

Zimbabwe's turmoil: Problems and prospects

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Introduction and Executive summary

On 27 November 2002 the African Security Analysis Programme hosted a day-long seminar entitled "Zimbabwe in turmoil". The principal idea was to tap into expertise from within that country itself, and a number of prominent Zimbabweans were kind enough to fly south to share their insights, hopes and fears. Since then, unfortunately, an already grave situation has deteriorated further, and expectations raised at the beginning of 2003 of the possibility of a managed or negotiated transition to a new and more tolerant political dispensation paving the way towards economic revival seem to have been over-optimistic.

To recapitulate: between December 2002 and January 2003, stories began to circulate about approaches by leading elements within ZANU-PF to Morgan Tsvangirai, leader of the Movement for Democratic Change (MDC), offering a form of transitional government in exchange for the parliamentary opposition's cooperation in amending the constitution to permit a managed presidential succession and delayed elections following the retirement of Robert Mugabe. Such an arrangement, it was felt, would open the way for a resumption of relations between the international financial institutions and Zimbabwe, paving the way for donor support to eventual economic recovery.

Whether these talks about talks had the blessing of President Mugabe himself remains uncertain. Although he shortly went on record with indications that ZANU-PF should begin discussions about the succession, it is not impossible that he sought in this way to entice pretenders to the presidency to reveal their hands before it was prudent to do so. Part of the deal under discussion, the so-called "exit strategy", was to afford President Mugabe and members of his immediate family and followers with guarantees that they would enjoy immunity from prosecution for alleged misdeeds committed in office. Yet Tsvangirai's refusal to accede to Mugabe's precondition for talks by withdrawing a legal challenge to the presidential election result of 2002, and the apparent reluctance on the part of his supporters to consider amnesty to regime which continued to commit the grossest violations of human rights seem to have blocked this avenue.

Faced with growing evidence of popular disfavour and the willingness of large numbers of people to defy the wrath of the authorities by participating in strikes and stayaways, the government resorted to ever more severe repression. The authorities showed their desperation by having Tsvangirai arraigned on a second treason charge.

At the time of writing it is uncertain how matters will develop from here. Certainly within the ruling party there are those who wish to see President Mugabe stay on at virtually any cost, so much are their own political and personal fortunes contingent upon his survival. Yet there are others who have managed to acquire considerable capital at little cost in the economic maelstrom, and who now desire a return to some sort of normality in order to enjoy their riches. How long can the fractures in the edifice of the ruling party be papered over and, by the same token, what would the MDC look like in a post-Mugabe dispensation?

These are only some of the questions addressed in this monograph.

We have been fortunate that several of the participants at the seminar were willing to update their contributions to accommodate the rapidly changing economic and political scene. In addition, Patrick Bond kindly provided us with a piece looking at some of the problems inherent in an eventual economic recovery.

Chapter 1 by Brian Kagoro analyses the emergence of effective opposition politics within Zimbabwe against a background of deepening crisis. He identifies the continuity of the themes of violence and fraud that have been endemic to the country's political life since the 19th century, and shows how ZANU-PF's failure to transform the repressive colonial state led directly to its inability to deliver on the promises of independence. He also points to the contradictions inherent in the World Bank/IMF prescriptions of austerity and their simultaneous

advocacy of neo-liberal democracy. Patronage politics and the emergence of a self-seeking authoritarian political elite have been the partial consequence of the confluence of these phenomena. After describing the antecedents and emergence of the MDC he speculates on the challenges currently facing a broad-based political movement.

In Chapter 2 John Makumbe looks at the prospects for a transition within ZANU-PF itself. He identifies tensions within the party between Mugabe's authoritarian inclinations and a majority of ZANU-PF supporters. Many of the centralist and commandist elements of the ruling party's style can be traced to its history as a liberation movement with Eastern bloc backing. Other aspects of political intolerance are more correctly associated with the incumbent leadership's determination to brook no effective opposition to its dominance, as has been shown on various occasions since independence.

The economic consequences of this situation are addressed in Chapter 3 by John Robertson. After isolating some of the salient manifestations of Zimbabwe's crisis, this chapter goes on to analyse some of government's attempted responses, and shows how inadequate and even counter-productive these have been. Debt and shortages of foreign exchange interrelate at the heart of the economic meltdown. Fuel and electricity shortages and a wholesale assault on the commercial farming sector have had massive influences on the ability of the economy as a whole to continue performing. This dire situation notwithstanding, the author concludes that Zimbabwe could return to a recovery and growth path fairly quickly, though the window of opportunity for this to happen is closing rapidly. He believes that the co-operation of the international financial institutions would be an essential prerequisite, however, and this would necessitate a fairly radical change in the political leadership and the nature of the regime.

In Chapter 4 Patrick Bond presents an alternative view on Zimbabwe's economic future, arguing that the present crisis may present opportunities to break with unsuccessful strategies pursued in the past. He contends that neither the exhausted nationalism of ZANU-PF nor the globally oriented neo-liberalism of the MDC provide adequate bases for the construction of a just and equitable society in Zimbabwe. The author presents an outline of radical policy alternatives that would meet the broader needs of society rather than serving the interests, internal and external, of those seeking a deal between elites.

The final contribution, in Chapter 5 by Edward Lahiff presents a broader perspective on the land debate, which in the case of Zimbabwe seems to have focussed on the plight of white commercial farmers and (to a degree) their labourers. He stresses the importance of addressing the fraught issue of land reform throughout the southern African region on the grounds of equity and efficiency which, he argues are not always at odds with one another. He questions many of the myths perpetuated in self-interest by large-scale commercial farming, and argues that for rural poverty to be addressed, access to land has to be provided. Many of the misperceptions about the rural economy, he opines, are the consequence of a "colonial" mindset. There are also a number of myths about the relationship of freehold land tenure to commercial success in farming. In conclusion, he argues, there is a misperception that the issue of land lies at the heart of the Zimbabwean crisis: the latter is primarily about economic collapse and political legitimacy leading to the abandonment of the rule of law.

The dynamics of the current situation in Zimbabwe are so unstable that to make predictions would be an exercise in foolhardiness. This monograph attempts to illuminate certain aspects of the crisis. Beyond that one can only say with any certainty that the current situation, economic and political, is unsustainable.

Richard Cornwell

Chapter 1: The Opposition and Civil Society

Brian Kagoro, Coordinator, Crisis in Zimbabwe Coalition

The perception gap

Although there is no doubt that the legitimacy of Zimbabwe's President Robert Mugabe is now seriously disputed in many quarters, along with a whole host of his government's policies and actions -- particularly those relating to fiscal and monetary matters, land and company invasions, food security and human rights -- it remains an intransigent problem to establish an adequate explanation of how this state of affairs has come about.

What follows is an attempt to look at the conundrum of post-colonial Zimbabwe from the perspective of democratisation, especially with regard to the nature of the state, civil society and the opposition. This paper first describes the national crisis, before locating the position of civil society and the opposition in this discussion.

Though there may be differences in identifying the causes and nature of the current situation, that the country is in a state of unprecedented crisis is indisputable. Zimbabwe's is a multi-layered crisis, the resolution of which requires a multi-pronged approach. Zimbabwean opposition, civil society and the SADC region have been largely immobilised by the lack of consensus as to what should be done to extricate the country from this largely self-created quagmire.

Any solution to the Zimbabwe crisis will have to achieve a delicate balance that will include economic and political exigencies, on the one hand, and justice and reconciliation concerns on the other. The disparate forces at play are too evenly balanced for any single entity to achieve a unilateral solution, hence the suggestions in many quarters that, despite the acute tension, no all-out confrontation is likely to occur. None of us can claim to have the prophetic insight to say with certainty what will happen in Zimbabwe over the next year or so, though many commentators suggest that eventually there will have to be a negotiated settlement in Zimbabwe that will see Mugabe retire from the presidency.

The origins and nature of Zimbabwe's crisis

The essence of the Zimbabwean crisis has to be sought in a confluence of several colonial and post-independence experiences:

- A violent and fraudulent process of colonisation and domination that dehumanised black people, characterised their past as barren of innovation and achievement, branded their intellect as infantile and denigrated African culture as atavistic.
- A violent and hegemonic struggle for decolonisation that culminated in a largely symbolic independence devoid of material gain for the majority black population. This led to an acrimonious disjuncture between the interests of various classes among the black population.
- The independence leadership failed to transform the repressive colonial state structure into a democratic institution. Related to this is the failure by liberation movements (ZAPU and ZANU-PF) to transform themselves into a democratic government and concomitantly the failure to deliver on the independence promise of freedom.
- The dismal failure of IMF/World Bank structural adjustment policies, which had a very weak human development component, resulted in the mass impoverishment of Zimbabweans.
- The state was captured by a corrupt, self-seeking and authoritarian political elite.
- The contradictory nature of neo-liberal democracy prescribed the weakening of the state at precisely the moment that the human developmental deficits accumulated

during the colonial and cold war eras required an interventionist state. This, in part, compounded the inability of the state to redistribute resources in a coherent and orderly manner, hence the crisis of legitimacy and politics of chaos referred to elsewhere in this paper.

- The failure of post-independence leadership gave rise to the crisis of "followership".¹ Patronage systems based on region, tribe and political affiliation have led to the demise of meritocracy and competitive economics.² These systems have turned mediocrity into a virtue and "ethics" into a rude word. Zimbabwe has become a nation of accomplices joined together by tribe, region, political affiliation and war credentials. Government, among its other vices, specialises in subterfuge and denial. It is for this reason that a justice system managed by kinship and party cadres is as evil as the Rhodesian system constructed along racial lines.
- A culture of intolerance and impunity was inherited from the country's colonial past. This is not a Robert Mugabe invention, but rather a sad relic of the Rhodesian era. The Mugabe regime has used it as a fallback position when its fortunes have been severely compromised.

These broad factors have had their most dramatic manifestations in the following:

- Endemic political violence and gross human rights violations have been perpetrated at the behest of the state or political elite, with access to justice denied to the politically unconnected.
- Unbridled corruption has resulted in asset stripping and poor stewardship over national resources.
- The levels of both *de jure* and *de facto* impunity for various types of criminals are terminal. The most evident symptoms of this are the disregard of the doctrine of separation of powers and the general breakdown in the rule of law. Para-state arms of terror have assumed a status above the law and have thus effectively become a parallel government, invading farms, companies, NGOs and arrogating to themselves the powers of state agencies.
- Bad politics have produced declining economies, misery and despondency. This has led to capital flight and fatal levels of brain drain as young professionals seek less troubled waters in which to fish. At worst, these politics of chaos might result in civil strife.³
- There has been increased militarisation of the state and state institutions.
- The voices of the peasantry have been expropriated through economic and physical coercion. Food has been used as a political weapon in manipulating starving communities. Related to this is the failure of the fast-track land reform programme to resolve the contradictions in the agrarian sector by effectively dealing with questions of access to credit and inputs, tenure, and traditional leaders' role in transformed agrarian relations.

The current crisis in Zimbabwe is therefore a confluence of four interlinking themes: land and food security; governance and citizenship; civil society and democratisation; and regional and international interventions. The discussion in this paper is confined to the manner in which these themes affect civil society and the opposition in Zimbabwe. This can only be done effectively by first tracing the context and process of the emergence of the MDC out of the Zimbabwean civil society movement.

The emergence of opposition politics

Zimbabwe attained independence after a protracted war of liberation led by ZANU-PF and PF-ZAPU. These nationalist movements paid scant attention to issues of individual and civic rights in fashioning their vision of a liberated Zimbabwe. They were preoccupied with the transfer of power from white to black hands rather than with the conditions in which such power should be exercised.⁴ This approach developed precariously within the context of a brutal colonial state and the concurrent emergence of a middle-class nationalist leadership within both ZANU-PF and ZAPU, which advocated an implacable internal unity. This hegemonic approach gave rise to a legacy of repressive and monolithic state politics in the

post-colony -- politics that was suspicious and intolerant of notions of pluralism and independent associational life.⁵ Pluralism and dissent of any kind have often been characterised as anti-revolutionary and therefore divisive.

The militarism of the liberation struggle also created a unique use of coercion as an instrument of mobilisation. Thus in a very significant way, the liberation struggle emphasised a non-consensual means of legitimisation.⁶

The war came to an abrupt end in 1979, when the belligerents met at Lancaster House to negotiate a cease-fire as well as a new constitution for an independent Zimbabwe. The cease-fire constitution agreed to was a compromise between transfer of political power to blacks and the entrenchment of the economic privileges of white settlers and international capital.⁷

The focus of the new independence government in the early 1980s was on majoritarian issues and state-led developmental programmes.⁸ This approach mocked the advocacy of civil and political rights as a veiled attempt to subvert genuine efforts by the state to empower the newly liberated black populace. In practice, though, the discourse of human rights became not only a rallying cry for citizens who genuinely contested the arbitrariness manifest in governance, but also a shield for those anti-establishment and "uncivil" elements who sought a legal umbrella under which to preserve and reproduce their privileges.⁹ Talk of good governance, rule of law and human rights within this context seemed inherently contradictory, if not reactionary.

Thus it is fair to state that the seeds of Zimbabwe's destruction were contained within seemingly benign concerns for collective national development. These concerns are briefly explored later in this paper.

State security and the culture of impunity

The public arena in Zimbabwe between 1980 and 1988 was dominated by state security concerns. At the time, Zimbabwe was faced with real threats to its constitutional order from the apartheid regime in South Africa, insurgency groups in the Matabeleland/Midlands¹⁰ and Renamo bandits along the eastern border with Mozambique. The exigencies of state security were used as a guise for liquidating all forms of dissent and keeping a tight reign on the emergence of independent associational life. Thus the contours of an authoritarian state were determined early on in the post-independence era. The excuses for doing so always seemed genuine and were rooted in arguments for national sovereignty.

The first few years of independence were characterised by aggressive state building as opposed to nation building. Repressive colonial legislation such as the Law and Order Maintenance Act (Chapter 11:07) were consistently employed to stifle the emergence or continuance of opposition voices.¹¹ In a sense this resort to the oppressors' instruments of power subverted the genuine achievement of majority rule while unwittingly keeping the ghost of Rhodesia alive in the post-independence era.

Following the genocidal actions of state security agencies during the period of dissidence in Matabeleland/Midlands, ZANU-PF and PF-ZAPU signed a Unity Accord in December of 1987, which effectively ended the military occupation of Matabeleland. The Unity Accord was succeeded by a presidential amnesty, which pardoned all dissidents, and a Clemency Order, number 1 of 1990, pardoning all state security forces for atrocities committed by them in the "*bona fide*" execution of their mandate in Matabeleland/Midlands.¹²

Soon after the Unity Accord, the enlarged ZANU-PF began pushing aggressively for a one-party state as the only vehicle through which comprehensive national unity and development could be achieved. This notion of unity at all costs dealt a further blow to the country's already poor human rights record.

The end of dissidence meant that government critics could no longer be characterised as dissident sympathisers or as the enemy within. This window of opportunity accidentally ushered in a period of press freedom and increased freedom of speech,¹³ although the Unity Accord became an excuse for the Mugabe regime to advocate a one-party state agenda. In 1987 the executive introduced the Constitution of Zimbabwe Amendment Act No 7. This introduced an executive presidency with an unlimited term of office, and Mugabe became the first incumbent with "omnipotent powers typically given to executive presidents in a one-party state".¹⁴ This constitutional amendment shifted power significantly towards the executive, in the process marginalizing the legislature and the judiciary. The rationale behind this constitutional amendment was apparently to facilitate rather than limit the exercise of state power.

