs examined.

TABLE 8 MATRIX OF TRANSNATIONAL POLITICAL LEADERSHIP STYLES IN ZAMBIA^a

	Open-Pragmatic	Open-Parochial	Open-Ideological	Closed (Domestic) Inter-mediary	Closed (Foreign) Inter-mediary
Standard Bank	X				
Lonrho					X
Catholic Church			X		
Honda		X			
Chibote				X	

^a The chief political representatives of the TNOs and their positions in the organizations were as follows: Elias Chipimo, Chairman of Standard Bank; Vernon Mwaanga, Manager of Rural Development for Lonrho, Central Africa; Valentine Musakanya, Chairman of Honda; Emmanuel Milingo, Archbishop of Lusaka; Andrew Sardanis, major shareholder in Chibote.

⁴² For a discussion of the role of personality in the politics of African states see, Edward Shills, "The Intellectuals in the Political Development of the New States", World Politics Vol. XII, No. 3, April 1960, pp.329-368.

While the political representatives of the TNOs were not necessarily the heads of their organizations, in matters affecting the TNOs relationship with government they had overriding authority. They were only accountable to the international headquarters of their TNO. Table 8 distinguishes between styles of political representation by dividing them into four major categories. While the leadership matrix was not to be exhaustive, it did suggest major differences in the styles of political representation of successful TNOs in Zambia.

Open-Pragmatic Style

The style of political representation of the Standard Bank in Zambia was an open-pragmatic one. The Chairman of the Bank, since 1968, Elias Chipimo, has been highly successful in employing this style of political leadership in ensuring his TNOs access to political policy-making circles. Chipimo has been an outspoken critic of governmental policy ranging from broadside criticisms of the economic policies of the government to opposing the government's educational reforms in the country.⁴³ For example, in an interview on Radio Zambia in February 1976, Chipimo stated that the government was mismanaging the economy and for that reason it was dishonest for it to argue that the low world price of copper was the cause of Zambia's problems.⁴⁴

⁴³ E.M. Chipimo "Statement of Educational Reform. An Irrational View" (University of Zambia) ZANGO No. 2, April 1977, pp.49-71.

⁴⁴ Taped interview with Elias Chipimo on February 27, 1976, in the Radio Zambia library archives.

The government's extreme sensitivity to any form of public criticism would seem to mitigate against Chipimo's style of representing Standard Bank. Despite politicians' sensitivity, however, Chipimo has been successful. The reason for this is twofold. The first reason for Chipimo's success was that it is axiomatic that the struggle for political leadership in Zambia was to gain the attention of the President. That is to say, if the head of a TNO wishes to gain entree into the innermost circles of the party or government it is first necessary to capture the attention of the President of the country. Political power in Zambia - as in most African States - is highly centralised in the hands of the President. In order to gain leadership standing in the country, therefore, it is first necessary to enter into dialogue with the top political leaders of the country. In order to be heard in policy-making circles, the representative of a TNO has two potential courses to follow: one is to use the public media to openly criticise the government's policies; and the other is to use private channels of personal contacts with governmental leaders in order to represent the position of their TNO. In the case of the Chairman of Standard Bank, the strategy employed was that of publicly criticising the government. If kept within the bounds of acceptable criticism, coupled with offers of the TNO's material support for the party and government, such a leader can establish himself as an effective representative of his organization.

Chipimo's leadership style has frequently, however, exceeded the bounds of what the government has regarded as being in good taste. His direct attacks on the government instead of using mild rebuke and offering specific suggestions for changes has exceeded what politicians regard as being within acceptable bounds of criticism. The result of this leadership attribute was to raise doubts in the thinking of UNIP about Chipimo's loyalty and trustworthiness in supporting the party and government. The second, and crucially important reason for Chipimo's success as the political representative of Standard Bank has been the use of his TNOs financial resources to encourage and support government projects and programmes even before being approached by the government for assistance.⁴⁵ Examples of this was the Kapini/Chunga Agricultural Scheme north of Lusaka in 1977. Chipimo's bank offered a K24 million loan to the government for the scheme while it was still in the formative planning stages and before the government approached any financial institution for support. The Standard Bank also made a sizeable loan to UNIP in November 1972 just prior to the 1973 General Elections, part of which, at least, may not have been repaid.

⁴⁵ A clear indication of Chipimo's success as the head of Standard Bank was the leading role which Standard took in resisting the government's efforts in 1970 to nationalize the commercial banks in Zambia. During negotiations with governmental officials, the banks' chief spokesman was the Standard Bank representative. Interview with officials of Grindlays Bank International on June 5, 1979, in Lusaka. Another indication of Chipimo's key leadership role representing Standard Bank was the fact that he was elected to the position of Chairman of the Export Financing Committee of the Zambia Exports Promotion Council. This key governmental appointment in the Ministry of Commerce and Foreign Trade was a position which handled all private sector requests for financing for export for the entire country.

Chipimo's open-pragmatic style of leading Standard Bank was one in which he made strategic use of his TNO's financial resources to demonstrate to the party and government that Standard Bank was prepared to support the government's leadership of the country. His open criticism of the political leadership - while frequently irritating - guaranteed that the head of Standard Bank was a voice whom the government could not ignore on any important policy matter. In other words, Chipimo's open style of leadership ensured that he had the ear of the political leaders of the country. Whether they did or did not approve of his policy views he was heard by political leaders and his views were considered in the innermost circles of policy-making.

Open-Ideological Style

This style of political leadership of a TNO in Zambia was best illustrated by the Archbishop of Lusaka and the head of the Catholic Church in Zambia, Emmanuel Milingo. Milingo's style of leading the Catholic Church was one of attempting to provide an ideological (spiritual) leadership of the country.

Milingo has open propounded policy positions not only on what the Catholic Church would or should do in Zambia but he has expostulated on the political duty of all Christians. In May 1979, for example, Milingo said that it was the duty of the World Council of Churches and all Christians

to give more non-military aid to the Patriotic Front in their struggle against the regime of Bishop Abel Muzorewa in Rhodesia. He elaborated by saying that "the powers which set up the so-called independence plan were evil". He asserted that the April 1979 General Election in Rhodesia was unfair and was evil.⁴⁶

Milingo has also openly expressed opposition to governmental policies on grounds of his "spiritual" authority to provide policy guidelines for the country. He has publicly opposed governmental reforms of the country's educational system and has gone on record as opposing the government's recognition of traditional healers on grounds that it would encourage witchcraft in the country.⁴⁷

Ironically, however, Milingo's own spiritual faith healing was one major reason for his stature as the political leader of the Catholic Church of Zambia. Milingo began his spiritual faith healing in 1973 / ^{by holding meetings for} thousands of sick, infirm, psychologically disturbed, and those with misfortunes of every kind and description. He even included non-Catholics in his faith healing sessions to the chagrin of the conservative Catholic Church hierarchy.

⁴⁶ Times of Zambia, May 29, 1979.

⁴⁷ Taped interview with Emmanuel Milingo on traditional healers May 24, 1979 and on educational reforms on August 25, 1977, in the Radio Zambia Library Archives.