The amendment to the constitution also abolished the bicameral legislature and extended the remaining single chamber parliament from 120 representatives to 150 members. The additional 30 members were directly or indirectly appointed by the executive president as follows: 10 chiefs elected by the Chiefs' Council, 8 provincial governors and 12 special appointees. To bolster this, Mugabe created a Ministry of Political Affairs in which the Ministry of Women's Affairs was submerged. This new ministry could use public funds in activities that directly supported the ruling party's initiative towards a one-party state.

The emergence of the Zimbabwe Unity Movement

At the time when these events were unfolding, the then Secretary-General of ZANU-PF, Edgar Tekere, opined that "democracy was in the intensive care unit" in Zimbabwe. As is shown later on, much ground has been covered since then, sadly all in the wrong direction.

Edgar Tekere thus became the first person within the ZANU-PF leadership to publicly oppose the one-party agenda. He had earlier publicly castigated his party colleagues for corruption and wanton violation of the leadership code of conduct. This set Tekere on a collision path with his peers and, as expected, he was expelled from the party in 1988.

Tekere later joined forces with disgruntled sections of the student movement and workers to form the Zimbabwe Unity Movement (ZUM) in April 1989. ZUM attracted a significant following in the urban areas, particularly among the youth. This was the earliest indication of a serious generational disjuncture between the nationalist leaders and the non-combatant generation of young Zimbabweans. The euphoric support that ZUM drew within urban centres exposed the extent of the growing popular discontent as well as the anti-democratic tendencies of ZANU-PF.

The state authoritarianism described above was accompanied by frightening levels of corruption in both the private and public sectors. Thus Zimbabwe progressively accelerated towards an official dictatorship and a *de facto* one-party state.

Legalising repression

A conspicuous feature of this era was the consistent use of the law as an instrument of coercion and repression. In 1992, for example, the government passed the Labour Relations Amendment Bill, having passed the University of Zimbabwe Amendment Act the previous year. These two pieces of legislation were intended to pre-empt mass protests by both labour and student movements at the imposition of the Economic Structural Adjustment Programmes (ESAP). Labour was particularly incensed with the attempts in the new legislation to weaken trade union powers. In response the Zimbabwe Congress of Trade Unions (ZCTU) organised a national demonstration on 13 June 1992. The police suppressed the demonstration using very crude force.¹⁵ "Law" thus achieved a sinister connotation in the vocabulary of oppressed Zimbabweans.

It was in this context of severely proscribed civic and political space that a blistering critique of the ruling party emerged in the late 1980s and the 1990s. The critique emanated initially

from academics,¹⁶ the student union at the University of Zimbabwe and the labour movement. The latter two movements had just emerged from nearly a decade of state paternalism.¹⁷ An equally organised force during this period was the women's movement, which, since independence, had been engaged in very successful advocacy around inheritance laws and issues of women's human rights. The women's movement questioned the extensive exclusion of women from structures and processes of governance, and its unique contribution to the politics of nascent civil society in the post-colony was the notion of social exclusion as an expression of limited citizenship, mis-recognition and dehumanisation.¹⁸

The student/labour critique, on the other hand, focused mainly on corruption, welfare and political rights issues. Later on, intellectuals, minor opposition political parties, human rights groups, professional associations and NGOs brought into this critique questions of economic justice, governance and political liberalisation.

There were also calls for reform from within ZANU-PF itself as the party battled with its own internal dynamics, as revealed in the expulsion of its Secretary-General, Edgar Tekere, in 1988¹⁹ and in the late 1990s in the revolt by war veterans demanding payment of gratuities and other benefits for their participation in the war of liberation.

Socialist rhetoric and capitalist lives

In 1990, the state responded to global events by abandoning its majoritarian, developmentalist rhetoric and adopting IMF and WB prescriptions for economic structural adjustment (ESAP). ESAP prescribed, amongst other things, the downsizing of the state, the removal of subsidies in social services, deregulation of financial services and privatisation of state-owned enterprises. Western aid during the ESAP years was tied to questions of governance and political liberalisation. Thus the emergence of post-1990 pro-democracy movements in Zimbabwe was, in part, linked to the contextual changes in the global political economy as well as to explicit donor interventions. Herein arose the curious alliance between the interests of international capital and those of the impoverished masses, despite the latter's objective critique of the global system.

On the one hand, ESAP authored the very conditions of impoverishment and social exclusion that have made governance a topical issue in Zimbabwe; and on the other, it brought in the political and economic liberalisation around which post-1989 civic struggles have been and continue to be waged. For instance, in the late 1990s civil society's critique of the economic conditions authored by ESAP was linked to calls for greater democratisation in the form of a discourse of constitutionalism.

The popularity of the constitutional discourse was demonstrated eventually by the emergence of the National Constitutional Assembly (NCA) in May 1997.²⁰ This new discourse was for the most part conducted on the terrain of liberal human and civic rights. The NCA succeeded in forging a broad alliance to advocate a new, home-grown constitution for Zimbabwe. Notably, in the post-1989 dispensation of global governance, conditionality had become an integral part of donor funding. Arguments for alternative economic models were drowned by the triumph of neo-liberalism. Thus mobilisation for national democratisation offered new opportunities and a broader regional and international audience. Other developments within the African region encouraged this discourse: the liberation of South Africa; the fall of dictatorships in Zambia, Malawi, Zaire and later Ghana; and constitution-making efforts in Nigeria, Ghana, Uganda, Malawi, Namibia and South Africa.

The radicalisation of ZCTU

The ZCTU held its extraordinary congress in 1988, where it severed all ties with the ruling ZANU PF party. At the time there was still a naïve belief within the ruling party circles that ZCTU had been effectively neutralised and had ceased to be a force to reckon with. It was this belief that had induced the ZANU PF regime to introduce ESAP -- this despite the fact that ESAP was by nature designed to adversely affect the urban working population. In

retrospect, it is clear that ESAP eroded a significant number of the gains that had been made by organised labour within the first decade of independence.²¹ The actual introduction of ESAP met with very little resistance from ZCTU and this seemed to vindicate ZANU-PF's belief that organised labour was now a spent force.

During this period of apparent weakness, however, ZCTU began to professionalise its functions, especially its secretariat, under the leadership of Morgan Tsvangirai. The focus of the newly elected ZCTU leadership was on strengthening internal democracy mechanisms as a means of increasing accountability to the membership and affiliates. This helped to increase the interaction between the representatives and the general membership, and had a significant impact on ZCTU's efforts to represent industrial labour. The organisations earlier narrow mandate now was extended to include the representation of all working people in Zimbabwe.²² Thus ZCTU underwent a metamorphosis unhindered by the supervision and surveillance of the ruling party, which had already written it off as a political force.

The new-look ZCTU began to critique the political circumstances of labour relations while continuing with its traditional role of representing workers' interests at shop floor and national levels. The process by which ZCTU was weaned from state patronage comprised many experiences and opportunities, some planned and others seized. However, a key factor in this transformation of state-labour relations was the fast changing global political economy paradoxically associated with the triumph of neo-liberalism.

In 1988, John Nkomo was appointed as the new minister responsible for labour issues. His first act of office was to engage in a bitter war of words with the ZCTU leadership.²³ ZANU-PF seemed to be suffering from the problem of "overkill". This was evident, for instance, in its marginalisation of ZCTU in the introduction of ESAP in 1990 and its aggressive pursuit of the one-party state agenda. ZANU-PF seemed totally oblivious of both the national and global realities associated with political liberalisation and the collapse of the Berlin Wall.

The emergence of ZUM had dented the credibility of the ZANU-PF leadership and caused the party to refocus its attention on organised labour, particularly because, in the absence of a credible opposition, labour offered a potential organisational vehicle for anti-establishment forces. The government launched a sustained attack on the leadership of the ZCTU, alleging that they were subversive elements motivated by self-interest.²⁴ In response, the ZCTU leadership strengthened the organisation's regional and district structures and built formal alliances and alliances of solidarity with other civil society groups such as civil servants and student organisations.²⁵

Mobilising for protest or transformation

ZCTU organised meetings in residential areas to discuss community needs regarding housing, transport, education and health services. Its critique of urban councils permitted the labour movement to serve as the voice of the unemployed, illiterate, homeless and sick within urban constituencies, whose needs were meant to have been catered for by the city councils.²⁶ ZCTU also criticised the government's foreign direct investment drive as an "intention to entrench capitalism, which exploits the workers" and presented to government an alternative national development and economic policy document in which it called for a planned economy with state control of the financial sector, mining and industry as well as a radical and orderly land redistribution. It became clear from the ZCTU critique that the labour movement was mobilising its constituents to push for a transformation in the manner in which the country was being governed. This caused panic within the establishment as it threatened the power base of the existing political elite.

Morgan Tsvangirai openly accused the ZANU-PF leadership of being in an ideological crisis.²⁷ As early as May 1988, John Nkomo asked the ZCTU, "How can ZCTU start saying that the government is insecure? Are they trying to form another government?"²⁸ He accused the ZCTU of being run by selfish people who were blinded by "ambitions to take the shortest route to the House Chamber". Mugabe was reported in the *Sunday Mail* of 27 November 1988

as having said: "Trade unions are free to discuss political issues and refer their recommendations through the proper channels. We do not want to see a situation where the ZCTU becomes a political party."

The year 1989 saw several wildcat strikes by brewery workers, railway artisans and shunters, junior doctors and telecommunication technicians. These strikes all took place between June and September,²⁹ and on 4 October students at the University of Zimbabwe went on strike to commemorate the anti-corruption demonstrations that had been held the previous year. The following day Morgan Tsvangirai issued a statement in solidarity with the striking students. The police responded swiftly, arresting student leaders Arthur Mutambara and Enoch Chikweche (now Munyaradzi Gwisai) together with Morgan Tsvangirai. The trio were detained under the emergency powers regulations. Tsvangirai was kept incommunicado for a week without access to his lawyers and accused, among other things, of "attempting to bring the downfall of Government through unconstitutional means".

The prosecutor strenuously argued that there was reasonable suspicion that Tsvangirai was "acting under external influence and that his conduct constituted a serious danger to the safety and security of the state."³⁰ The High Court in Harare ruled, on 18 October 1989, that the state had failed to prove its case and ordered Tsvangirai's release. He was re-arrested immediately on the claim that he had been recruited by the South African Intelligence Service (NIS) in 1988 to create and spread discontent and turmoil in the Zimbabwe labour movement with the intention of achieving nationwide strikes and work stoppages. The state further alleged that Tsvangirai was under instruction from NIS to use his position in ZCTU to generate political discontent against the government and facilitate its overthrow by unconstitutional means. The state also made the broad allegation that Tsvangirai was actively involved in the South African strategy of destabilising Zimbabwe's economy and security.³¹ Once again, on 24 October 1989, the High Court ordered Tsvangirai's release.

Arguably, this attack raised Morgan Tsvangirai's profile in the public eye. His resilience earned him the respect that would later serve as political capital in his ascent in the broader civic movement and the Movement of Democratic Change (MDC). The state thus unwittingly turned Morgan Tsvangirai into a national figure as well as its most avowed opponent.

Formation of the MDC

A number of developments between 1997 and 1999 contributed to the formation of the MDC. For most of the 1980s, organised labour had seen its role purely as that of collective bargaining for better wages for workers in the urban industrial setting. In the later 1980s and early 1990s, there was a deliberate shift to a broader agenda and a wider constituency base.

The relevance of the ZCTU and its new politics was aided by the heavy-handed manner in which the state responded to democratic expressions of dissatisfaction by the citizenry. The state reached unprecedented levels of arrogance and repression through the regular and unnecessary use of the army and police force. While this was carried out under the guise of maintaining law and order, disorder of a different kind (namely corruption) decimated the public service. Several top-ranking civil servants were investigated for corruption,³² and sadly, instead of attending to these vices, the Mugabe government attempted to shift the burden to the taxpayer.

In 1997, for instance, the government arbitrarily awarded gratuities amounting to Z\$2,5 billion to war veterans who were protesting that they had been neglected by the government since independence. The amount awarded had not been budgeted for and almost caused the collapse of the country's financial system. In an attempt to recoup these losses, the government attempted to introduce three taxes: a war veterans levy, an increase in service tax of 2,5% and a tax on pensions. The proposed taxes irked the entire working population, which had been highly critical of Mugabe's award to war veterans. In an effort to save the situation, ZCTU made strenuous attempts to engage the government in dialogue over this matter. When

this seemed unfruitful, ZCTU, along with its allies in the NCA, called for a nationwide strike on 9 December 1997.³³ The initial strike was followed by two other successful mass stay-aways in March and October 1998. These repeated actions finally led the state to announce the scrapping of the tax proposals. An unsuccessful attempt was made in late March 1998 to ban the ZCTU as an organisation, using provisions of the Labour Relations Act (Chapter 28:01).³⁴

What these developments demonstrated was the triumph of strategic mass action against state repression and intransigence. This set the leadership of ZCTU and the political elite within ZANU-PF on a collision course. So deep was the resentment that the state daily paper, the *Herald*, habitually referred to labour leaders as "stooges of white imperial interests".³⁵ The rift between the two seemed irreconcilable as, spurred on by the victories of 1998, workers throughout the country as well as sections of the intelligentsia began calling for the formation of a broad-based political party to oppose ZANU-PF. The inevitable leader of such a process seemed to be the ZCTU, given its numerous victories against the Mugabe government. Thus the leadership of the ZCTU was confronted with the unavoidable responsibility of leading this process.

The Raw Data Report

The ZCTU commissioned its advocacy officers to carry out a nationwide survey on various dimensions of the crises facing individuals and communities in Zimbabwe. The survey also sought to establish what the general populace perceived as possible solutions to their dilemma. The findings of this survey were summarised in a report known as the 'Raw Data Report',³⁶ and a broad civic alliance led by the ZCTU and NCA leadership then convened a "Working People's Convention" in February 1999 to analyse this report and chart a way forward.³⁷ Five experts were requested to make presentations to smaller working groups of participants, drawn from across urban and rural Zimbabwe, on the five broad areas covered by the Raw Data Report.

After extensive deliberations within the smaller working groups, the Convention went into plenary, where designated rapporteurs presented their groups' resolutions. While debating the way forward, the delegates unanimously agreed on the following:

- That the government and ruling ZANU-PF party had failed to safeguard the interests of the majority of Zimbabweans in the broad areas covered by the Raw Data Report.
- That there was a need for a more cohesive opposition party to contest the 2000 general election and the 2002 presidential election, implying, therefore, that such an opposition political party was not yet in existence.
- That ZCTU, along with other civic groups, should facilitate the formation of such a broad-based, credible opposition.

Following this process several report back and consultative meetings were held at both the national and local levels to drum up support and promote understanding and popular ownership of the Convention resolutions. After these extensive consultations, the MDC was officially launched at Rufaro Stadium on 11 September 1999.³⁸

The first Congress

The launch was followed by a Congress at which a substantive leadership was elected. Morgan Tsvangirai became the first elected president and Gibson Sibanda his deputy. The election of Tsvangirai and several other labour and civic leaders to the first MDC executive raised several issues. On the one hand, the formation of the MDC answered the political dilemma of what to do with a new constitution should the government prove amenable to it. On the other hand it partly responded to the moral quandary of whether civic leaders should assume an overtly political role by holding elective office in political parties. It was clear to the majority of civic leaders that protests alone were insufficient comprehensively to address the governance crisis facing Zimbabwe. However, the risks of politicising civil society on a

partisan basis seemed too huge, for a variety of reasons. The first was an appreciation that the state would use this to discredit the entire civic movement as politically biased and actuated by self-interest. The second was the simple realisation that depletion of the civic ranks in order to staff political parties would severely compromise this sector.

This multi-layered dilemma was complicated by the government's response to the defeat of its proposals in the constitutional referendum of 2000. In a sense the leadership of the NCA realised that civic initiatives without the prospect of political implementation were futile. Since May 1997, the NCA had been carrying out extensive consultations with Zimbabweans on the need for a new constitution and by 2000, had come up with a consensually evolved draft constitution, which the ZANU PF parliament and executive would not accept. This sparked an interesting discussion within the NCA and the broader civic movement. Many argued that not only did Zimbabwe deserve a new constitution, it also urgently deserved a "new leadership". But where would such leadership come from if not from civil society? This, as mentioned earlier, was a discomfiting reality for many social theorists and activists. The risks of misinterpretation and subversion of the civic agenda seemed too real to be ignored.

In the end, a compromise was reached within both the NCA and the ZCTU to release those of the two groups' leadership who wanted to engage in party politics. As anticipated, the ramifications of this decision were both positive and negative. On the one hand, it facilitated the emergence of a new leadership in both the NCA and ZCTU, respectively. This in a sense nominally de-linked the two organisations from the direct politics of the MDC. On the other hand, the new leadership was saddled with the task of proving its autonomy from its predecessors. The government played on this linkage and lumped the NCA, ZCTU and MDC together.

The white commercial farmers and external responses

As demonstrated above, white commercial farmers did not found the MDC. The sudden influx of whites into the MDC occurred after the referendum following the "No Vote" victory. It was as if the whole nation got a sense of the possibility that ZANU-PF was not, after all, invincible. Thus the white commercial farmers, who for personal and other reasons (not least their grievances over the government's more aggressive stance over the land question), were dissatisfied with the way things were developing in the country, threw their weight behind the MDC. They assisted in forming support groups within the commercial farming areas and made donations of cash and kind.

The critical question within the MDC leadership was always whether to accept these gifts and the givers as strategic allies or to shun both. The latter option made no sense in the absence of other sources of funding, especially when fighting a party that often used public resources to gain a competitive advantage against its opponents. ZANU-PF seized on this opportunity to castigate the MDC as a front for white interests³⁹. Given his dwindling fortunes, Mugabe employed propagandists who capitalised on the white element to alienate all oppositional voices from regional sympathies.⁴⁰

It did not help matters that the UK and EU took an active interest in the unfolding crisis in Zimbabwe. Their interest was so intense that it allowed Mugabe to allege that they were behind unconstitutional attempts to oust him. Herein was established Mugabe's theory of an axis of evil between civics, MDC and white imperial interests. Once the axis of evil propaganda was accepted, it was used as justification for committing the most heinous violations of human rights since the Matabeleland/Midlands genocide of the 1980s. Human rights organisations have to date recorded in excess of 550 000 cases of serious human rights violations ranging from murder, arson, abductions, rapes and severe assaults to death threats.

The SADC regional response has been to hear no evil and see no evil. At worst, South Africa has often appeared to be playing the role of Mugabe's international public relations manager. Indeed, even after its own observer group had been attacked, the official South African

government position was that the 2000 Zimbabwean parliamentary election was legitimate, this notwithstanding that the election violated a significant portion of the SADC Parliamentary Forum's minimum conditions for free and fair elections.

The external response to the Zimbabwean crisis has been blurred by hopes that the chaos would end once the land reform process was completed. The concluding remarks of this paper deal briefly with this matter.

Where is the MDC now ?

The MDC is a creature of the circumstances outlined above. Its formation involved a process that may explain why it has so far survived such battering from the state: the MDC was formed in a very inclusive and extensively consultative manner. There are thus many constituencies that have an interest in preserving it as a vehicle for sustaining the politics of transition. These range from workers, peasants, students and young intellectuals to businesspersons and minority races.

ZANU-PF's policies have been a motley assortment of state capitalism and market-unfriendly individualism. Thus, apart from those who have been able to use their political affiliation to benefit from the current crisis, there are many businesspersons who are unhappy with the ad hoc and incoherent manner in which the economy has been managed. Equally, the declining economy has grossly eroded the capacity for leisure amongst young professionals and this has resulted in a massive brain drain, while ZANU-PF's policies have also not proved especially beneficial for the majority of women in Zimbabwe. Given ZANU-PF's widely articulated notions of selective citizenship, there seem to be limited choices for minority groups that feel excluded from the party's newly defined nation. These and many other constituencies have a stake in keeping the opposition alive. A convincing demonstration of this was the protest vote in the June 2000 parliamentary election as well as in the March 2002 presidential election. Urban citizens withstood long hours of hostile weather to cast their vote against ZANU PF and Mugabe. Mugabe lost in almost every single urban area, and the general feeling within urban Zimbabwe remains that Mugabe stole the presidential election and is therefore an illegitimate leader.

The human rights abuses referred to earlier and, indeed, those that continue to take place in Zimbabwe today, are a reflection of a regime whose sole source of consent is coercion. This was likened by one communal farmer to the situation of a man who deludes himself into believing that he is loved by his spouse but stays on for fear of physical and pecuniary harm.

The last three years have seen repeated use of the militia and war veterans to contain oppositional forces in both urban and rural areas. Zimbabwe's High Court has ruled, in several of the election petitions filed by the MDC, that there was indeed widespread violence and intimidation that vitiated the freeness of the election process. The violence of the presidential election is common cause, as is the violence associated with several bye-elections. Both the MDC and civil society groups continue to note instances where food is repeatedly used as a political tool or where the MDC is impeded from accessing the rural areas.

The elections held over the past three years have been a farce. The violence and the unevenness of the electoral playing field have led to the failure of the electoral process in Zimbabwe. Unless the legal and institutional framework of elections changes radically, the chances of reviving electoral democracy are very slim.

MDC: a party under test

What the presidential election and the events prior and subsequent to it have done is to present new challenges and severe tests to the MDC. The first challenge is one of cohesion. When the MDC was created, the actors were bound together by the possibility of dislodging Mugabe through an electoral process. The thinking was that issues of ideology and

participation would be negotiated once this was accomplished, although in fact much was done to avert clashes of interests between the doves and the hawks, the leftists and the conservatives, the young and the old, patriarchy and feminists: the list is endless.

The post-presidential election period requires the MDC to define a new set of values (inspirational and strategic) that will keep the bond intact. There are evident cracks, with some sectors calling for mass uprising whilst others prescribe negotiations and international intervention. Feminists within the party are beginning to demand more gender sensitive policies and workers are now more vocal about their interests. The lines of synergy are being increasingly blurred.

Tsvangirai, as leader of the opposition, is neither in parliament nor in government. In a sense many of the recognised activities of the MDC are taking place without his active involvement. The dilemma is that there are situations where a parliamentary caucus agenda may be different from the broader party's position. Thus there have been instances where sentiments attributed to various pockets of the MDC leadership are contradictory. Cases in point are Eddie Cross's views on privatisation and Munyaradzi Gwisai's position on the land issue.⁴¹

The second challenge for the MDC is one of leadership. Many of its leaders came to be there because of the sense of urgency among the supporters to remove Mugabe at the polls. Their democratic credentials as well as their integrity and capacity were never interrogated. However, the post-presidential poll period requires greater clarity, immense integrity and commitment to the ideals of building a truly democratic Zimbabwe.

The third challenge is one of street credibility. There were expectations that if Mugabe stole the election there would be an uprising by the masses. The MDC leaders seem to have expected the masses to initiate this uprising, whereas the masses looked to the MDC leaders to do so. There is thus a crisis of leadership in the alternative movement. This is exacerbated by the fact that many of the MDC leaders are facing treason charges that may be deterring them from calling the much-awaited mass action. However, if the MDC leadership remains indecisive on this matter, it will lose street credibility as the crisis in Zimbabwe worsens. This ambivalence has been met with brutal attacks against MDC MPs by state security agents and the militia. There is a sense of frustration among MDC supporters that may fuel spontaneous, riotous conduct. This can only be averted if clear leadership is offered from the top. The MDC has also not been as effective in demonstrating its continuing relevance to the people's strongly felt needs in the present situation. In a sense, the MDC has missed many good opportunities to regain the upper hand in the political contest in Zimbabwe.

The fourth challenge the MDC faces is one of articulation. As indicated earlier, Mugabe has displaced the crisis from the national to the regional level as a pan-African struggle against imperial domination. The MDC has not been as successful in its regional diplomacy. There is thus a need for the MDC to rethink its regional strategy and refine its prescriptions for a post-Mugabe Zimbabwe. In particular, the MDC needs clearly to articulate its position on the contentious issues of race relations, north-south relations, resource redistribution and the broader pan-African agenda. The simple question after the presidential poll has been, "What is the MDC's agenda now?" That agenda must be well articulated, well publicised and owned by the membership.

The fifth and last challenge facing the MDC in Zimbabwe has to do with its resource base. The nominal assistance it obtained from the white commercial farmers (in cash or kind) can no longer be expected or counted on. State funding is grossly insufficient to sustain its activities and external funding is undesirable and, in any event, illegal. Thus the MDC membership will be compelled, in the post-presidential poll period, to find alternative sources of support for the party. The much-desired change will have to be paid for from within. Given the depressed economic environment, this is a very difficult proposition to make.

Despite these numerous challenges, the MDC seems unlikely to disintegrate. It represents too

broad a movement and its objective of removing Mugabe is also too broadly shared to collapse either due to frustration or infiltration. There may, however, be some changes in the party's middle leadership. Some of the necessary changes include bold decisions that the current leadership must take in the inevitable restructuring exercise that faces them.

However, the MDC's real survival lies in its ability to re-engage its civic partners in formulating an agenda for the post-presidential poll period.

Chapter 2: ZANU-PF: A party in transition?

John Makumbe, Chairman, Transparency International, Zimbabwe.

Introduction

The majority of Zimbabweans are generally agreed that the current crisis their nation is experiencing is essentially one of leadership. It is felt that President Mugabe and his cabinet colleagues have been in office for far too long to govern in a transparent and accountable manner. They seem to have run out of ideas for the resolution of the many economic, social and political problems that confront Zimbabwe. On this view, therefore, they should make way for younger Zimbabweans who comprehend the basic workings of a modern state in a globalising world.

The socio-economic constraints that the country is experiencing are a function of problems at the political level. Government's reluctance to liberalise the political system by adopting a democratic constitution has effectively compelled the people to adopt a confrontational approach. The emergence in 1999 of a credible opposition political party, the Movement for Democratic Change (MDC), which has nation-wide support, set the stage for the intended ousting from office of Mugabe's ZANU-PF through the ballot box.

The almost instant and widespread support that the MDC was able to attract in a very short time frightened Mugabe and his party to such an extent that they realised that the land issue, racism, violence and intimidation were the only effective weapons that could be used against political rivals, whom Mugabe referred to once as "enemies of the state". The public display of red cards by MDC supporters and elements within civil society infuriated Mugabe himself to such a degree that now it is an act for which an individual or a group of individuals can be prosecuted.

Mugabe and his loyal subordinates were greatly angered by the popular rejection of the government-sponsored and manipulated draft constitution in February 2000. This victory of the people against a beleaguered regime served as a belated warning to the incumbents. The majority "No" vote also gave the ordinary people of Zimbabwe tremendous hope that the untenable political and socio-economic situation could be changed. For the first time since 1980, the people had rejected ZANU-PF's proposals and exercised their democratic choices at the ballot. That victory further signalled to Mugabe's party that unless drastic measures were taken to arrest the situation, its stranglehold on political power was going end inauspiciously; hence the resort to violence, racism and public intimidation. The land question was the perfect way of accommodating all of the above issues, because in the two decades since the attainment of national independence, the government had done precious little to resolve the land problem, which remained a cardinal grievance for the majority of black Zimbabweans.

Conceptual considerations

African political systems in the pre-colonial era were neither democratic nor did they have political parties as these are defined by most contemporary scholars. Indeed, political parties can be argued to be as foreign to Africa as were the former colonial masters of most African countries. Michael Curtis notes that political parties are the "major bodies through which political action occurs in developed and in most undeveloped systems"⁴². Apart from Uganda, which claims to have a no-party political system, virtually all African countries have political parties in one form or another.

This paper does not intend to devote any significant space to the controversies surrounding the various definitions of political parties, but will adopt some of the generally accepted notions of this concept as functional for the purpose of this study.

Chambers broadly defines a political party in the modern sense as:

A relatively durable social formation which seeks offices or power in government, exhibits a structure or organization which links leaders at the centres of government to a popular following in the political arena and its local enclaves, and generates in-group perspectives or at least symbols of identification or loyalty.⁴³

Although most African political parties would fit this definition, there is merit in arguing that many other factors contribute to the durability of political parties in an African state. The origins of a political grouping, for example, have the tendency to impact either negatively or positively on its durability. In a neo-colonial setting such as that of Zimbabwe, political parties that were formed during the colonial era have tended to have more staying power than those that emerged after the advent of national independence. President Mugabe's ZANU-PF has made considerable political mileage out of the claim that it prosecuted the liberation struggle against the British colonial-settler regime.

The other features of Chambers' definition of political parties are also increasingly being tested in the case of Zimbabwe. For example, the link to "a popular following" can arguably be said to have significantly diminished for ZANU-PF whereas it has not for the labour-based MDC. As will be demonstrated in this study, a governing political party facing loss of popular support tends to resort to undemocratic means of coercing the public to support it, or at least conform to its claims of popularity and legitimacy so that it may continue in office.

Hartmut Hess⁴⁴ defines political parties as groups of people that have joined forces to pursue their common political and social goals. Political parties, therefore, enable party members to articulate their political will and strive for the realisation of their political aims. Economic interests also play a significant part in political party formation. The extent to which the shared goals and values remain valid and collectively acceptable is debatable in many an African country. Frequently, the goals and objectives of the strongman of the political party and his inner circle tend to eventually overshadow those of the majority of the party's supporters and sympathisers.

Decrying the fact that in many African studies of political parties the tendency has often been to treat "the views of one man as if they were the belief system of an entire party", Bienen writes:

It is crucial to differentiate the kinds of issues, for examples, foreign/domestic, ethnic/economic, and the various combinations thereof that parties and elements of parties concern themselves with, and it is crucial to distinguish between styles of rule and commitments to policies.⁴⁵

This paper argues that as the strongman in ZANU-PF, President Mugabe has displayed authoritarian and dictatorial tendencies and a despotic style of leadership that have not necessarily been endorsed by the majority of party members in the society at large. Indeed, the resort to violence perpetrated by former liberation war guerrillas during the parliamentary and presidential elections in 2000 and 2002 respectively reflects this strongman tactic that Mugabe and his small clique of adherents have employed in order to secure victory on both occasions. At the time of the elections regular party structures could no longer be relied upon to confirm ZANU-PF as the governing party in Zimbabwe. For example, the majority of the party's women and youth wings had defected to the currently popular MDC. Thus, rather than move forward in a transition to democracy, the former liberation movement, faced with a serious loss of popular support, retreated to its previous tactics of demanding public support by force.