During the faith healings, Milingo would circulate hand-outs to hundreds of church-goers. The hand-outs contained the outline of the sermons to be delivered and frequently included social and political messages.

The party critics of Milingo have drawn a parallel between the pamphleteering done by UNIP in the pre-independence days of party organizing and Milingo's style of mobilizing those in attendance at faith healings. The political significance of Milingo's faith healing to the government was evident in their disapproval of his faith healing and the appeal which they made to the Vatican to pressurize Milingo to discontinue his faith healing.⁴⁸ Milingo's leadership style was interpreted by the government as a potential political threat. The feeling was that Milingo was creating a large personal constituency through his faith healing services. Since the "spiritual" leadership he appeared to be offering was construed by party officials to rival the government on matters Milingo regarded as being within the province of his spiritual leadership of the country, the government was wary of him.⁴⁹

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⁴⁸ Interview with representative of the Holy See Embassy in Lusaka, Zambia on May 22, 1979. Milingo explained the discontinuance of his faith healing in terms of not wanting to work outside of the Church of Rome nor outside of the Church of Zambia. See Zambia Daily Mail, February 19, 1979.

⁴⁹ President Kaunda had ample reasons for fearing a new political prophet in Zambia. His early experience in suppressing the rebellion led by Alice Lenshina in Eastern and Northern Provinces in 1964 must have made him wary of the emergence of a new religious prophet in Zambia.

In Africa and other Third World countries there were ample cases of ministers of religion rising to positions of political power. In Rhodesia there were the examples of Bishop Muzorewa and Reverend Sithole, in Namibia, there was Pastor Njoma, the President of the Democratic Turnhalle Alliance (DTA), Interim Government of Namibia; there was Archbishop Makarios of Cyprus and the Ayatollah Khomeini of Iran.

The nature of Milingo's public statements on governmental policy suggested that as the leader of the Catholic Church of Zambia, he was seeking to assert the primacy of his "spiritual" leadership of the country's politics. Since the political framework of the government was that the party, the government and the churches should be in alignment, it meant to Milingo that the leadership of his TNO should include his leadership in the country on the spiritual aspects of governmental policy including foreign affairs.

The Archbishop of the Catholic Church was viewed by the government as a powerful leader with a large personal following throughout the country. Milingo was seen as a potential rival to the President himself because of the Archbishop's assertion of the primacy of his spiritual leadership of the country. There was even speculation that the Archbishop was seeking to foster the creation of a Ministry of Religion which he himself would head.

While Milingo's leadership of his TNO was as effective as Chipimo's in guaranteeing the Church access to the inner circles of policy-making, the Archbishop's open style of leadership differed markedly from that of the head of Standard Bank. Unlike Chipimo's open pragmatic use of his TNO's financial resources to support government policy which guaranteed him a hearing in policy-making circles the Archbishop's style of leadership was that of an ideological rival to the President himself. Milingo's open-ideological style of leadership of his TNO and his large following throughout the country guaranteed that he had a political constituency within the party and government itself. This meant that the government would be reluctant to act directly against him for fear of fomenting a division within the political elite. In order to control Milingo's potential political influence, therefore, the government had to pressurise him indirectly through the Vatican and thereby discipline him through his own TNO.

Open-Parochial Style

The leadership of Valentine Musakanya, the Chairman of Honda Zambia Limited, provides an illustration of effective leadership based on an "open parochial" political leadership of a TNO.⁵⁰ Musakanya was a Bemba which was the largest

⁵⁰ During Musakanya's tenure in government service first as the Secretary to the Cabinet from 1965 to 1967, and Minister of State for Technical Education from 1968 to 1971, and then as Governor of the Bank of Zambia from 1971 to 1973, he had the backing of influential Bemba members of government. The Bembas who held powerful positions in the government and party during this period were Simon Kapwepwe, Vice-President, Lewis Changufu, Minister of Home Affairs, Andrew Mutemba, Member of Central Committee, Justin Chimba, Provincial Member of the Central Committee, John Chisata, Minister of State for Mines and Industry and John Mwanakatwe, Minister

tribe in Zambia and which tended to predominate in the mining centre of the country - the Copperbelt. The political significance of Musakanya's Bemba backing within the government was clearly evident at the time of his dismissal from the key position of Secretary to the Cabinet.⁵¹ Instead of removing Musakanya from government service altogether, he was given the token position of Minister of State for Technical Education in 1968. Musakanya accepted the post but sought support from among highly placed Bembas in the party and government for a more important position. His efforts were rewarded in 1971 when he was given the key post of Governor of the Bank of Zambia.

The same problems, however, which Musakanya had as Secretary of the Cabinet, also appeared under his aegis as Governor of the Bank of Zambia. He was strongly criticized by non-Bemba ministers for the restrictions which the Bank of Zambia placed on the extent and method of local and foreign borrowing on behalf of the government. Musakanya felt that the ministries should not try to finance their development programmes and projects by resorting to deficit spending particularly if they borrowed in foreign capital because that committed the government to a growing debt-servicing burden.⁵² What lay behind this disagreement,

⁵¹ The speculation was that Musakanya was relieved of this position because ministers felt that he was lording his position over the authority of the cabinet ministers by imposing excessive and unnecessary administrative requirements on them at cabinet meetings.

⁵² During Musakanya's tenure as Governor of the Bank of Zambia, Zambia's total national loans increased from K272,370,000 in 1970 to K372,538,000 in 1973. Government of Zambia, Statistical Yearbook (Central Statistical Office; Lusaka, 1974), p. 421.

however, was the question of the government's economic philosophy. Musakanya took the position that the government's Humanist philosophy was in opposition to the country's loan disbursement policy which he said was based upon a capitalist economy.

The government's "Humanist" lending policy was to elevate the economic priority of the state's financial institutions. State lending institutions such as the Zambia National Commercial Bank, the Zambia National Building Society, the Zambia State Insurance Corporation, and the Zambia National Provident Fund, were authorized to make loans to co-operatives and production units in villages, schools, police forces, prisons, and armed forces units. The party and government's lending policy favoured public institutions and restricted lending to the private sector.⁵³

Musakanya was opposed to the "Humanist" lending policy and by implication, he was opposed to the socialist philosophy which underlay it. He argued that socialism in Zambia was largely rhetoric and that in practice, Zambia followed capitalist policies. Since all of Zambia's major overseas borrowing was from capitalist countries, he felt that it was meaningless to talk of a socialist borrowing policy.

⁵³ Zambia Information Services, Orientation to Consumption Versus Production (Speech by His Excellency the President, Dr. K.D. Kaunda, at the Opening of the 10th National Council of the United National Independence Party at Mulungushi Hall, 27th-30th June, 1977), p.15.

In fact, by involving the party and state financial institutions in contracting overseas loans and by making local loans in disregard of strict commercial criteria, the government was creating an unmanageable debt problem for Zambia.

Pressure from the non-Bembas in the party and government mounted in opposition to Musakanya on grounds that he was subverting Zambia's Humanist "socialist" philosophy and that such a person could not serve the party and government in such a sensitive position as Governor of the Bank of Zambia. By 1973, the date of Musakanya's dismissal from his post as Governor of the Bank, his major Bemba supporters had also been forced out of government.⁵⁴ In other words, Musakanya fell victim to party and governmental pressure against "capitalist" influences within the government after the powerful Bemba political clique which centred around Kapwepwe dissolved.