Peter Merkl points out that "political parties can be studied empirically as social groups, vehicles for political conflict, devices of representation and integration or as channels of

political communications"⁴⁶. The majority of African political parties fit comfortably into this mould, although it could be argued that they perform some functions that could be viewed as of a personal nature. The preponderance of personal rule in Africa during the 1990s was clearly a manifestation of how political parties can be abused for personal benefit, especially by their senior leadership. This paper contends that President Mugabe has, to a very significant degree, abused ZANU-PF for his own private and personal advantage. Merkl, however, continues:

From the beginnings of party theory, political parties have been described as gatherings of politically like-minded people, a social group with common goals, and a division of roles, communication channels, and a hierarchic authority structure. A party is a polity which recruits and socialises new members, selects leaders through internal processes of representations and elections, resolves internal disputes, and makes decisions regarding its policies toward the outside world.⁴⁷

As shall be demonstrated later in this paper, both the MDC and ZANU-PF perform most of these functions, although the degree to which democratic procedures are followed varies from one party to the other. For example, it is generally believed that in the handling of internal disputes, the MDC tends to be more democratic than ZANU-PF. Several people have been expelled from the ranks of the ruling party in the past few years, but only one member is known to have been expelled from the MDC during the same period. Both political parties, however, claim to be democratic. Both of them hold primary elections to determine which of their members will stand as their candidates in national and local government elections. ZANU-PF primary elections have in the past been fraught with all kinds of irregularities, however. In a study of the 1995 parliamentary elections, and with reference to ZANU-PF's primaries, Makumbe and Compagnon note:

Obviously ZANU-PF will, nevertheless, claim that its primary elections were democratic... although President Mugabe himself admitted at a Central Committee meeting that there were very many irregularities and even corruption in these elections. Vice-President Nkomo deplored the 'chaotic situation' that arose from primaries and 'the seeds of hatred' sowed between party members during the process.⁴⁸

It may be too early for similar behaviour patterns to be observed in the MDC, though the ZANU-PF political culture of deceit, vote buying and blatant corruption may, indeed, be pervasive enough to have contaminated most players in the Zimbabwe body politic.

Political parties do not only seek governmental power and authority. Often the quest for government positions is ultimately aimed at facilitating access to socio-economic power and privilege. Political parties, therefore, can be seen as crucial vehicles for the articulation of economic interests of a group or coalition of groups in a given polity. In discussing this factor, Merkl utilises the concepts of interest articulation and aggregation of interests:

The interests are generally articulated prior to or for the purpose of their linkage with politics via a party. It is to their advantage to seek expression and influence through a party, sometimes through several parties.⁴⁹

While it would require a considerable stretch of the imagination to argue that any of the Zimbabwe political parties were formed partly for the purpose of performing this function, it is nonetheless correct to argue that over time both ZANU-PF and the MDC have been known to accommodate clearly definable coalitions and sub-coalitions with distinct socio-economic interests. During the 2000 parliamentary elections, for example, ZANU-PF commonly accused the MDC of seeking to protect and promote the economic interests of white commercial farmers and white businesspeople at the expense of economic indigenisation. In reply the MDC accused the governing party of neglecting the interests of the workers.

Chambers, while discussing the concept of political development, identifies three key aspects of the concept:

- the establishment and growth of a capacity in the political system to maintain itself and its legitimacy;
- an increasing measure of differentiation and organisation and therefore a complexity in political structures and political activity; and
- the evolution and maintenance of the capacity of the political system to meet or adjust to the problems and tensions of social change.⁵⁰

The two concepts - political and development - also need to be defined to some extent. Without delving into the usual controversies, this paper accepts Easton's definition of political as "the authoritative allocation of values for a society".⁵¹ Merkl describes political development as a *state-building process*, which is aimed at a particular kind of state. The process takes place in five basic phases that are "not necessarily everywhere equally complete, separate, consecutive or even in the same order"⁵². According to Merkl these phases are as follows:

1. the unification and external autonomy of a common territory;
2. the development and differentiation of political institutions and roles;
3. the transfer of power from ascriptive elites to individuals and groups chosen by criteria of achievement;
4. an enormous growth and interpretation of organised social interests and governmental functions, which could also be called democratisation, accompanied by both social integration and further institutional and political role differentiation; and
5. the enormous rise of governmental capability in moulding the human environment, extracting resources, and marshalling power in dealing with other nations (*Ibid.*).⁵³

This paper will not discuss these phases in any detail, but it is necessary to note that these steps are all related to a certain amount of simultaneous social development and yet are also the object and goal of deliberate political action. Perhaps the questions we need to ask for the purposes of this study are: to what extent can these phases or steps be interfered with by political gladiators in the interest of their own political survival; and does ZANU-PF conform to this route of political development?

With regard to the development and differentiation of political institutions, however, ZANU-PF has been very thorough in ensuring that it dominates virtually every political institution in Zimbabwe. This has had the effect of stifling all political actors that are not part of that political party. The end result has obviously been seriously to inhibit political development and democracy. Further, the transfer of power from ascriptive elites has been discouraged, if not totally avoided. Individuals and groups chosen by the people on the basis of merit or achievement generally have been frustrated politically as the old guard has held on to power for more than two decades.

Democratisation essentially has been viewed with suspicion by the top echelons of ZANU-PF. Attempts have been made to ensure that organised social and economic interests either conform to the dictates of the ruling party or, at least, organise themselves within its ideological framework.

In other words, such interest groups are expected to affiliate with ZANU-PF or to register officially under the laws promulgated by the government, many times without any consultations with the groups affected by such laws. ZANU-PF, therefore, cannot be viewed accurately as a political party in transition to democracy but rather as one that is becoming even more authoritarian and dictatorial. Evidence abounds that on entering the corridors of power, the former liberation movement failed to transform itself into a democratic political party. The guerrillas have still not taken off their uniforms; they have not yet laid down their guns.

ZANU-PF: From liberation movement to the corridors of power

ZANU-PF was formed in 1963 as ZANU, after a split in the then dominant African political party, the Zimbabwe African People's Union (ZAPU) led by "Father Zimbabwe", Joshua Nkomo. Conflicts between ZANU and ZAPU were manifest in street fights in Zimbabwe's main cities and urban centres. The colonial regime of the time responded by banning both African political parties in 1964, which forced these parties to immediately go underground or into exile. Many leaders of both these political parties were also arrested and imprisoned by the vicious colonial regime for periods averaging ten years.

The decision to undertake military training and prosecute a liberation war was taken by the nationalist leaders who were in prison and in exile. The initial intention, however, was to motivate the British government, the colonial power, to resolve the Rhodesian problem and facilitate the attainment of African majority rule in Zimbabwe. Thus, supposedly democratic political parties, formed for the twin purposes of putting an end to colonialism and creating a democratic dispensation in Zimbabwe, were forced to become militant and militaristic liberation movements. The Rhodesian regime was perceived as an offspring of the colonial West, and the socialist bloc was viewed as a useful ally against the Rhodesian regime. Both ZANU and ZAPU received military support in various forms from such countries as the Soviet Union, China, Bulgaria and Romania during the Cold War period.

The political organisation of ZANU, therefore, assumed the eastern bloc format, complete with a central committee and politburo. As a movement engaged in armed struggle against a strong colonial state, ZANU effectively became commandist and regimentalist rather than democratic in its operations and management style. Thus, although the various party structures claimed to engage in and encourage participation and active involvement of party members in decision-making processes, the militarist approach tended to brook no dissent. It was therefore obvious that the party would become vulnerable to tendencies of authoritarianism and personalised rule. Besides, practically all Eastern bloc countries had socialist one-party political systems. In its pronouncements and propaganda during the liberation struggle ZANU consistently stated that it wanted to create a one-party socialist state in Zimbabwe. It is the view of this author that to this day, ZANU-PF continues to pursue this dubious and obsolete objective. Indeed, President Mugabe once publicly claimed that he was a disciple of the one-party state.

The attainment of national independence in 1980, after protracted talks at London's Lancaster House, meant that a compromise agreement had been reached between the colonial/settler regime and the liberation forces of both ZANU and ZAPU. The two liberation movements had forged a loose alliance called "the Patriotic Front" after Frontline States in Southern Africa had applied extreme pressure against them. The Lancaster House Agreement, forged as it was by the British government, essentially meant that considerable measures had been taken to tone down most of the more radical preferences of the socialist-oriented liberation movements for independent Zimbabwe. The hope was that the guerrilla movements would successfully transform themselves into *bona fide* democratic political parties on assuming power. It is the contention of this paper that ZANU-PF has largely failed to achieve this democratic objective. It would, indeed, be fair to argue that the party's adherence to socialist party organisational structures and systems of operational management have resulted in its failure to transform itself into a democratic political party. It would also be fair to contend that President Mugabe's continued tenure of office rests on his ability to exploit this historical factor in the political development of ZANU-PF.

Consistent with its primary objective of creating a socialist one-party state in Zimbabwe, in 1980 ZANU, having won the first democratic elections, extended an olive branch to both the major losing parties, Ian Smith's Rhodesia Front and Joshua Nkomo's ZAPU. These two parties agreed to be part of a Government of National Unity (GNU). The idea of a GNU was widely applauded and expected to facilitate national unity for the war-weary former British colony. Mugabe capped this seemingly magnanimous move by articulating a policy of national reconciliation and the integration of the various military forces into one national police force,

army and air force. There were no retributions, no trial of prisoners of war or identification of war criminals. Neither was there a truth and reconciliation commission, however.

ZAPU was later kicked out of the GNU a few months later when arms of war were allegedly found on some farms and properties that allegedly belonged to the liberation war movement. The leadership was accused of plotting to overthrow the Mugabe regime, a charge they vehemently denied. This development resulted in some of Joshua Nkomo's supporters and former members of the military wing of ZAPU, the Zimbabwe People's Revolutionary Army (ZIPRA), returning to the bush to prosecute a five-year war that devastated the Matabeleland provinces and parts of the Midlands. The Mugabe regime reacted to this dissident war in such a vicious manner that to this day there are many demands for compensation to be paid to the victims of the atrocities committed by the Fifth Brigade and Central Intelligence Organisation. As many as 20 000 people may have lost their lives in this war.

The dissident war ended after Joshua Nkomo and Robert Mugabe had signed the so-called 'Unity Accord' on 22 December 1987. The Unity Accord resulted in the merging of the two parties into one party, ZANU-PF. Most Zimbabweans viewed this move by Mugabe as not only consolidating his power and facilitating the formation of the one-party state, but also realised that Mugabe had effectively destroyed the only viable opposition that had remained after the attainment of national independence in 1980. Although Joshua Nkomo was appointed second Vice President of Zimbabwe, real power resided with Robert Mugabe. This elimination of all credible opposition has had several negative implications for the democratic development of Zimbabwe. Robert Mugabe must, however, be credited with the dubious honour of having skilfully schemed to eliminate all his political rivals in the name of nation building and national unity. The emergence of the MDC in 1999, however, posed a rather different type of problem for the aged nationalist currently battling for political survival.

Consequences of the Mugabe survival strategy

There is no disputing the fact that the unleashing of war veterans onto the general populace, white commercial farmers and supporters of the MDC has caused untold damage to the socio-economic situation in Zimbabwe. Without going into too much detail, we note the following grave consequences of this action on the part of the Mugabe government:

- breakdown of the rule of law resulting in many cases of human rights abuse and denial of access to justice for the victims;
- promotion of the political culture of fear and the negation of the democratic ethic, which have in turn resulted in increased levels of apathy on the part of the majority of the people;
- humanitarian disasters of various kinds, such as the displacement of more than six thousand people from their rural homes during the 2000 election campaign, and well over 70 000 during and after the presidential elections of 2002;
- a collapsing social sector with health and education institutions failing to measure up to the expected standards of service delivery (for example, the shortage of essential drugs currently inflicting most hospitals and clinics that is seriously and negatively impacting on the health of the people in a country that is devastated by the HIV/Aids pandemic);
- a chronic shortage of foreign currency, fuel and many other imports that are necessary for the manufacturing industry, the mining industry, commerce and agriculture - the commanding heights of the economy;
- capital flight, withdrawal of official development assistance and the drying up of foreign direct investment resulting in the rapid shrinking of the economy; and,
- soaring unemployment currently estimated to be higher than 70%, which contributes to an already unfortunate and unacceptable level of poverty with some 80% of the population living below the poverty datum line.

The list above is far from being comprehensive, but it serves to highlight the fact that Zimbabwe has effectively been driven into a political and socio-economic crisis from which it

will struggle to extricate itself. Perhaps the most unfortunate aspect of this crisis is that it is basically self-inflicted. The governing political party's fear of defeat at the polls in 2000 and 2002 is the primary cause of the crisis. It must, however, be cautioned that more negative developments are likely still to come given the severe shortage of food and other essentials.

Recent developments

The South African and Nigerian initiative that sought to get ZANU-PF and the MDC to talk about resolving the current Zimbabwe crisis collapsed prematurely. South Africa's so-called "quiet diplomacy" has failed to get Mugabe to undertake any measures to resolve the political quagmire that he finds himself in. Smart sanctions imposed on Mugabe and his underlings have not resulted in any positive developments leading to the restoration of political sanity in Zimbabwe. The efforts of the Southern African Development Community (SADC) have been too feeble and insincere to bring about any change in Zimbabwe.

It would appear to this author that the only likely option that may pay dividends will have to be taken by Zimbabweans themselves. Churches and civil society in Zimbabwe are making efforts to bring together both ZANU-PF and the MDC to a new round of talks aimed at resolving the crisis. With the economy declining at an alarming rate, food becoming more and more scarce, it is likely that the church and civil society may succeed in getting the two major political parties to agree to form a transitional government to run the country from the time of agreement to the time of the next parliamentary elections in 2005. For it to succeed, such a transitional arrangement will have to exclude Robert Mugabe – the leader who has become such a heavy liability to the nation of Zimbabwe.

Mugabe obviously will not agree to such an arrangement without some form of guarantees for his safety after leaving office. It is quite likely that considering the numerous crimes that Mugabe is alleged to have committed against many Zimbabweans, he would demand that some form of immunity from prosecution be extended to him after his departure from presidential office. The view of this author is that granting Mugabe this kind of immunity would be wrong since it would set a dangerous precedent indicating that African dictators can get away with gross abuses of power and then be granted permanent immunity from prosecution. This would be a serious negation of democracy and democratic development for Africa.

Conclusion: Lessons for African political parties

The Zimbabwe case seems to demonstrate that there is an unfortunate misconception of the notion of political power among the majority of African leaders. It appears that political power is perceived as something that is so sweet that only a fool would agree to relinquish it without a bitter fight, even at the cost of one's life. It is difficult to imagine that at age 78, and after 22 years at the helm, Mugabe would want a further six years as President of Zimbabwe. But perhaps, the fact that many African leaders commit serious crimes of corruption and human rights violation is one of the major reasons for their deep desire to, as it were, die in office. That way they cannot be punished for their crimes.

It is evident that when an incumbent African political party becomes unpopular with the electorate it resorts to violence, intimidation and rigging in order to win elections. The rigging of elections takes many forms, including the passing of draconian legislation aimed at frustrating opposition political parties. In the case of Zimbabwe, some of the newly passed legislation are more oppressive than colonial laws. To ensure that the ruling party retains political power, such pillars of the state as the judiciary are reformed and refashioned to make them comply with the dictates of the executive. This, obviously, plays havoc with such cardinal principles of democracy as the separation of powers, public accountability and checks and balances.