⁵⁴ Kapwepwe, the Vice-President, resigned in 1972 to form an opposition party, the United Peoples Party (UPP), Justin Chimba left government service, John Chisata had left the government before 1973, James Chapoloko left before 1973 and Lewis Changufu was defeated in the 1973 General Elections and was thus voted out of office; In 1972 the Bemba speakers were greater in number in the Cabinet than any other ethnic group. As of December 1972 there were 8 Bemba speakers, 4 Nyanja, 4 Lozi, 4 Lunda, 2 Soli, 3 Ila-Tonga, 1 Coloured. See William Tordoff (ed), Politics in Zambia (Manchester: Manchester University Press, 1974), p.246.

For present purposes the significance of Musakanya's dismissal from the position of cabinet secretary, his elevation to the governorship of the Bank of Zambia, and then his ultimate decline and final dismissal from governmental service in 1973, was that it corresponded with the presence or absence of influential Bembas who backed Musakanya within the party and government. Despite Musakanya's personal unpopularity with non-Bembas in the Cabinet and on the Central Committee of UNIP, for as long as the powerful Bemba clique remained in the government, Musakanya would be tolerated. When the Bemba leaders followed Kapwepwe's departure from government in 1972, however, Musakanya became vulnerable.

The history of Musakanya's political career showed the importance of Bemba backing as the basis of his leadership role in government. Musakanya's political leadership of Honda in Zambia was also based on his Bemba support within the party and government. Despite the fact that the Bembas were not as powerful in government as they were before 1972, there remained a Bemba constituency within the party and government. It was this ethnic, or parochial, constituency which Musakanya was able to use which made his leadership of Honda in Zambia effective.

Musakanya had direct entree to Bemba officials who occupied key financial and banking positions in the government and party. For example, from 1973 to 1978 the ministers of finance were Bembas; Musakanya's successors at the Bank of Zambia were also Bembas.⁵⁵ In addition to the direct ethnic connection between Musakanya and key Bembas in the party and government, Musakanya headed a TNO - Honda Zambia Ltd., which had a large Bemba clientele. Honda was an agency for the distribution ~~for~~ of passenger cars and motor cycles. Honda had one large selling depot in Lusaka with the rest of the depots located on the Copperbelt which was a predominately Bemba-speaking area.⁵⁶

As the Chairman of Honda, Musakanya was in the business of marketing his TNO's products primarily among his own ethnic grouping - the Bembas on the Copperbelt. Since Musakanya's major contacts and supporters within the government and party were Bembas, as a Bemba leading a TNO which primarily served Bembas, Musakanya was guaranteed direct access to governmental policy-making circles where decisions affecting the operations of Honda in Zambia were made.

⁵⁵ Luke Mwananshiku became the Minister of Finance in 1973 and was succeeded by John Mwanakatwe, both Bembas; Nkhosani succeeded Musakanya as Governor of the Bank of Zambia and he was followed by Mwananshiku the ex-Minister of Finance. Humphrey Mulemba, a Bemba, has been the Chairman of the Finance Subcommittee of the Central Committee of UNIP since 1973.

⁵⁶ There was a depot of comparable size in Kitwe with smaller depots in Ndola, Luanshya, Mufulira and Chingola - all major mining centres where the Bembas tended to predominate in copper mining employment. Bemba lingua franca of the Copperbelt. Labour migrants from the traditional Northern and Luapula Bemba provinces predominate on the copper mines. See Patrick O. Ohadike, Development of the Factors in the Employment of African Migrants in the Copper Mines of Zambia, 1940-66, Manchester University Press (for Instit-

Closed-Intermediary Style (Domestic and Foreign)

The fourth major leadership style of successful TNOs in Zambia is the "closed intermediary" style. There are two variations of this leadership style - "domestic" and "foreign". The political leadership of Lonrho Zambia Ltd. and Chibote Holdings illustrates these styles of leadership.

The political representative of Lonrho was Vernon Mwaanga, who was the Manager of Rural Development for Lonrho in Central Africa from 1976-1978. The representative of Chibote Holdings was Andrew Sardanis, who was a major shareholder in Chibote. Both leaders adopted a "closed" style of dealing with the government on behalf of their TNOs. As a rule they did not issue public statements criticizing the government or party nor did they publicly offer suggestions for changes in policy affecting their TNOs. Unlike the open style of leadership followed by Chipimo, Milingo, and Musakanya which was one major route to gaining the attention of President Kaunda, the closed style of leadership was based on the cultivation of leaders' high personal reputations with the President and the top leadership of the party and government. In other words, Mwaanga's and Sardanis' leadership of their TNOs was based on the high personal reputations they had

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and Mubanga Kashoki, "In What Language is Zambia's Copper Mined ?" in Enterprise, October 1973, pp. 31-32.

established for themselves with the government and party prior to joining the TNOs. They had no need, therefore, to publicly compete for the attention of governmental leaders in order to represent their organizations.

The leaders differed in the bases of their reputations. Mwaanga was held in high esteem by President Kaunda and top party and government officials for his skill and his personal contacts, with foreign heads of state, foreign ministers and top international bureaucrats.⁵⁷ For many years, in fact, Mwaanga was Zambia's voice at the United Nations. The senior diplomatic positions he has held plus his honorific appointments in international fora gave him an unrivaled reputation within Zambia as its foremost diplomat. The President's deep interest in foreign affairs created a natural attraction between the two men. For example, Mwaanga was one man that the President reportedly did not leave behind whenever Kaunda travelled abroad to meet foreign dignitaries and heads of state.

⁵⁷ Mwaanga was the Deputy High Commissioner in London in 1964, permanent delegate to the preparatory committee for the 2nd Afro-Asian Conference at Algiers, 1964-65, Ambassador to Moscow, 1965, Permanent Secretary, Ministry of Foreign Affairs, 1966-68, Ambassador to the U.N. with extra responsibility as High Commissioner to Guyana, Trinidad and Tobago, Barbados and Jamaica; Chairman of the Fourth U.N. Decolonization Committee, 1970, and Vice-President of the 26th Session of the General Assembly of the U.N. Zambia's Minister of Foreign Affairs, 1972-73.

As the political representative of Lonrho based in Zambia, Mwaanga used his reputation as one of Zambia's main diplomatic conduits with the international network of the U.N. system when representing his TNO. This, of course, suited the Chairman of Lonrho, "Tiny" Rowland perfectly. Since UDI in 1965, one of Rowland's principal preoccupations has been to end the illegal Rhodesian rebellion in order to salvage Lonrho's vast investments in Rhodesia and to enable the TNO to continue to grow and diversify in black African states. With an outstanding ex-diplomat of Mwaanga's reputation representing Lonrho in Zambia, Rowland was able to use Mwaanga's high reputation with President Kaunda to engineer Lonrho's private diplomatic efforts to resolve the Rhodesian conflict.

Lonrho's success in improving its negative public image of being primarily a Rhodesian TNO was partly attributable to Mwaanga's private diplomacy on behalf of Lonrho. Mwaanga's political leadership of his TNO in coordinating Lonrho's diplomacy to resolve the Rhodesian crisis was evident in the Zambian government's and Lonrho's joint efforts to sue the oil companies for damages arising from their Rhodesian oil sanctions busting.⁵⁸ In building their cases against the oil companies, Lonrho provided much of the background material for the Zambian government's legal brief against the companies. Mwaanga was

⁵⁸ Zambia's claim was in the region of £1,000,000,000 while Lonrho was suing for £100,000,000. The Standard, (Nairobi), September 16, 1978.

also instrumental in arranging a private meeting between Ian Smith and President Kaunda and Joshua Nkomo in 1978.⁵⁹ Mwaanga was instrumental in persuading Kaunda to meet with Smith; without a Zambian of Mwaanga's high "foreign" reputation such a meeting could not have been arranged by Lonrho.

Mwaanga's leadership style in representing Lonrho was, therefore, that of a "foreign" intermediary between President Kaunda and the Rhodesians in Lonrho's efforts to resolve the Rhodesian crisis amicably without jeopardizing the TNO's financial involvement in both white and black Africa. Ironically, however, it was Mwaanga's success acting as an intermediary between Kaunda and Smith on behalf of Lonrho which was Mwaanga's undoing. When word of the secret meeting between Kaunda and Smith was leaked to the Zambian press, Lonrho's old image problem of being a Rhodesian TNO became an issue once more. Since this was Lonrho's major problem during the formative stages of its Zambian operations, if the controversy were not quickly squashed, it might have led to a regression back to the pre-1970 period where Lonrho's entree to top government and party policy-making circles was blocked.⁶⁰

⁵⁹ The meeting between Smith and President Kaunda occurred during August 1978. News of the meeting leaked to the press on September 4, 1978 and Mwaanga resigned from Lonrho in late September 1978.

⁶⁰ Mwaanga abruptly resigned from Lonrho shortly after the public revelation without explanation and without immediate plans to assume another position.

In representing Chibote Holdings, Andrew Sardanis adopted a leadership style comparable to that of Mwaanga. He employed a "closed" intermediary style based on a high "domestic" reputation rather than a "foreign" reputation as was the case with Mwaanga.

Sardanis was in a rather unique position, in fact, insofar as he represented Chibote Holdings while not being an official of the TNO. He neither held a position on the board of directors of Chibote nor did he have any official, executive responsibility in the TNO. His only connection with Chibote was that he was a major shareholder in the organization with about 45 percent ownership of the TNO. Nevertheless, Sardanis represented Chibote's interests with the government on an informal basis. Any difficulty or requirement which the TNO had in Zambia was brought to the attention of Sardanis who had automatic entree to the highest policy-making officials in the country.

Sardanis' "domestic" reputation (which was the basis of his political leadership of Chibote Holdings) had its origin in his role in the nationalization of the mines in 1969.⁶¹ While Sardanis' support for UNIP during the pre-independence period and his personal relationship with President Kaunda was, undoubtedly, a factor contributing to Sardanis' high reputation with Zambian politicians, that was not sufficient in itself to establish an effective leadership role for

⁶¹ Sardanis was a close personal friend of President Kaunda dating from 1961. Sardanis was a Greek Cypriot who became a Zambian citizen. He had a chain of retail shops in the North Western Province and on the Copperbelt. Sardanis made contributions both in money and his time in support of UNIP's pre-independence struggle. By 1961

Sardanis' representation of Chibote Holdings.

It was Sardanis' success on behalf of the government during the crucial nationalization take-over of the mines which established Sardanis' high reputation in the eyes of Zambians. During this period, Sardanis was the Permanent Secretary of the Ministry of State Participation which was created in 1969 for purposes of carrying out a programme of nationalization. President Kaunda was his immediate superior as head of the ministry. Sardanis took the position that in the interests of economic development, it was important for the state to participate in the major economic industries of the country. Sardanis argued that this was the only way that the capital which was generated by TNOs could be kept in Zambia and thereby contribute to the country's development.

It was on the issue of state participation in the giant copper companies, however, where Sardanis established his high "domestic" reputation for unrivalled dedication and loyalty to the government and the party. In 1969, Kaunda and top party officials felt that while they should participate in the major industrial and business enterprises in the country, the mining companies were beyond their ability to cope. The sheer size and complexity of the mining industry overwhelmed them.

61 (cont)

he had become popular with the party and was among few white candidates who campaigned alongside his black UNIP colleagues. Sardanis' consistent display of dedication and loyalty to President Kaunda and to the party won for him the accolade of being one of few Europeans who could be trusted to protect the interests of Zambians. See Richard Hall, Zambia (London; Pall Mall Press, 1968),

Sardanis, on the other hand, argued that the government should and could take-over at least 51 percent ownership of the mining industry. He insisted that without control of the mining industry, the government's ability to control the economy would still be beyond them. On the basis of Sardanis' intervention, Kaunda reversed his earlier decision and instituted the necessary constitutional procedure required to nationalize the mines.⁶² From that point on, Sardanis took a leading role in the handling of the nationalization of Zambia's mining industry. He was the chief negotiator representing the Zambian side in the negotiating sessions with the mining companies, and subsequent to the nationalization, Sardanis became the first chief executive in charge of administering the government's newly acquired controlling interest in the mining TNOs.⁶³

After having established an unrivalled "domestic" reputation representing Zambia's economic interest, Sardanis used his reputation with the President and the party in his leadership role of intermediary between his TNO and the government. He performed a leadership function of acting as an intermediary between prospective investors who wished to enter partnership with Chibote (and other Zambian enterprises) and the Zambian government.

⁶² For a discussion of Sardanis' role in the nationalization of the mines see Martin, pp. 177-187.

⁶³ In 1970, Sardanis became the Managing Director of Zambia Industry and Mining Corporation (ZIMCO) which, among other things, was empowered to represent the government's majority interests on the Board of Directors of the Mining companies.

In other words, Sardanis exercised the function of screening prospective foreign investors on behalf of the government. If Sardanis were satisfied with the bona fides of a prospective investor then he would arrange a meeting between Zambian officials and the investor. If, on the other hand, he had doubts about the motives or integrity of the investor then they would not get past the initial screening.⁶⁴

Sardanis' unrivalled reputation as a vigorous trouble shooter championing Zambia's economic interests with TNOs was thus converted into a highly successful leadership role for his representation of the political interests of Chibote. His reputation, in fact, was so high with the President and other top Zambian officials that he could visit the President without first making an appointment to see him.⁶⁵ Any problem or request he had concerning Chibote's interests in Zambia was, therefore, taken directly to the President who gave it his immediate attention.

⁶⁴ Sardanis was in the unusual position of interviewing in London any private investor who expressed an interest in Zambia. Sardanis was permanently based in London. If investors were cleared by Sardanis then the Zambian High Commission in London arranged to pursue the investors interest further with officials in Zambia.