The genesis of a political party seems to have a bearing on that party's future development. The Zimbabwe case seems to illustrate that liberation movements struggle to transform

themselves into democratic political parties when their countries become liberated or independent. Indeed, whenever they are threatened with loss of political power, former liberation movements tend to resuscitate their original achievements as liberators as a license to continued tenure of office. They also harness their wartime tactics of instilling fear in the electorate in order to win elections. During both parliamentary and presidential elections in Zimbabwe, it was commonly stated by Mugabe's supporters that if the MDC won the election the former freedom fighters would go back to the bush and re-start war. Indeed, a few weeks before the presidential elections, the chiefs of staff (army, police, CIO, air force and prison service) warned the nation that they would not co-operate with or salute a presidential candidate whose liberation war credentials were questionable.

Political parties seeking to unseat former liberation war movements do seem to have an uphill task. They are usually short of funds for election campaigns, they struggle to get access to state-owned media, and they become victims of some of the most unjustified consequences of the politics of incumbency. One of the shocks that Zimbabweans witnessed during the presidential election campaign of 2002? was that President Mugabe addressed no less than 52 political rallies throughout the country compared to Morgan Tsvangirai's eight. As noted earlier, Mugabe had three state helicopters at his disposal while Tsvangirai was denied access to the same privilege. The Zimbabwe case further demonstrates that African dictators are rarely ever deposed through democratic means. Indeed, it would be conceptually inconsistent for Mugabe to have been defeated at the polls. It takes undemocratic means to oust fully fledged dictators.

Chapter 3: The Zimbabwean economy: The current position and the way forward

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Introduction

Three separate and extreme crises currently top the long list of profound uncertainties already affecting Zimbabwe's business sectors and its people. Food scarcities are becoming more intense, fuel deliveries have fallen well below even the constrained consumption levels of recent months, and electricity load-shedding has become so frequent that the viability of many productive and service-sector businesses is now seriously at risk.

Government's decision to nationalise nearly all of the country's commercial farms has led to a sharp decline in export earnings as well as food production. The need to pay for substantial food imports has intensified the impact of reduced foreign earnings, while the policy choices in general have prompted foreign banks to withdraw credit lines and most aid donors to suspend their Zimbabwe operations.

Balance of payments support is not available because the IMF and World Bank disapprove of the government's policies and because Zimbabwe is in arrears with its repayment commitments to these bodies. The country is also in arrears in its payments to the suppliers of a variety of essential imports, among which the fuel and electricity suppliers are the more obvious. As these and other cuts have bitten deeper into business efficiency, creditors in other economic fields have felt the need to further reduce their exposure.

Thousands of exporting companies also face uncertainties, partly because their foreign customers are concerned about continuity of supply. Producers requiring allocations of foreign exchange for the imports needed to produce the exports await evidence that the Reserve Bank's share-out of scarce foreign currency earnings will be fair and sustainable.

All importers are fully aware that demand for foreign currency considerably exceeds the country's current earnings. Even before the power cuts, many were already unsure of their prospects of remaining in business. Now they are even more desperate for the political changes that are needed before a start can be made on restoring the economy.

Exchange control changes

Each importer is now required to apply for a foreign exchange allocation from the far-from-adequate current earnings, from which 50% has already been captured by government for its own use. The balance has to be shared between private sector companies and most of the parastatal organisations, all of which are paying Z\$848 for each US dollar's worth of hard currency.

Under new exchange controls arrangements, the Reserve Bank's intention is that all flows of funds into the country will be channelled to the foreign exchange market via the Reserve Bank-controlled allocation process. The hope is that this will bring an end to the parallel market for foreign exchange. This might be almost achieved if the arrangements can ensure that only approved importers gain access to foreign exchange and that these allocations cannot be sold on to other importers.

However, funds that do not arise from the formal sector's exports of goods and services, but from cross-border trading, private transfers, payments for smuggled goods and other illegal deals such as sales of gold dust, are likely to keep the parallel market functioning. Demand in this market will be actively fuelled by hopeful importers who cannot get their applications for

hard currency approved, and by locals who sell assets and want to convert the Zimbabwe dollar proceeds into more stable foreign currencies at whatever rates they can get.

If official moves succeed in restricting the flows of foreign funds into the parallel market, worsening scarcity will drive the exchange rate further out than before. Although the volumes of hard currency traded might decline, the rates of exchange could easily rise into the Z\$2 000 to Z\$2 500 per US dollar range before long, and might be expected to pass Z\$3 000-to-one by the end of the year.

These Reserve Bank changes are treating symptoms, not the main causes, which relate to the scarcity of foreign earnings and the loss of the country's access to credit. As a result, thousands of jobs still hang in the balance in the manufacturing and mining sectors. With the loss of nearly 300 000 jobs in commercial agriculture already and inflation accelerating at a very rapid rate, the commercial sector and service industries are feeling the effects of sharp declines in domestic buying power.

The apparent resilience of the commercial sector in recent months has been largely because of cross-border trading. Although the tendency appears to be on the decline, many shoppers are still spending Zimbabwe dollars bought extremely cheaply with hard currency brought in from neighbouring countries. The goods bought become unofficial exports usually for resale in their own countries, but the foreign "earnings" are a fraction of the true worth of the goods.

National Economic Revival Programme

To address these issues, government published its National Economic Revival Programme in March. This document is the result of discussions that were triggered by the threats posed to the business sector by the changes announced in the 14 November 2002 budget. Government rejected the initial submissions by business organisations, which had concentrated mainly on the inflexibility of the exchange rate policy statement in the budget, but this response did prompt wider-ranging discussions between government, the business organisations and labour movements.

In the three months that followed upon the Minister's budget speech, the talks resulted in the National Economic Revival Programme This incorporated the changed exchange rate policy already described.

Although the Reserve Bank will now pay Z\$800 for every US dollar it receives, government has been able to avoid the use of the word "devaluation" by retaining for itself the right to buy US dollars from the Reserve Bank at Z\$55 to one. No explanation is offered by the Reserve Bank on how it will provide for the loss of Z\$745 it will incur on every dollar taken by the government. The loss that the Reserve Bank will incur for every US\$10 million a month that government captures at this exchange rate will be Z\$7,45 billion a month.

In a foreword to the document, written by Minister Herbert Murerwa, the revival programme is described as a policy thrust that will complement and run concurrently with measures announced in the budget proposals for 2003. All Zimbabweans are urged to "rally behind the programme and take advantage of the many business opportunities it offers". Unfortunately, with just four months of 2003 behind us, some of the ministries have already spent nearly all of the funds that were allocated for the full year, indicating that the 2003 budget was entirely unrealistic.

The Minister says that the document focuses on restoring conditions necessary for full agricultural production, the reversal of de-industrialisation, the increase in capacity utilisation in the manufacturing sector, the resuscitation of closed companies including mines, and the realisation of the full potential of tourism. He also expresses his expectation that the commitment of these social partners to the programme will be demonstrated, and he is counting on the "co-operation of all stakeholders to make sacrifices during this process".

The active phrases within each of the 21 sections that describe the productive and regulatory facets of the economy are phrases such as: Government is working towards... Government will introduce... Government is rationalising... Government will initiate... Government will review... Government will facilitate... Government is implementing... Government is promoting... Government is instituting... Government recognises... Government has set up... Government is pursuing... Government is exploring...

However, the text that follows these words almost always describes a plan to form a new committee, an intention to start or continue a dialogue, to commence a new study or survey, an intention to start a programme or to write new legislation.

While most of the described initiatives are needed, the time horizon for any successful results rarely features in any usefully realistic form. Regrettably, the acknowledgement of need and an indication of willingness to act does not constitute a programme.

Inflation

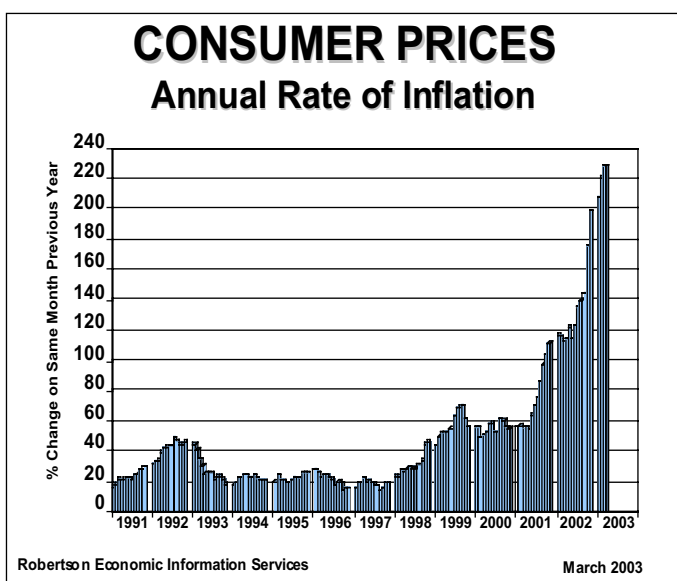
The sudden acceleration in the decline of the Zimbabwe dollar parallel market exchange rate in the last quarter of 2002, which saw the dollar drop from Z\$730 to one US dollar to Z\$1500, and then to Z\$1800 in the first week of November, seriously affected inflation. Together with increasing scarcities of basic household requirements, which were already forcing prices to rise more steeply from July, the exchange rate movements caused the month-on-month rates of increase in prices to rise by an average of 14,3% a month from August to December 2002. The year-on-year inflation recorded in November was 175,5%. This rose to 198,9% in December, to 208,1% in January 2003, to 220,9% in February and to 228% in March.

Production cost trends for the increasingly scarce agricultural inputs used by the manufacturing sector have become one of the more serious sources of inflation. While they cannot be readily separated from the prices of industrial materials in general, the difficulties caused by the dissolution of commercial farms have severely worsened the supply volumes of food and non-food inputs.

The introduction of price controls in November and the imposition of a price freeze in December have brought the supply of a wide range of finished goods to local stores almost to a stop. Many producers have had no option but to offer their goods to regional or overseas markets to avoid the controls. However, manufacturing purely for export is a politically uncomfortable option while domestic scarcities are becoming more severe, and even that option might be closed to manufacturers if they are not permitted the use of the needed foreign exchange.

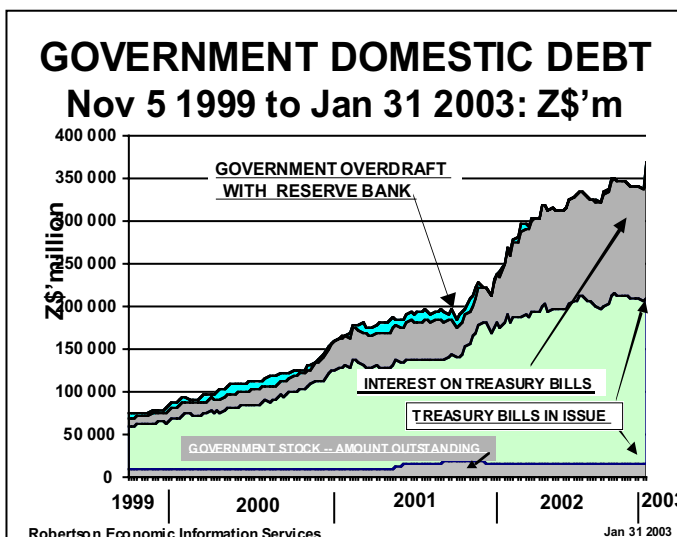
A crucial element affecting the survival prospects of companies will therefore be the allocation system used. Another basic requirement is that the Z\$800 to one US dollar rate must be allowed to move in line with local inflation.

As an indication of the adjustment needed every month, the average monthly consumer prices increase in the six months to February 2003 was 13,3%. If this were added to the Z\$800 in March, it would carry the rate to Z\$906, and the same increase in April would take the rate to Z\$1 027, and to Z\$1 163 if repeated



in May. If government were to display its intention to make these adjustments regularly, planning for increased production for export markets would become more likely. Delays in adjusting the rate will encourage exporters to suspend shipments until an anticipated change takes place, but importers will bring forward the placement of new orders.

At this stage, the new Z\$800 to one US dollar rate amounts to about the same figure as the "blend" rate exporters were able to realise when they converted 50% of their earnings at only Z\$55 and the balance at Z\$1 500 to the US dollar. Although this might be satisfactory now, the rate at which costs are increasing will soon make the figures unacceptable and the frequent adjustment of the rate for current inflation is therefore of fundamental importance.



Origins of current problems

Explanations for the current problems can be tracked on many separate paths, but most of their origins go back to the redistribution of land. The systematic annihilation of almost all commercial farming was the main cause of worsening shortages until the fourth quarter of 2001. Subsequent price increases for industrial materials were driven mainly by the growing scarcity of foreign exchange.

Falling tobacco and cotton output, the closure of some gold mines, the loss of the markets for beef and surplus dairy products, declining tourist inflows, falling manufacturing output and worsening fuel and electricity supplies have all affected foreign revenues. The rising premium on foreign exchange purchases and declining consumer goods supplies then became direct sources of yet more inflation.

However, the momentum behind these increases could not be countered by price controls, nor by the price freeze, mainly because the more deeply-seated sources of inflation have been the massive and recurring budget deficits. The accumulated debt has become so large that the process of funding the debt service has itself caused distortions. Interest rates have been lowered considerably to make the debt servicing costs more affordable to government. These low payments have caused such large losses in the savings funds that few people are now encouraged to save.

Government is now borrowing extensively from the Reserve Bank, a procedure that forces the Reserve Bank to print the additional funds needed. This is the most inflationary conduct of all, and it is made all the more serious because the money is being used for consumption purposes, not for investment.

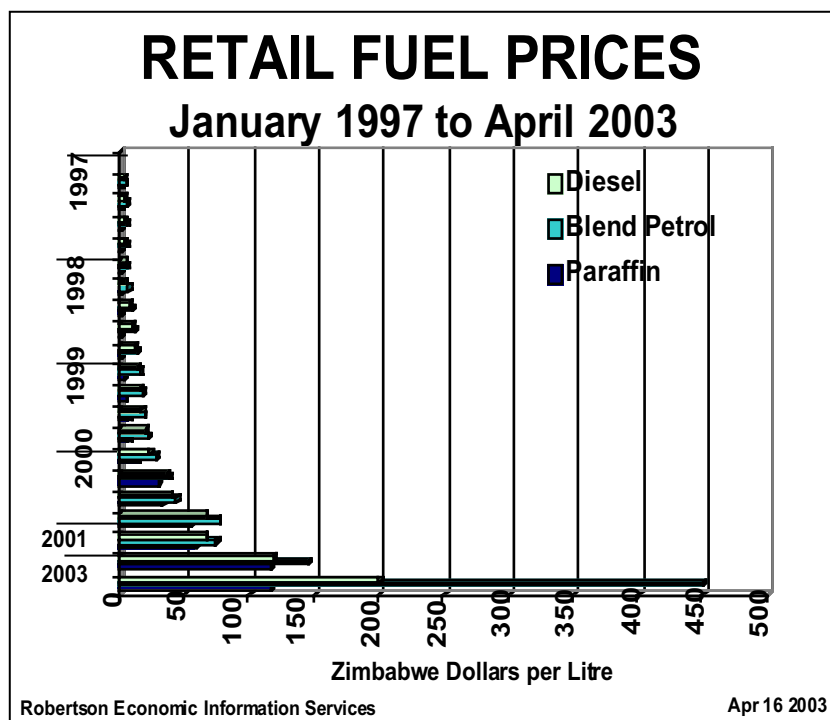
Suppliers and consumers initially appeared to be able to adjust to the inflationary pressures. One way or another most producers kept going, but when price controls turned into a price freeze, wide ranges of consumer goods started to disappear from the shops. The closure of semi-formal foreign currency traders and *bureau de change* further affected the supplies of all imported goods.