⁶⁵ President Kaunda was quoted as having said that Sardanis had done more for the Zambian economy than any other single man, Martin, p. 260: Another indication of the high reputation which Sardanis enjoyed with Zambian politicians was the fact that the man whom Sardanis selected to replace himself as head of Indeco when he resigned in 1971 - Dominic Mulaisho - was regarded as President Kaunda's closest adviser on Zambia's domestic economy.

V

SUMMARY AND CONCLUSION

The research has sought to explain why certain transnational organizations in Zambia have been allowed by the government to participate in public policy-making and why other TNOs have not been allowed to participate. An examination of the relationships between the 35 leading TNOs and the government of Zambia has yielded three factors to explain the political success or failure of TNOs in Zambia. The factors are the public images of TNOs, the presence of overlapping TNO-government constituencies, and the political leadership of the TNOs. Scrutiny of the three variables suggests theoretical propositions to help explain the circumstances under which TNOs in Zambia were likely to gain entree to governmental policy-making circles and those circumstances under which they were unlikely to gain access.

I. Public Image of Transnational Organizations

^P₁: TNOs such as NCCM and Lonrho which were perceived by policy-makers to accept governmental policy and were seen to be obviating the difficulties created by governmental policy tended to be perceived favourably by the government.

- P₂: TNOs such as RCM which questioned the wisdom of governmental policies and which did not seek to circumvent the difficulties for them created by governmental policy were perceived by Zambian officials to be troublesome and unreliable.
- P₃: In the case of a TNO such as RCM which had a negative public image but which had a dominant role in the economy, the government was inhibited from discriminating against the TNO.
- P₄: A TNO which had a negative public image such as Lonrho (until 1970) but which did not have a dominant role in the economy was blocked from expanding its operations in Zambia.
- P₅: A TNO which had a negative public image was able to transform its negative public image to a positive image by voluntarily identifying with governmental policies especially if as in the case of Lonrho, by doing so the TNO sacrificed its short-term commercial interests.

P₆: The nationality of a TNO's international headquarters adversely affected a TNO subsidiary in Zambia if the government of the headquarters TNO was expected to be unsympathetic but was perceived to be sympathetic with a country such as Rhodesia which was hostile to the **Zambian government**.

P₇: Although a TNO such as Caltex Oil Company shared Shell & B.P.'s guilt in violating the U.N.'s economic sanctions against Rhodesia, the fact that Caltex was an American TNO plus the fact that there was less publicity of Caltex's guilt, enabled Caltex to escape discriminatory treatment from the government.

II. Overlapping Church TNO - Governmental Constituencies

P₈: Church TNOs (such as the Catholic and Anglican churches) which had membership constituencies which overlapped the ruling party's constituency and whose goals overlapped with the government's development goals were favoured by the Zambians.

P₉: Church TNOs such as the Seventh Day Adventist and the Jehovah's Witnesses whose membership constituencies did not overlap with the ruling party's Constituency and who saw the government's policy objectives as irrelevant to their memberships did not participate in public policy-making.

III. "Political Leadership" of Transnational Organizations

P₁₀ Successful TNOs tended to have particular representatives whose primary responsibility was to liaise with the government.

P₁₁: The struggle for effective political leadership of TNOs in Zambia was to attract the attention of the Presidency as the centre of public policy-making in the country.

P₁₂: The two major "styles" of effective TNO leadership were: (1) The use of the public media to capture the attention of governmental leaders; and (2) The use of a leader's personal "reputation" to represent the position of his TNO through private channels.

P₁₃: The strategic use of a financial TNO's resources in voluntarily supporting the government's developmental goals ensured the effective political leadership of a financial TNO such as Standard Bank.

P₁₄: Open ideological leadership of a TNO such as the Catholic Church which sought to offer Christian leadership of the country on matters of special concern to the TNO (i.e., the spiritual aspects of policy) guaranteed the TNO's access to the inner circles of policy formation but was perceived as a threat to the government itself.

P₁₅: The leadership of transnationals such as Honda Zambia which was based on the backing of a particular ethnic group such as the Bembas who constituted a powerful clique in the party and government, guaranteed the TNO's entree to public policy-making circles.

P₁₆: The "closed" style of TNO leadership was based on the use of leader's high reputation with party and government officials. This gave the leaders automatic entree to governmental circles when representing the positions of their TNOs.

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TABLE 1 : RANKING OF TRANSNATIONAL ORGANISATIONS BY VALUE OF APPROVED

Overall Ranking Transnationals	1966		1968		
	Value/Rank		Value/Rank		
Changsha Consolidated Copper Mines Limited	35.4	1	35.8	1	2
Changsha Consolidated Mines Ltd.	31.6	2	33.3	2	1
Changsha Zambia Ltd.	9.8	12	15.5	9	1
Chibote Holdings			16.9	7	1
Shell & BP	17.2	4	16.8	5	
Altex	13.3	9	13.1	12	
Chanda Zambia Ltd.	1.1	22	0.7	25	
Standard Bank (Z) Ltd.	0.4	26.5	0.5	29	
Roman Catholic Church of Z.	0.06	30	0.2	34	
Reformed Church in Zambia	0.07	29	0.01	36	
Jehovah's Witnesses			0.02	35	0

TABLE 2 : RANKING OF TRANSNATIONAL ORGANISATIONS ACCORDING TO NUMBER
AS A PERCENTAGE OF TOTAL APPLICATIONS SUBMITTED

Overall Ranking	<u>1966</u>			<u>1968</u>			
Transnationals	Ratio/Percent/Rank			Ratio/Percent/Rank			
CCM	158:158	100.0	1.5	166:166	100.0	1.5	17
CCM	155:155	100.0	1.5	161:161	100.0	1.5	14
Standard Bank of Zambia Limited	56:54	96.4	13.5	53:50	93.3	21	6
Chibote Holdings				116:100	86.2	29	13
Chanda Zambia Ltd.	112:102	91.1	23	96:94	97.9	10.5	10
Changsha Zambia Ltd.	108: 51	47.2	30	137:63	46.0	35	19
Shell & B.P.	84: 81	96.4	13.5	86:80	93.0	22	4
Altex	83:60	72.3	29	86:57	66.3	34	7
Roman Catholic Church of Zambia	29:22	75.9	28	31:29	93.4	20	2
Reformed Church in Zambia	20:12	85.0	27	17:14	82.4	31	1
Jehovah's Witnesses				6: 2	33.3	33	

T LICENCES (IN MILLIONS OF KWACHA)

<u>70</u> Rank	<u>1972</u> Value/Rank		<u>1974</u> Value/Rank		<u>1976</u> Value/Rank	
2	26.1	1	25.8	2	22.3	1
3.5	14.3	5	18.7	4	18.4	4
5	25.9	2	31.8	1	21.9	2
6	15.1	4	13.7	6	17.8	5
10	_____		8.9	11	5.7	16.5
14.5	_____		9.5	8	12.1	8
24	1.3	19.5	1.2	22	2.6	21
26.5	0.3	23.5	0.5	24	0.5	27
31.5	_____		0.02	27.5	0.01	33
33	_____		0.001	32.5	0.001	34.5
34	_____		0.001	32.5	0.001	34.5

PROVED LICENCE APPLICATIONS

<u>970</u> Percent/Rank	<u>1972</u> Ratio/Percent/Rank				<u>1974</u> Ratio/Percent/Rank				<u>1976</u> Ratio/Percent/Rank	
97.1 5.5	172:169	98.3	2		168:158	94.0	7		157:155	98.2
98.6 2	145:128	88.3	9		144:109	95.7	5		139:136	97.8
95.1 10	57:49	86.0	11		52:51	98.1	3		43:41	95.3
97.8 4	126:114	90.5	9		122:98	80.3	16		102:97	95.1
61.8 25	86:52	60.5	22		34:26	76.5	17		19:12	83.2
71.5 25	189:181	95.8	8		277:249	90.0	10		164:143	87.2
47.7 29	_____				31:19	61.3	22		13:6	46.2
53.4 26	_____				81:58	71.6	18		74:63	85.1
84.0 20	_____				23: 4	18.3	33		21:2	38.0
45.5 30	_____				5: 1	20.0	32		4:1	25.0
20.0 33	_____				6: 1	16.7	34		5:1	20.0

TABLE A : RANKING OF TRANSNATION ORGANISATIONS BY VALUE OF APPROVED

	1966		1968	
	Value/Rank		Value/Rank	
Anga Consolidated Copper es Limited	35.4	1	35.8	1
ingstone Motor Assembly			25.3	3
an Consolidated Mines Ltd.	31.6	2	33.3	2
rho Zambia Ltd.	9.8	12	15.5	9
bote Holdings			16.9	7
SCO	17.9	3	16.4	7
ndeco Noranda	15.6	6	16.1	8
cor Companies	14.7	7.5	17.7	4
ell & BP	17.2	4	16.8	5
rogen Chemicals of Zambia	12.6	11	13.2	13
ltex	13.3	9	13.1	12
esel Electric	15.7	5	13.8	11
lp	14.7	7.5	14.1	10
mpbell Booker Carter	9.5	14	5.7	19.5
oil Oil	12.9	10	13.1	14
ilanga Cement Limited	7.6	18	6.7	18
mbia Sugar Company			4.9	22
T.T.	8.0	16	9.9	16
ankipile	9.6	13	7.3	17
Fue Textiles Limited	5.1	19	5.3	21
ca Shoe Company	9.4	15	11.3	15
rthern Breweries	7.8	17	5.7	19.5
ca Cola (Zambia Bottlers)	3.8	20	4.2	23
aiseni Stores Limited	3.6	21	3.9	24
nda Zambia Ltd.	1.1	22	1.7	25
ngstons Zambia Limited	0.7	23	1.2	25
ter-Continental Hotels	0.6	24.5	0.8	27.5
andard Bank (Z) Ltd.	0.4	26.5	0.5	29
yle Travel			0.3	33
nger Sewing Machines	0.6	24.5	0.8	27.5
rclays Bank	0.3	28	0.4	31.5
ndlays Bank	0.4	26.5	0.4	31.5
nan Catholic Church of Zambia	0.06	30	0.2	34
Formed Church in Zambia	0.07	29	0.01	36
novah's Witnesses			0.02	35

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ICES (IN MILLIONS OF KWACHA)

70	1972		1974		1976	
Rank	Value/Rank		Value/Rank		Value/Rank	
2	26.1	1	25.8	2	22.3	1
1	23.7	3	20.2	3	19.8	3
3.5	14.3	5	18.7	4	18.4	4
5	25.9	2	31.8	1	21.9	2
6	15.1	4	13.7	6	17.8	5
8	12.6	7	16.9	5	9.6	10
9	12.9	6	13.6	7	16.1	6
3.5			9.3	9	7.4	11
10			8.9	11	5.7	16.5
7	12.5	8	9.2	10	10.7	9
14.5			9.5	8	12.1	8
11	9.1	10	6.0	15	5.9	15
12			7.8	12	3.4	19
18	6.3	12	10.7	8	13.6	7
13			4.8	18	3.8	18
16	7.9	11	7.5	13	6.9	13
21	5.8	13.5	5.3	16	5.7	16.5
17	5.8	13.5	5.1	17	7.3	12
14.5	9.6	9	4.6	18	2.3	22
20	5.6	15	6.1	14	6.8	14
19	5.1	16	3.9	19	2.9	24
	1.3	19.5	1.9	21	2.8	20
23	3.8	13.5	0.8	23	1.8	25
22	3.8	17.5	3.3	20	2.1	23
24	1.3	19.5	1.2	22	2.6	21
25	0.8	21	0.1	29	0.04	32
26.5			0.4	25	0.6	26
26.5	0.3	23.5	0.5	24	0.5	27
28	0.4	22	0.3	26	0.4	28
29			0.2	27.5	0.1	31
30	0.3	23.5	0.07	30.5	0.2	29.5
31.5			0.07	30.5	0.2	29.5
31.5			0.02	27.5	0.01	33
33			0.001	32.5	0.001	34.5
34			0.001	32.5	0.001	34.5

TABLE B : RANKING OF TRANSNATIONAL ORGANISATIONS ACCORDING TO NUMBER OF TOTAL APPLICATIONS SUBMITTED

	1966				1968			
	Ratio/Percent/Rank				Ratio/Percent/Rank			
NCCM	158:158	100.0	1.5		166:166	100.0	1.5	17
Zambia Sugar Co.					128:127	99.2	5.5	13
RCM	155:155	100.0	1.5		161:161	100.0	1.5	14
Kafue Textiles of Z.	116:113	97.4	9		139:136	97.8	12	12
Standard Bank of Z.Ltd.	56: 54	96.4	13.5		53: 50	93.3	21	6
Campbell Booker Carter	126:123	97.6	6.5		131:126	96.2	16.5	9
ZESCO	175:170	97.1	11		188:183	97.3	14	7
Livingstone Motor Ass.					206:204	99.0	8	16
Barclays Bank	45: 43	95.6	16		47: 46	97.9	10.5	3
Northern Breweries	112: 98	87.5	24		127:124	97.6	13	
Nitrogen Chemicals	80: 76	95.0	19		151:149	98.7	9	10
Chibote Holdings					116:100	86.2	29	13
Grindlays Bank								
International Zambia	39: 34	87.1	26		34: 30	88.2	27	3
Mwaiseni Stores Ltd.	134:126	94.0	20		123:122	99.9	3	8
Mindeco Noranda	85: 75	87.2	25		97: 90	92.8	23	8
Intercontinentals Htls.	123:120	98.3	5		106:100	94.3	19	11
Diesel Electric Co.	143:139	97.2	10		131:130	99.2	5.5	12
Chilanga Cement Ltd.	121:117	97.5	8		103: 98	95.1	18	11
Zambia Bata Shoe Co.	86: 83	96.5	12		94: 84	89.4	25	5
Eagle Travel					78: 75	96.2	16.5	8
Honda Zambia Ltd.	112:102	91.1	23		96: 94	97.9	10.5	10
Motor Companies	193:186	95.8	15		72: 70	97.2	15	6
I.T.T.	125:122	97.6	6.5		121:101	83.5	30	8
Kingstons Zambia Ltd.	158:156	98.7	3		162:161	99.4	4	13
Lonrho Zambia Ltd.	108: 51	47.2	30		137: 63	46.0	35	19
Coca Cola (Zambia Bott)	84: 80	95.3	18		85: 81	95.3	17	5
Shell & BP	84: 81	96.4	13.5		86: 80	93.0	22	4
Frankipile	103: 96	93.2	21		109:108	99.1	7	9
Agip	61: 60	98.4	4		58: 53	91.4	24	3
Singer Sewing Machines	43: 41	95.3	17		45: 40	88.9	26	3
Mobil Oil	86: 79	91.9	22		92: 71	78.0	32	9
Caltex	83: 60	72.3	29		86: 57	66.3	34	7
Roman Catholic Church of Zambia	29: 22	75.9	28		31: 29	93.4	20	2
Reformed Church in Z.	20: 17	85.0	27		17: 14	82.4	31	1
Jehovah's Witnesses					6: 2	33.3	33	5