Foreign exchange constraints affecting fuel and electricity imports

Although fuel imports are supposed to be paid for from the foreign revenues captured from exporters by the Reserve Bank, the flow of money into government coffers has fallen short

of the amounts needed. As a result, the fuel shortages have worsened and are now having a crippling effect on already weakened productive and service sector companies as well as on the distribution of food.

Fuel prices had remained unchanged from September 2001 to February 2003, but during that period the consumer price index increased by about 325%. The need for very steep fuel price increases soon became overwhelming and the first took place in the last week of February. Its first impact on the index appeared in the March figures, but to a somewhat muted extent that suggests only officially approved transport tariffs were being recorded in the calculations.



On April 16 2003, fuel prices were increased again, this time by much bigger margins. In February, the petrol price had been increased by 95% and the diesel price by 80%, but these adjustments fell a long way short of the amounts needed to close the gap. In April, the increases were 210% for leaded petrol and 67,5% for diesel.

This results in petrol prices providing a cross-subsidy for the diesel price. Assuming reasonable volumes being made available, the diesel account would suffer a loss per day of Z\$320 million, but the leaded and unleaded petrol prices would generate a daily profit of about Z\$290 million a day. If these volumes were fully realised, they would indicate a government subsidy of Z\$30 million a day.

These price increases can be expected to have a quicker and more profound affect on prices increases across the board than most of the current contributors to inflation, but further pressures are being generated by falling industrial efficiencies, and the cost consequences of power cuts. However, the manner in which the massive budget deficit is being financed remains the most serious cause.

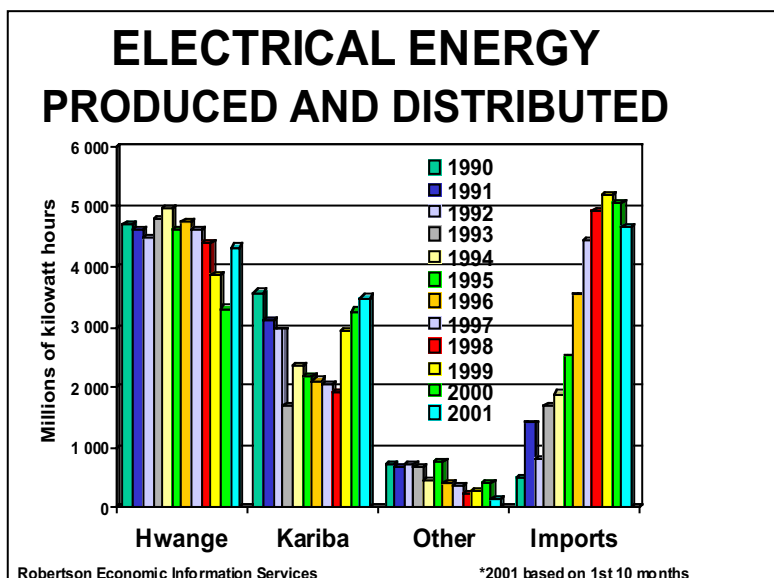
As Zimbabwe's payments for electricity imports are in arrears with South Africa, Mozambique and the Congo, and as coal supplies to the domestic thermal stations have been affected by problems on the railways as well as by breakdowns at Wankie Colliery, Zimbabwe's electricity generating capacity is now well below normal.

Government's decision to capture first 40% and now 50% of all export proceeds at the official exchange rate of Z\$55 to US\$1 to pay for fuel, electricity and certain other essentials was undermined by a concession to those who had raised foreign bank loans to fund their imports. Having made considerable efforts to encourage exporters, government accepted that they should be permitted to use their total export earnings to service such loans.

A significant number of exporters took advantage of the arrangement, cutting the total paid over to the Reserve Bank. The fall in total export revenues further compounded the problem. Between them, these inroads into the transfers reduced the foreign funding available to

government for fuel and electricity payments. Supply arrangements on credit terms made with Libya, Kuwait and South Africa for fuels and with South Africa, Mozambique and the Congo for electricity each fell into difficulties because of failures to meet payment commitments.

As the graph below illustrates, dependence on imported electricity has trended upwards in the past decade and production from Zimbabwe's own power facilities has declined. The improvements seen in the years from 1999 to 2001 have been lost as a result of technical problems that require substantial foreign exchange to overcome and which have been beyond the available resources during the past year. Electricity generation statistics for 2002 have not yet been released for publication.



The foreign exchange flow needed to pay cash in advance for continuing fuel consignments and electrical power drawn from neighbouring countries has proved particularly difficult to sustain. Zimbabwe is now functioning on such a hand-to-mouth basis that the slow-down experienced in the normal repatriation of funds in payment for exports has badly upset normal payment flows.

This slow-down happened as a result of government's decision to tighten its control over foreign earnings. While hoping that the November exchange control policies would be amended, exporters took the full time allowed to bring in their sales proceeds. With its credit and reserves exhausted, government's ability to pay cash for new fuel deliveries was undermined by the resulting payment delays.

The possibility of new changes in the arrangements for importing and distributing fuel is already having severe price implications that will reach into the costing of every product and service in the country. In place of the original six fuel companies, government has now licensed some 26 companies.

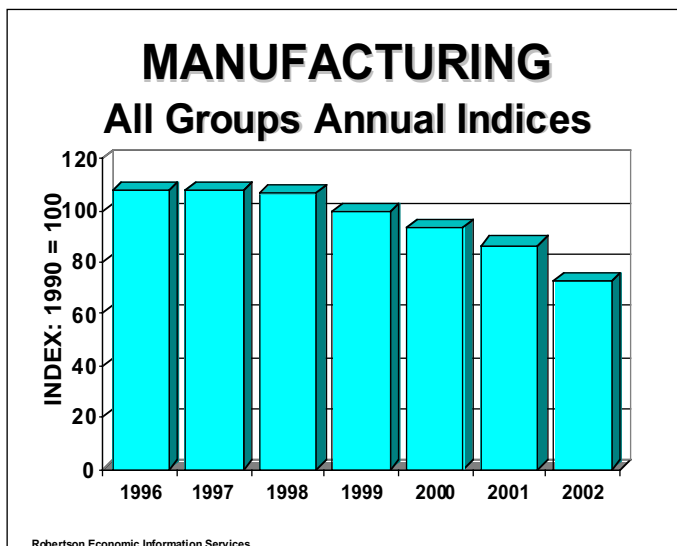
This has been done as part of government's effort to indigenise the industry, but little thought appears to have been given to viability problems that must surface when supply volumes return to normal and the modest profitability levels are diluted by the larger number of players.

Meanwhile, the new indigenous fuel companies are being given preferential access to whatever fuel is imported. As most of the installed distribution capacity is still the property of the multinational companies, moves have already started to bring about changes of ownership of individual service stations to speed the process of indigenisation in the industry.

However, about 90% of existing service stations have contractual obligations to source fuel from one of the six multinational suppliers, Shell, Caltex, Total, BP, Engen or Mobil, so the financial and legal arrangements are certain to present additional problems.

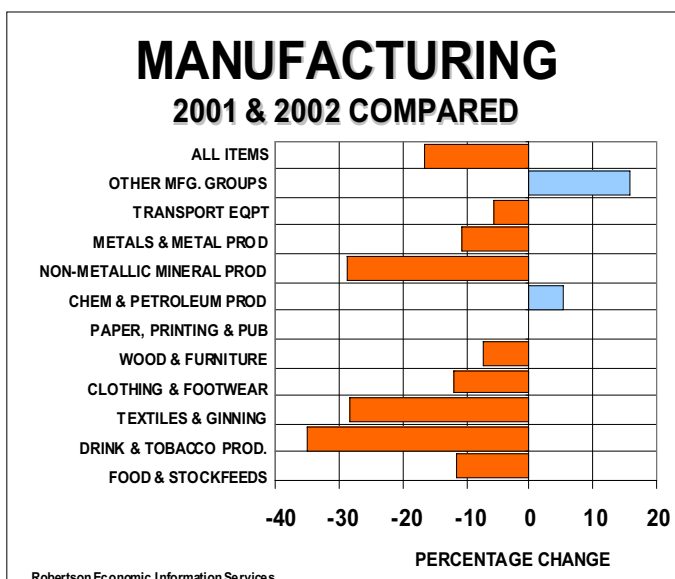
Other productive sectors

Provisional figures for the final quarter of 2002 show that manufacturing output for the whole year declined by 16,4% compared to the volume produced in 2001. As the graph illustrates, manufacturing output has fallen every year since government announced its intention to nationalise commercial farming land in 1997. The decline can be seen to have accelerated and the cumulative effect has been to reduce manufacturing output by 32,8% since 1997. In the 2002 year, the worst affected industries were non-metallic product industries and textiles, both of which declined by about 28%, and the drink and tobacco products industry, which saw output fall by 35%. In 2002, two industrial sectors, textiles and transport equipment manufacturers, were producing less than half the volumes produced in 1990.



In the adjacent graph, the 2002 figures are compared to those for 2001, and the volumes produced are seen to have improved in only two of the 12 categories. Chemical and petroleum products showed a 5,2% increase, rising from an index of 75,2 for 2001 to 79,1 for 2002, both measured against a base of 1990 = 100.

The other manufactured goods group, which shows an increase of 15,8%, comprises a range of products that together amount to less than one percent of total output. The increased local output reflects the recapture of market share by local producers after increases in the costs of importing these goods.



For the mining sector, output figures for 2002 show that compared to output volumes in 2001, increases were recorded for 13 minerals and decreases were recorded for 17 minerals (See table below). Production ceased for two minerals, ferro-silicon and low-carbon ferrochrome, but two new minerals were included on the list for the first time, iridium and rhuthenium. These are among the platinum-group minerals now being extracted from the concentrates being refined in South Africa for the two Zimbabwean platinum mines. Significant percentage increases are evident in the table for the more important of these minerals, platinum, palladium and rhodium.

A decision by Anglo American Corporation to go ahead with the development of a third platinum mine will help Zimbabwe to become a more significant producer of these minerals.

| METAL AND MINERAL PRODUCTION: 2001 and 2002 | | | |
|--|-------------|-------------|-----------------|
| | 2001 | 2002 | % Change |
| Asbestos \t | 136 327 | 167 954 | 23 |
| Black Granite \t | 385 532 | 408 550 | 6 |
| Chrome \t | 780 150 | 749 339 | -4 |
| Coal \t | 4 064 497 | 3 721 112 | -8 |
| Cobalt \t | 95 | 87 | -9 |
| Copper \t | 2 057 | 2 502 | 22 |
| Feldspar \t | 1 055 | 591 | -44 |
| Ferrosilicon \t | 16 848 | 0 | -100 |
| Fireclay \t | 3 404 | 3 789 | 11 |
| Flourspar \t | 0 | 250 | - |
| Gold \kg | 18 050 | 15 469 | -14 |
| Graphite \t | 11 837 | 9 912 | -16 |
| High Carbon Ferrochrome \t | 243 534 | 258 164 | 6 |
| Iridium \kg | 0 | 84 | - |
| Iron Ore \t | 360 862 | 271 812 | -25 |
| Iron Pyrite \t | 88 156 | 87 592 | -1 |
| Kyanite \t | 9 682 | 5 657 | -42 |
| Limestone \t | 3 798 956 | 3 168 903 | -17 |
| Lithium minerals \t | 36 103 | 33 172 | -8 |
| Low Carbon Ferrochrome \t | 6 307 | 0 | -100 |
| Magnesite \t | 2 439 | 2 366 | -3 |
| Nickel \t | 8 145 | 8 092 | -1 |
| Paladium \kg | 371 | 1 943 | 424 |
| Phosphate \t | 87 880 | 107 854 | 23 |
| Platinum \kg | 519 | 2 306 | 344 |
| Quartz rough \t | 28 162 | 6 790 | -76 |
| Rhodium \kg | 42 | 218 | 418 |
| Rhuthenium \kg | 0 | 178 | - |
| Silica \t | 14 544 | 15 548 | 7 |
| Silver \kg | 3 344 | 1 711 | -49 |
| Slate \t | 435 | 13 213 | 2 937 |
| Talc \t | 1 272 | 911 | -28 |
| Tantalite \t | 30 | 480 | 1 514 |
| Vermiculite \t | 11 632 | 23 803 | 105 |

Food crisis

The prospects of early political change could be driven by the rapidly evolving food crisis. Government's current policies can offer no immediate relief, and as this becomes more apparent, more of the population will realise that government has little prospect of arresting their slide into deeper poverty. As a high proportion of the urbanised people working in the private sector will experience this, the levels of their opposition to government policies might be expected to increase steeply.

Some will be protected by virtue of their involvement with food processing or distribution, but the viability of companies in the productive and service sectors generally is likely to decline appreciably. Mining and public sector employees are likely to be best protected from these uncertainties. Foreign earnings from mineral exports have been better sustained than from other export sectors and will become increasingly important to government, and salary payments to public servants will remain one of government's priorities.

In the wake of fall in other private sector activities, government tax revenues will decline. However, its commitment to help the several hundred thousand new farmers survive and to

dampen down the prospects of social unrest will force it to accept very much higher expenditure outflows than it can sustain. Falls in subsidies and other transfers seem inevitable at some point, but before that point is reached, government will be very likely to be resort to Reserve Bank loans to close the gaps. This amounts to printing money to solve the problem, but this solution inevitably leads to accelerated inflation and further pressure on exchange and interest rates.

The conditions these difficulties would create could become so severe that a change of leadership within the ruling party or even a change of government would become less remote possibilities. As Zimbabwe's refugee problems become a threat serious enough to destabilise the region, the pressures might mount from regional governments to bring about policy changes.

International bodies that are still trying to influence events in Zimbabwe might then be expected to drive these changes more deeply into economic structures to restore acceptable business relationships. Occasionally, Zimbabwe makes it back onto the agendas of other countries and organisations. Proposals have been made for further sanctions against Zimbabwe and the Assistant Secretary of State for African Affairs in the US government recently said that Robert Mugabe was no longer recognised as the legitimate head of state.

Some of the most important public statements in the early weeks of September made at the World Summit on Sustainable Development showed that polarisation was becoming more pronounced. The statements reflecting concern over policy choices in Zimbabwe drew hostile responses that also firmed-up the intransigence of the official ZANU PF position.

While most farmers are known to have surrendered their farms and many others who had not been served the necessary papers have also been forced to abandon their properties, most have held onto their title deeds. They are doing this in the hope that their rights will be upheld eventually and their property will be restored to them.

They believe that these hopes will be supported by the virtually certain failure of next year's agricultural harvests as well and by the fact that basic policy changes will be needed to bring about the recovery of productive capacity. The return of investor confidence and the reduction of the potential threat that Zimbabwe poses to the stability of the region will also depend upon the same policy changes.

If they were started immediately, a sequence of successful measures would prevent the loss of much that is now on the brink of collapsing. However, a realistic assessment is that government will not believe it has taken a wrong turning before the predicted failure takes place. Even if the current leadership is displaced before that event, it will take with it a strong belief that it would have succeeded.

Financial considerations

The prospects that lie ahead of Zimbabwe could be termed dire in the extreme, and it is these that might form the cutting edge of any drive for change. In essence:

- The exchange rate misalignment and the efforts to force compliance with policy directives are threatening the survival of most businesses.
- The interest rate misalignment is stripping the country of its savings base. The capital confiscation in progress, with negative interest rates of the order of 90%, will soon impact directly on government's prospects of funding its budget deficits. To overcome the problem, government will print substantial quantities of money.
- Inflation rates could then slide completely out of control. Only a few more steps on the current path could result in inflation soaring to more than 1000%.
- Commitments made by government to subsidise the seed and fertiliser inputs, the tillage, training and extension services for resettled farmers are completely beyond its

resources. Without collateral, the farmers will be unable to source their own funding from financial institutions unless loans are backed by acceptable guarantees.

- Funds with which to pay for imported food and other requirements are not forthcoming from Zimbabwe's shrinking foreign earnings. As yet, very little has been offered as foreign loans or grants.
- Fuel supplies are being released from bond at rates that fall short of consumption levels. Although the stocks in storage are adequate, they can be released only as the suppliers are paid for delivering them. With no foreign reserves to draw on, fuel payments can be made only on receipt of export proceeds or after Noczim has bought foreign exchange on the parallel market.
- Retail fuel suppliers are now on a hand-to-mouth basis that is prohibiting rational planning and the efficient use of skills and other resources.
- Imports of food are taking place at a daily rate that falls short of minimum consumption levels. Complete stock-outs of food are becoming more frequent occurrences and very little is being done to prevent the situation from getting worse.
- The - as yet - unplanted crops for harvesting in 2003 are already threatened by inadequate supplies of fertiliser and fuel.
- The absence of early land preparation, the breakdown of measures to prevent the spread of insect pests, crop and cattle diseases, and the disturbed weather patterns are additional hazards.
- Unless Zimbabwe enjoys a considerable amount of good luck in the coming growing season, millions of people will require food aid and welfare payments through to the May 2005 harvests. Additional funding assistance will be needed by at least a million children if they are to be kept at school.
- The flows of cash payments that have characterised government's conduct during the election and land resettlement phases seems certain to be cut back drastically in the light of falling tax revenues, rising commitments and inability to access aid in the form of money.

These events, plus the expected job losses in industry, commerce and the service sectors appear very likely to cut disposable incomes and discretionary spending for about two years, unless government accedes to international pressures for change.

In its international trade and financial dealings, Zimbabwe has struggled to maintain inflows of essential goods and services. Technically, a country that has a deficit on the current account of its balance of payments would expect to see corresponding or balancing movements on its capital account. This would be usually through a reduction of foreign reserves or an increase in new foreign borrowings. But with no reserves to draw upon and no access to new loans, Zimbabwe reached the end of 2001 with deficits on its current account as well as on its capital account.

Payments arrears of almost one billion US dollars had been accumulated in 2001 and this position worsened to US\$1,3 billion by November 2002. Zimbabwe now appears to be a good investment option only to the most opportunistic of speculators, who will concentrate on quick commercial returns and completely ignore productive investment opportunities.

While Zimbabwe has very few options on what to do next and what the country can do without help, the best official efforts will not be taken seriously until government adopts acceptable policies. Because the current difficulties stem from self-inflicted handicaps, the needed commitments to restore the country's growth prospects have to come from within and have to be political rather than economic. However, our very high inflation rate, our artificial and seriously overvalued exchange rate as well as our extremely negative interest rates need immediate attention.

If it announced its intentions to change the policies that have proved unworkable, government might begin to permit Zimbabwe to be taken seriously again. However, the same policy mix was restated and defended by the President in various speeches in the past few months.

They have since been further reinforced in the course of many attacks on the British government, the EU and the Commonwealth.

The work needed to help the country become an attractive investment destination again has therefore yet to start. While that start continues to be delayed, the country will find it increasingly difficult to maintain its existing infrastructure, and the accelerating outflow of skills will further undermine the country's prospects of a quick recovery.

Recovery prospects

If Zimbabwe were to be persuaded to return to a more viable economic structure, or if revised policies were adopted after a change in leadership, the specific issues that would demand immediate attention would be:

- The restoration of property rights and the market for agricultural land.
- The generation of title deeds for those resettlement farmers prepared to pay for land.
- Through the generation of title and transferability, the removal of the resettlement farmers' effective isolation from the financial institutions.
- The negotiation of substantial budget support and balance of payments support in the form of long-term loans from the IMF and World Bank.
- The negotiation of a domestic debt refinancing package to enable the nation's savings to be repaid to the financial institutions.
- The adoption of economic policies that would encourage the return of foreign investors and would persuade international lenders that the country is, once again, a good credit risk.
- The negotiation of substantial credit lines from international banks and supplier credit from suppliers of essential industrial materials.
- The overhaul of Zimbabwe's exchange rate and monetary policies with the object of placing the exchange rate and interest rates back under the influence of market forces.

Under the current circumstance within the country, Zimbabwe could be placed back onto a recovery and growth path fairly quickly. However, if the needed steps are not taken within a matter of a few weeks, the prospects of reasonable crops in 2004 will fade and the loss of skills, together with the rapid escalation of debt, will plunge the country into much more severe levels of poverty. From this, an eventual escape will be a much slower and longer process.

No reaction to the deep-seated consequences of its own disastrous policies can be expected from the current government, so no moves are expected from them to actually undo the damage done. The adoption of well-chosen policies that would help the country to qualify for a rescue package and eventually restore export volumes, but do not address investor requirements, might at best stabilise the exchange rate.

However, much bolder and more dramatic measures would be needed for a faster turn-around, such as an extensive revision of official policies and the restoration of property rights. Such measures would restore investor confidence and put in place to place the country back onto a recovery path.

Very stiff conditions would be imposed upon Zimbabwe before it could be considered for any form of rescue package. Among these would be the acceptance of a more predictable exchange rate policy, a move towards positive real interest rates, the more careful management of domestic debt and a further doubling of fuel prices. By being granted the needed balance of payments support, the rate of inflation could be brought under better control and importers of industrial and commercial inputs would see costs stabilising.

If given the lead by the IMF, the various other international financial institutions could help Zimbabwe to quickly overcome its acute shortage of foreign exchange and recover its ability

to earn good export revenues. The scale of immediate needs leaves the country with little option but to urgently re-qualify itself for help by meeting in full and unequivocally the demands imposed by those prepared to help.

Without help from abroad, Zimbabwe could perhaps rebuild its export revenue earnings over several decades. However, in no circumstances could it be claimed that the population is able to wait that long. The 2003 crops have proved to be too small to be of consequence and the lives of too many people hang in the balance. Zimbabwe is also becoming a serious threat to the stability of the whole Southern African region. Changes to the current policy mix are essential and urgent.

As the needed changes would have to include a return to the rule of law based upon acceptable property rights, they would necessarily have to include a reversal of provisions in the land reform programme that made land free and distributable by political patronage. It might appear that, politically, the ruling party could never meet such a steep demand. But the initial economic impacts of fuel at six times its price in January this year is expected to be equally threatening to political stability. This challenge will be just the first of many.

Far-reaching government choices will have to be made, and restoring market value -- and therefore collateral value -- to land will be among the more important if respectable production volumes are to be achieved. Any administration that has serious intentions of rebuilding food self-sufficiency and investor confidence will have to fully accept this fact.

Chapter 4: Transition dangers and opportunities for Zimbabwe's economy and society

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Introduction

My objective in this paper is to present some tough observations about the difficulties associated with a political transition process in the midst of a severe economic downturn. My input is meant to serve merely as a means of identifying the kinds of durable problems in macro/microeconomic management which I personally feel that neither of the two main contending perspectives -- ZANU-PF's brand of what we term 'exhausted' nationalism, and the MDC 2000-02 'BRIDGE' strategy of globally-oriented neoliberalism -- have yet come to grips.⁵⁴ I think a third perspective may be helpful, which my co-author Simba Manyanya and I term 'the search for social justice' -- because no one can claim to have found it, or even to have located a blueprint.

That third perspective is, in keeping with the MDC's orientation to the urban poor and workers, associated with popular demands for both democracy and basic needs made upon a social-democratic state, in the manner that the MDC claims it seeks in its *political* manifestos. However, our tradition is also -- perhaps somewhat in common with ZANU-PF's traditions of anti-imperialism -- associated with what is openly being described as 'deglobalisation'.⁵⁵ We find that our arguments resonate with the grassroots movements in Zimbabwe, and are consistent with the direction of the World Social Forum insofar as human rights, gender equity, ecological sustainability and the 'decommodification' of basic-needs goods have become alternative *economic* themes of progressive social movements in many parts of the world. Indeed, an emerging 'Zimbabwe Social Forum' spawned by the Porto Alegre model may well serve as a site for discussion of how 'Another World -- Another Zimbabwe -- is Possible!' That Zimbabwe would not suffer the depredations of human rights abuse, whether of a civil/political or socio-economic nature. It would be a society led by a government that maintains space for, and nurtures, a multiplicity of experiments in humane living that will contribute, *from below*, to the model society Zimbabwe can surely become. It is here that I would suggest a broader range of options should be kept open for macroeconomic and microeconomic policy.

However, to illustrate that the debate should not merely be about 'inward' and 'outward' aspects of economic development, let us recall the country's various historical swings in macroeconomic management. From Table 1 it should be clear that even a series of racist Rhodesian regimes swung backward and forward, zigzagging in a manner that puts the recent switches into perspective.⁵⁶ Moreover, to show that the terrain of debate must transcend the options now available, it may be useful to reiterate some of the arguments from the book *Zimbabwe's Plunge* advanced by myself and Manyanya (formerly a chief economist in the Zimbabwe Ministry of Finance, then a Zimbabwe Congress of Trade Unions economist).⁵⁷ What we tried to establish in that book is a set of alternative macro/microeconomic options that would meet the broader needs of society, not merely serve the interests of those who seek an 'elite' deal -- at a time when, finally, the new ultra-rich cronies of the Mugabe regime fear that their own assets may well now also be at risk.

Transition economics

On the optimistic side is the fact that over the past few decades, there have been a variety of political deals, not least the one that gave South Africa its 'liberation' in 1994. Such

'transitions to democracy' occurred from Southern Europe to the Southern Cone of Latin America to Eastern Europe to East Asia to Africa during the 1970s-90s. It could be argued that Zimbabwe was at the fore of this wave, in 1980, and that it is time again for such a process.

However, most transitions to democracy, sadly, were merely negotiated elite power-transfers. Authoritarian groups reliant upon the state's repressive apparatus gave way to popular fronts. Yet these very quickly reverted to neoliberalism. Merely naming the popular leaders demonstrates how common it was for anti-authoritarian critics--whether from right-wing or left-wing backgrounds--to transform into neoliberals: Alfonsín (Argentina), Aquino (Philippines), Arafat (Palestine), Aristide (Haiti), Bhutto (Pakistan), Chiluba (Zambia), Dae Jung (South Korea), Havel (Czech Republic), Mandela (South Africa), Manley (Jamaica), Megawati (Indonesia), Museveni (Uganda), Nujoma (Namibia), Obasanjo (Nigeria), Ortega (Nicaragua), Pérez (Venezuela), Rawlings (Ghana), Walesa (Poland) and Yeltsin (Russia).

Most deals done by these men and women did nothing to identify and rectify the sins of prior dictatorships, the Cold War depredations and other imperialist power plays, the deeply-embedded corruption, the patriarchy, the racial/ethnic divide/rule techniques, and so much other detritus that the new elite were meant, somehow, to 'transform.' Most deals could be described as 'low-intensity democracy.' Below the facade of multipartyism, the overall parameters had been set in Washington. Truth/reconciliation commissions were rare.

Most deals left the economic *status quo* intact, no matter how unequal and unsustainable. 'Dictators left debt to democrats,' and only in a few cases--Aquino, Aristide and Megawati--were attempts made to retrieve the stolen loot, although civil society groups in Mandela's South Africa, Obasanjo's Nigeria and the Jubilee South movement worked hard to politicise bank collaboration with the dictators. But the period has been remarkable for how few 'democratic' leaders were willing to challenge their tormentors' 'Odious Debts'--which by international legal precedent *they should not have to repay*.

As a result, most such transitions replaced the repression of the generals/politicians with neoliberal policies favoured by the bankers/businessmen. The new ruling clique of 'democratic' politicians either went along for the ride, perhaps complaining a bit, or they mindlessly bought into the Washington Consensus ideology. In turn, in most cases, economic austerity and sometimes severe financial crises bred more intense class and gender inequity than before. Only a very few countries in Europe (e.g., Spain, Portugal) and Asia (Taiwan) remain as durable success stories of these elite transitions, combining democratisation, growth and expanding opportunities for the majority of citizens. Even South Africa's lauded 'miracle' already appears to be failing in ways that are all too similar to Zimbabwe's Independence.⁵⁸

For the next few years in Zimbabwe, an elite consensus will not be easy to locate. A power-transfer deal cooked up in some new Lancaster House--perhaps here in Pretoria--would neither solve nor survive the most profound socio-economic contradictions. Yet by all accounts, nor can Zanu-PF continue along the current course.

What Washington wants

The basis for our pessimism is that at least a dozen areas of strife have emerged, since the late 1990s, between Washington, Harare and the interests of the broader Zimbabwean society. What were Washington's key priorities amongst the list in Table 2? Typically, it is impossible for the public to learn what demands are being made upon their elected leaders. Even today, World Bank reports carry the following warning in an intimidating front-page note: 'This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.'

However, readers of the *Financial Gazette* in mid-1999 were aware of IMF Africa official Michael Nowak's primary objectives in 1999 (the first three points below). The IMF sent a high-level team at that stage to negotiate the disbursement of a US\$53 million loan (which in turn would release another US\$800 million from other lenders). There was a confused flurry in early 1999, when president Robert Mugabe sought funding elsewhere than the IMF.⁵⁹ The IMF's Zimbabwe objectives were straightforward: reversal of both the luxury import tax and price controls on staple foods. According to Nowak,

There are two issues outstanding and these have stopped the IMF from making the standby credit available to the country. These issues are, one, we want the government to reduce the tariffs slapped on luxury goods last September, and secondly, we also want the government to give us a clear timetable as to when and how they will remove the price controls they have imposed on some goods.⁶⁰

In short, Mugabe was ordered to immediately reverse the only redistributive policies he had adopted in a long time, namely a) a ban on holding foreign exchange accounts in local banks (which immediately halted the easiest form of capital flight by the country's elites); b) a 100% customs tax on imported luxury goods; and c) price controls on staple foods in the wake of several urban riots. Meanwhile, tellingly, the IMF permitted Mugabe to continue the DRC war at a crucial negotiating stage in mid-1999, but on condition that 'there will be cuts in other budget sectors.' In other words, the IMF gave permission to penalise health, education and other badly-defended sectors on behalf of military adventures and the controversial associated business deals.