VED LICENCE APPLICATIONS AS A PERCENTAGE OF

t/Rank	1972				1974				1976			
	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank	Ratio/Percent/Rank
1 5.5	172:169	98.3	2	168:158	94.0	7	157:155	98.2	2			
0 7	133:131	98.5	1	141:139	98.6	2	139:137	98.6	3			
5 2	145:128	88.3	9	144:109	95.7	5	139:136	97.8	4			
0 1	125:120	96.0	7	135:123	91.1	8	131:126	96.2	6			
1 10	57: 49	86.0	11	52: 51	98.1	3	43: 41	95.3	7			
3 18	112:108	96.4	6	103:100	97.0	4	115:115	100.0	1			
3 9	66: 64	97.0	5	78: 69	88.4	12	37: 35	94.6	10			
5 3	173:168	97.1	4	160:109	68.1	19	153: 98	64.1	18			
9 11	33: 29	87.9	10	28: 25	89.3	11	31: 30	96.8	5			
	129:126	97.7	3	143:136	95.1	6	145:122	84.1	14			
1 5.5	113:108	81.2	13	133:111	83.5	14	137:103	75.2	16			
3 4	126:114	90.5	9	122: 98	80.3	16	102: 97	95.1	8			
5 13				27: 27	100.0	1	20: 18	90.0	11			
0 14	96: 68	70.8	15	85: 49	57.6	23	78: 46	59.0	19			
3 17	94: 80	85.1	12	86: 78	90.7	9	80: 76	95.0	9			
3 21				82: 67	81.7	15	43: 21	48.8	22			
7 23	125: 88	70.4	16	67: 43	62.4	20	26: 11	42.3	25			
7 19	105: 71	67.6	19	94: 60	63.8	21	83: 59	71.1	17			
5 15	61: 48	78.7	14	42: 20	47.6	25	18: 9	50.0	21			
0 12	86: 54	62.8	21	73: 41	56.2	24	77: 44	57.2	20			
3 25	86: 52	60.5	22	34: 26	76.5	17	19: 12	83.2	15			
7 8				49: 16	33.3	28	42: 11	26.2	29			
3 24	80: 54	67.5	18	56: 48	85.7	13	81: 37	45.7	24			
3 31	141: 63	44.7	23	148: 39	28.5	29	83: 20	24.1	30			
5 25	189:181	95.8	8	277:249	90.0	10	164:143	87.2	12			
2 16	48: 33	68.8	17	43: 12	27.9	30	38: 14	36.8	25			
7 29				31: 19	61.3	22	13: 6	46.2	23			
3 22	81: 52	64.2	20	47: 9	19.1	33	38: 7	18.2	32.5			
0 28				25: 11	44.0	27	11: 2	18.2	32.5			
0 32				29: 7	24.1	31	11: 3	27.3	28			
1 27				61: 27	44.3	26	53: 19	35.8	27			
4 26				81: 58	71.6	18	74: 63	85.1	13			
0 20				23: 4	18.3	33	21: 2	38.0	26			
5 30				5: 1	20.0	32	4: 1	25.0	27			
0 33				6: 1	16.7	34	5: 1	20.0	31			

BLE C : RANKING TO'S BY VOLUME AND PERCENTAGE OF CARGO IMPORTED AND

	1971						
	IMPORTS			EXPORTS			Volume ('000m.t.)
	Volume ('000m.t.)	% of Total Volume	Rank	Volume ('000m.t.)	% of Total Volume	Rank	
NCCM	293	82.6	1	334	67.9	2	276
RCM	284	81.8	2	301	68.5	1	229
Mindeco Noranda Ltd.	173	78.7	3	213	53.9	3	209
LMA	241	76.6	4	-	-	-	207
Lonrho	218	53.7	5	173	44.3	4	209
Chibote	213	51.2	6	139	38.6	6	178
ZESCO	273	45.6	7	50	30.0	7	219
Honda Zambia Ltd.	200	45.0	8	-	-	-	190
Diesel Electric Co.	102	43.6	9	50	25.0	8	83
Intercontinental Hotels	57	42.8	10	-	-	-	43
Coca Cola	73	40.0	11	50	40.0	5	40
Kingstons	11	36.7	12	-	-	-	7
ITT	105	35.8	13	-	-	-	97
FAO	20	35.0	14	-	-	-	10
Bata Shoe Co.	50	30.0	15	-	-	-	30
Agip	-	30.0	15	-	20.0	9	-
Singer Sewing Machine	110	30.0	15	-	-	-	-
UNDP	40	30.0	15	-	-	-	30
Caltex Oil	-	25.0	16	-	30.0	7	-
Shell & B.P.	-	25.0	16	-	25.0	8	-
ILO	20	25.0	16	-	-	-	10
Motor Cos. (except LMA)	250	25.0	16	-	-	-	200
Frankipile	181	23.7	17	-	-	-	153
Mobil Oil	-	20.0	18	-	20.0	9	-
C'wealth Dev. Corp.	45	15.0	19	-	-	-	30
Nitrogen Chemicals of Z	107	10.0	20	20	30.0	7	60

Y THE SOUTHERN ROUTE

1972				1978					
Rank	EXPORTS			IMPORTS			EXPORTS		
	Volume ('000m.t)	% of Total Volume	Rank	Volume ('000m.t)	% of Total Volume	Rank	Volume ('000m.t)	% of Total Volume	Rank
1	385	68.7	2	214	33.4	1	285	43.5	1
2	326	71.4	1	206	31.2	2	276	41.7	2
3	202	61.2	3	123	23.6	6	108	35.8	3
7	-	-	-	80-90	25.0	5	-	-	-
4	109	38.7	4	125	27.5	4	128	35.6	4
5	103	33.9	5	280	25.0	5	112	29.8	5
4	30	20.0	8	50	25.0	5	30	20.0	6
6	-	-	-	-	-	-	-	-	-
8	50	30.0	6	-	-	-	-	-	-
0	-	-	-	10	5.0	-	-	-	-
9	40	30.0	6	220	25.0	5	-	-	-
5	-	-	-	-	-	-	-	-	-
3	40	25.0	7	30	15.0	8	5	20.0	6
2	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-
1	-	20.0	8	-	20.0	7	-	10.0	7
1	-	-	-	10	5.0-10.0	9	-	-	-
2	-	-	-	10	5.0-10.0	9	-	-	-
2	-	15.0	9	-	30.0	3	-	10.0	7
2	-	20.0	8	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
2	-	20.0	8	-	-	-	-	-	-
4	-	-	-	10	5.0-10.0	9	-	-	-
5	75	30.0	6	30	15.0	8	-	-	-

TABLE D : RANKING THE TOP FIVE T.N.Os WITH HIGHEST NUMBER OF SUCCESSFUL APPLICANTS

1968				1970			
Rank	Transnational Organizations	Appr. Apps.	Value (K'm)	Rank	Transnational Organizations	Appr. Apps.	Value (K'm)
1	Kingstons Ltd.	161	1.20	1	UNDP	100	0.70
2	UNDP	121	1.10	2	Intercont. Hls.	93	0.50
3	Intercont. Htls.	100	0.80	3	ILO	81	0.60
4	Honda (Z) Ltd.	94	1.70	4	FAO	59	0.50
5	FAO	66	0.60	5	Standard Bank	58	0.50

TABLE E : RANKING THE TOP FIVE T.N.Os WITH LOWEST NUMBER OF SUCCESSFUL APPLICANTS

1968				1970			
Rank	Transnational Organizations	Appr. Apps.	Value (K'm)	Rank	Transnational Organizations	Appr. Apps.	Value (K'm)
1	Mobil Oil	45	13.10	1	Caltex	14	7.90
2	Agip	53	14.10	2	Agip	16	8.30
3	Caltex	53	13.30	3	Mobil Oil	19	8.10
4	Motor Cos. (except LMA)	70	17.10	4	Shell & BP	21	9.90
5	Shell & BP	80	16.10	5	Motor Cos. (except LMA)	59	15.70

ATIONS BUT HAVING SMALLEST MONEY VALUE FOR SELECTED YEARS

1974			1976			
Transnational Organizations	Appr. Apps.	Value (K'm)	Rank	Transnational Organizations	Appr. Apps.	
Cont. Hotels	67	0.40	1	Commonwealth Dev. Corp.	43	1.10
Standard Bank	51	0.50	2	Standard Bank	41	0.50
	46	0.34	3	Barclays Bank	30	0.19
	40	0.20	4	ILO	21	0.40
Kingstons Ltd.	39	0.07	5	Kingstons Ltd.	20	0.04

ATIONS BUT HAVING LARGEST MONEY VALUE FOR SELECTED YEARS

1974			1976			
Transnational Organizations	Appr. Apps.	Value (K'm)	Rank	Transnational Organizations	Appr. Apps.	
Frankipile Ltd.	9	9.60	1	Agip	2	3.40
Mobil Oil	10	4.80	2	Singer Sewing Mach.	3	0.10
	11	7.80	3	Shell & B.P.	6	5.70
Shell & BP	19	8.90	4	Frankipile Ltd.	7	2.80
Shoe Co.	20	3.90	5	Mobil Oil	8	3.80

TABLE F : TRAFFIC OF WAGONS CONVEYED FOR NCCM AND RCM BEFORE, DU

	1966		1967		1971	
	(a) No. Req.	(b) No. Grtd.	(a) No. Req.	(b) No. Grtd.	(a) No. Req.	(b) No. Grtd.
1st Quarter	2139	2127	2061	2060	2314	2147
2nd Quarter	2319	2303	2216	2211	2179	2153
3rd Quarter	1968	1965	2128	2119	2044	2039
4th Quarter	1976	1976	2242	2232	2214	2210
TOTAL	8402	8376	8647	8622	8751	8545
% ^(b) / _(a)	99.1		99.7		97.6	
1st Quarter	2095	1969	2312	2017	2167	2159
2nd Quarter	2174	2108	2133	2100	2072	1996
3rd Quarter	1836	1811	2213	2201	1932	1821
4th Quarter	1763	1692	2212	2161	2066	2062
TOTAL	7868	7588	8870	8475	8237	8038
% ^(b) / _(a)	96.4		95.5		96.7	

FTER THE 1973-1978 BORDER CLOSURE

	1976		1978		1979		
(b) No. Grtd.	(a) No. Req.	(b) No. Grtd.	(a) No. Req.	(b) No. Grtd.	(a) No. Req.	(b) No. Grtd.	
1124	1316	1217	1628	1213	1873 ^b	1871 ^b	
1061	1567	1442	1682	1463	-	-	
1312	1928	1851	1673	1363	-	-	
1289	1916	1872	1537 ^a	1535 ^a	-	-	
4786	6727	6392	6520	5574	1873	1871	
	95.0		85.5		99.9		
1114	1212	1073	1539	1209	1763 ^b	1749 ^b	
1310	1321	1303	1678	1312	-	-	
1212	1832	1648	1521	1263	-	-	
1089	1941	1728	1376 ^a	1371 ^a	-	-	
4725	6308	5752	6114	5155	1763	1749	
	91.2		84.3		99.2		

TABLE G: USE SOUTHERN ROUTE BY TRANSNATIONAL ORGANIZATIONS DURING

	1973									1974					
	IMPORTS			EXPORTS			IMPORTS			EXPORTS			IMPORTS		
	Volume (,000 m.t.)	Value (K'm)	% of Total Volume	Volume (,000 m.t.)	Value (K'm)	% of Total Volume	Volume (,000 m.t.)	Value (K'm)	% of Total Volume	Volume (,000 m.t.)	Value (K'm)	% of Total Volume	Volume (,000 m.t.)	Value (K'm)	% of Total Volume
	5	1.0	0.5	5	1.3	1.0	4	1.0	0.5	5	1.0	1.0	5	1.0	
	5	1.0	0.5	5	1.3	1.0	4	1.0	0.5	5	1.0	1.0	5	1.0	
	3	0.5	1.0	2	1.0	1.0	2	0.5	0.5	3	0.2	1.0	5	0.5	
	2	0.5	1.2	-	-	1.0	1	0.25	0.3	2	1.0	-	2	0.5	
	1	-	1.0	-	-	-	1	0.25	0.3	2	1.0	-	2	0.2	
	2	1.0	1.0	-	-	-	2	1.0	0.75	-	-	-	2	1.0	

SURE PERIOD JANUARY 1973 - SEPTEMBER 1978

1976							1977						
IMPORTS				EXPORTS			IMPORTS			EXPORTS			
Volume	Volume ('000 m.t.)	Value (K'm)	% of Total Volume	Volume ('000 m.t.)	Value (K'm)	% of Total Volume	Volume ('000 m.t.)	Value (K'm)	% of Total Volume	Volume ('000 m.t.)	Value (K'm)	% of Total Volume	
5	5	1.0	0.5	5	1.0	0.5	2	-	1	2	-	1	
5	5	1.0	0.5	5	1.0	0.5	2	-	1	2	-	1	
	5	1.0	0.5	5	1.0	-	1	-	1	1	-	1	
25	2	0.5	0.25	2	-	-	1	-	-	1	-	-	
25	2	0.5	0.25	2	-	-	1	-	-	1	-	-	
	2	1.0	1.0	-	-	-	1	-	-	1	-	-	