Later in 1999, the IMF agreed to increase the loan amount to US\$200 million. But according to an IMF official, yet more conditions emerged, namely, access to classified Democratic Republic of Congo war information and a commitment to pay new war expenditure from the existing budget: 'The Zimbabweans felt offended, shocked, but they all the same agreed to give us the information, we got all the clarification we wanted. They had no choice... We have had assurances [that] if there is budgetary overspending, there will be cuts in other budget sectors.'⁶¹ A final deal arranged in August 1999 also compelled the Zimbabwe Reserve Bank to restore foreign currency accounts to local corporations. The deal soon fell apart, however, when Mugabe's government violated several provisions.

In late 2000, another IMF team visited and publicly insisted that 'Fiscal consolidation and exchange rate re-alignment--the main pillars of the proposed package--should be buttressed by a re-orientation of public spending to priority sectors, tight monetary and wage policies, and expedite (*sic*) structural reforms especially privatisation, civil service reform and trade liberalisation,' the *Herald* reported. According to the same source, government would be compliant:

Fiscal consolidation would be achieved by reducing the budget deficit from an estimated 23% to 15.5% of the gross domestic product in the 2001 national budget presented by Dr Simba Makoni last month. The deficit would be curtailed to 8% in 2002 and 3% in 2003. The wage bill will also be limited from 16.7% to 12% of GDP, which refers to the total value of goods and services produced in Zimbabwe, through the rationalisation of the civil service... Zimbabwe is also in the process of eliminating foreign currency and exchange restrictions, stimulate (*sic*) the export sector, paying off its debts and improve (*sic*) the collection of statistical data... But the IMF remained saddened by slow progress in rationalising the civil service and disposing of Government stake in public enterprises.⁶²

Much of the analysis above by the *Herald* reporter looks naive in retrospect. But Washington's failure is not for lack of pressure. Washington also intends to provide a series of loans to Zimbabwe. A list of pipeline credits remained on the World Bank website through the darkest days of Zimbabwe's political-economic slide, as depicted in Table 3.

In 2001, the most important IMF manager, Stanley Fischer (who was raised in Bulawayo), was also explicit in his discussion with then-finance minister Simba Makoni, demanding restoration of property rights (the fourth point in Table 2).

Even prior to loans being granted or conditionalities revealed, there are several reasons to critique the premises:

1. the fundamentally unsound practice of using hard-currency financing (US\$) to pay for goods/services that have no (or very little) import cost;
2. the fact that the Bank's previous Zimbabwe project loans in many of these areas were disasters;
3. the Orwellian discourse associated with decentralisation--typically meaning, in the context, more responsibilities but fewer resources, hence certain failure;
4. the spectre of privatisation, cost-recovery and even US-style 'managed care' problems--especially healthcare access for poor people and women--associated with commodification and a 'public/private mix'; and
5. the need for an alternative to borrowing from the Bank to buy imported drugs (in the form of high-priced international pharmaceutical products typically on patent): namely, local generic production of anti-retrovirals and other essential drugs, at a fraction of pharmaceutical prices.⁶³

For example, taking on a hard-currency loan so as to downsize the (coal-powered) rail sector would be especially daft, in the midst of a petrol crisis which should logically shift deliveries and even passenger traffic from road to rail. Railways trade unionists have opposed downsizing and public-private partnerships, and point to the Bulawayo-Beitbridge Railroad as an example of the patronage-based, corruption-ridden privatisation that must be avoided.

These comments reflect only the first cut critique of the Washington Consensus, applied to a Zimbabwean transition to democracy. There are many others. The Zimbabwe Coalition on Debt and Development, the Zimbabwe Congress of Trade Unions, and Crisis in Zimbabwe have repeatedly made these sorts of points, and are acutely aware of the dangers ahead.⁶⁴

Time to debate alternatives?

Instead of narrow Washington-centric macroeconomic options and projects that are forced by donors/lenders, Zimbabwe can consider other advice that would be biased, instead, towards a broader, deeper strategy for inward-oriented, equitable development. To illustrate, one set of proposals has been supplied by the *Zimbabwe Human Development Report* published in February 2000. Sponsored by the United Nations Development Programme's Carlos Lopes, the study was conducted by progressive civil-society intellectuals associated with the Poverty Reduction Forum and Zimbabwe Institute of Development Studies. They came to similar conclusions about the financial and fiscal difficulties Zimbabwe faces in coming months and years, after detailed investigations of the background to and course of structural adjustment. The report makes six recommendations for government economic development policy--the last two of which are worth citing in full--with which it is appropriate to contrast the export-led decline, high-debt strategy pursued during most of the post-Independence period:

1. Overall objective: restore confidence by creating conditions of fulfillment of basic human material and social needs, and by opening up democratic space for dialogue in all sectors of life...
2. The hitherto neglected responsibility of ensuring conditions for the reproduction of labour and ensuring a life of dignity must form the core of the new strategy...
3. Better integration of gender concerns...
4. A well-focused land reform and agricultural regulation policy framework are necessary...

5. Restore production and safeguard the domestic market from external competition in respect of essential commodities and services, as a basic complement to fiscal and monetary tools. Probably considered subsidies and tariff protection might be necessary.
6. Carry out an audit of imports and introduce measures to cut down all inessential imports and luxury products. Carry out a similar audit of debt, retire illegitimate debts, and negotiate with the creditors for the payment of the legitimately incurred debts on the *principle of joint responsibility*. Put in place capital controls, regulate the banking sector, and review financial liberalisation measures to develop an indigenously led banking sector.

The UNDP/PRF/IDS report concludes by noting that such recommendations hark back to earlier periods of state intervention:

Zimbabwe has a way out as it moves into the third decade of its Independence. It has a rich dual heritage. One, ironically, is the heritage left by the UDI regime that built itself up on a largely internally-oriented economy with minimal dependence on the outside world. Its illegitimacy was the cause of its demise. The second legacy is that of *chimurenga* (liberation war). That spirit is still present and often not properly channelled. The people of Zimbabwe can, once again, assert their primacy and with sober and deliberate intervention in national matters bring back the state and economy to serving first and foremost the interests of the people based on people's efforts and resources, and not one based on foreign dependence.⁶⁵

Could such a programme actually be financed? The following are the potential ingredients of a strategy -- often accomplished in previous eras of genuine nationalist development -- to democratise finance and re-establish economic sovereignty, appropriate to low- and middle-income countries:

- *local basic-developmental needs with no foreign inputs should be paid for with local currency*, not with hard currency (like dollars, yen or euros);
- the reestablishment of *capital/exchange controls* is necessary to allow states to adopt pro-poor policies without fear of a financial run by the rich;
- a great deal *more public information and transparency* must be achieved in relation to financial resource flows, through disclosures of, for example, large transfers and cash transactions;
- *state-owned banks should be central* to redirecting financial flows, since the 'public good' and public-utility functions of financial markets are so important;
- *directed credit and credit-related subsidies* have, in the past, helped many countries to assure that finance flows into areas of greatest need and potential, and should be resurrected as industrial and social policy tools;
- for private-sector financial institutions that are reluctant to participate in meaningful development finance, one option is '*community reinvestment legislation*,' including requirements for cross-subsidisation of financial services (e.g., through lifeline accounts);
- *prescribed assets* have also been used effectively by developmental states, so as to assure that privately-raised finance is used more productively (while earning a market-related rate of return);
- another vital component of domestic financial resource mobilisation is a return to *progressive taxation* (income taxes to support both development and redistribution) and tariff resurrection (to raise resources, to promote important infant-industries, and to guard against transfer pricing);
- a feature of macroeconomic management consistent with financial resource mobilisation is *fiscal and monetary expansion* (i.e., printing money to finance deficits, so long as the deficits are justifiable, so long as hyperinflation is not threatened, and so long as protections against inflation are in place for low-income people);
- in the area of domestic financial regulation, a return to '*financial repression*' is important, including techniques such as interest rate capping, dual interest rates, re-

- regulation, deposit-insurance for socially-important depository institutions, and state development finance guarantees that are demand-side not supply-side; and
- in all these respects, *central bank democratisation*--not formal independence (hence excess influence by the banking fraternity)--is vital;
 - *social/labour movement leadership* is essential, so as to sustain the deeper political momentum; and
 - organic experiences in controlling finance for development are, in this process, crucial to build upon, including *existing community/labour-controlled savings/credit systems*.

It is obvious, of course, that due to a variety of governance constraints, these kinds of programmatic suggestions for a democratic Zimbabwe would not be implementable in a foolproof way, at least initially. Still, the costs of not taking these kinds of steps outweigh, in our view, the benefits -- to adopt neoliberalism along the lines Washington is insisting, would be much more hazardous than gradually -- and in some cases rapidly -- implementing the above sorts of measures.

Of course, these recent programmatic and strategic suggestions are interesting not because they were formed in a democratic, thorough-going manner. Those kinds of essential debates are yet to happen, and indeed haven't really begun. But they do hint at a scenario by which alternatives to both exhausted nationalism and looming neoliberalism can and must emerge.

There is an exceptionally important precedent for suggesting an alternative strategy: the February 1999 'National Working People's Convention', which involved hundreds of representatives of mass-based civil society organisations. Although the Convention's resolutions and Agenda for Action are not elaborated in the sort of format that will be required as a guideline for future democratic policy-making, the initiative has not been forgotten.⁶⁶ It is not unrealistic to expect that progressive civil society will return to this sort of approach as a transition becomes more realistic.

The question is whether such an opportunity is consistent with the kinds of constraints that Washington and probably Pretoria too -- following its self-interest (sub-imperialism), its discredited NEPAD strategy, and its appalling 2000-03 record of opposing democracy in Zimbabwe⁶⁷ -- will be imposing on any political deal proposed in coming months. By discussing the problems in a frank, honest way ahead of time, perhaps the kinds of economic problems that have derailed so many other transitions won't be repeated in Zimbabwe.

Table 1
Phases of inward/outward macroeconomic policy in Zimbabwe

| Period | Relevant policy | Economic conditions | Globalisation and the state |
|--------------|---|--|---|
| 1890s-1910s | minerals exports and capital inflow, with subsequent reliance upon settler agriculture | severe boom and bust cycle, followed by widescale theft of land and enforced proletarianisation | chaotic globalisation and predatory pre-state corporate control (Pioneer Column and BSAC) |
| 1920s | protection for local manufacturers | beginning of industrial development | vulnerable agricultural-based globalisation and nascent white state |
| 1930s-40s | relative isolation and active import substitution | high growth and inward maturation of secondary industry | deglobalisation of trade and finance, and construction of full welfare state for whites |
| 1950s | increasing financial and trade regulation | overproduction problems and unsustainable financial and trade relations | investment-led and finance-driven globalisation, with competent state regulation |
| 1960s-70s | heightened financial/trade regulation coincident with sanctions | initial dramatic recovery, followed by crisis of over-production and civil war | decisive deglobalisation and intensely-racialised, proto-fascist state |
| 1980s | gradual loosening of financial/trade restrictions and strong export drive | slow growth | slow globalisation and construction of weak welfare state |
| 1990s | Rapid liberalisation of finance and trade | Dramatic volatility and vulnerability in many markets, de-industrialisation, financial crises, inequality | rapid globalisation, deregulation and deconstruction of welfare state |
| 1997-present | uneven return to <i>dirigist</i> policies—e.g., exchange controls, artificial currency peg, luxury import tariffs (subsequently irrelevant as currency fell), foreign debt default, on/off price controls, uncontrolled budgetary growth, extremely negative real interest rates—under conditions of desperation and capital flight | deepening crises across all sectors of the economy, especially agriculture and industry, starvation, unprecedented inflation | enforced deglobalisation (except for luxury imports and capital flight) and influence on increasingly patronage-oriented state by new financial-parasitic crony-bourgeoisie intent on looting public assets |
| future? | a) Washington Consensus and Pretoria-led regional free trade b) sensible developmental, industrial, financial and trade policies aimed mainly at meeting local needs, with maximum popular initiative | a) austerity, worsening de-industrialisation and inequality b) growth with equity | a) re-globalisation with further deconstruction and deform of the state b) purposive deglobalisation with popular democracy and efficient welfare state |

Table 2
Who wins and who loses from neoliberalism

| Washington's dictates | Progressive rebuttals |
|--|---|
| relax foreign currency controls (already very weak as a result of internet-based trading and capital flight) | Exchange control liberalisation would ultimately permit wealthy Zimbabwean individuals and corporations to decapitalise the country. Even a governing MDC—whose constituents in the urban proletariat loudly clamour to be lifted from poverty—would not offer a sufficiently convincing change to prevent capital flight. |
| retract luxury-goods import taxes (already extremely low given the artificial official overvaluation of the Zimbabwe dollar at the point of customs) | Zimbabwe already imports beyond its means, requiring the unethical use of good land and irrigation for export crops (especially tobacco) instead of for food production, in order that the economy has sufficient foreign exchange to serve rich Zimbabweans' First World tastes. Moreover, ongoing conspicuous consumption generates yet more class antagonism and instability. |
| abolish price controls | Under conditions of relatively monopolistic supply, there has been an inordinate rise in prices for basic essentials. Mugabe's 1998-2003 imposition of controls was generally not well considered (many controls were lifted in April 2003 as black markets became widespread). Yet while price controls are no long-term strategy, and while further interventions (even state supply) are required to assure that there remain supplies of basic price-controlled essentials, they were necessary to stave off starvation (and were supported by the ZCTU). It is worth recalling that ending more wide-ranging price controls in 1991 caused the onset of the inflationary era that lasted the whole decade. |
| restore full private property rights as the basis for land redistribution, and impose land titles in Communal Areas | As with the 1980s-90s willing-seller/willing-buyer policy, land holdings would concentrate in the hands of the wealthy, and would threaten to dispossess peasants once land was used as collateral for credit. |

| | |
|--|--|
| cut the enormous budget deficit, mainly through cutting parastatal subsidies and social spending (but not necessarily by lowering debt repayments) | Nearly invariably, fiscal shrinkage and erosion of subsidies for state agencies adversely affects women-headed households and other vulnerable groups most, because they typically are the least powerful when it comes to budget-related advocacy and pressure, and bear the burden of reproducing society. |
| repay foreign debt | The debt should be repudiated and cancelled, as it has been effectively repaid already (due to declining terms of trade and compound interest), and because joint creditor liability should compensate for 'odious' loans to the Mugabe regime and ineffective policies and projects (e.g. <i>Esap</i>). |
| devalue the Zimbabwe currency to the parallel market rate | Full devaluation would result in massive imported inflation. |
| restore a positive real interest rate | To raise interest rates by more than 200% so as to achieve a positive real (after-inflation) rate, would cause an immediate financial crisis for debtors, which in turn would undermine the health of many financial institutions when debts come due. |
| impose wage restraint | Zimbabwe's workers already took the brunt of the failures associated with structural adjustment, and their combined direct and social wages fell by far more than did profits and upper-income salaries. |
| privatise parastatal corporations | Parastatals are inefficient and corrupt, yet it has not been established who (if anyone) might buy the companies, what degree of job loss (and related social costs) would occur, and whether the 'public good' aspects of state assets would be lost in the process (e.g., subsidies for rural electricity) |
| cut the civil service and outsource state functions | To genuinely develop Zimbabwe, a larger (and de-bureaucratized) not smaller civil service will be required. |
| promote free trade in regional and international fora such as the World Trade Organisation | Zimbabwe was one of the few countries that stood up against the North—and South Africa—in Seattle and related venues, and should continue doing so for its own sake and on behalf of the Third World. |

Table 3
Next-generation World Bank loans to Zimbabwe?⁶⁸

| Title | Amount | Loan purposes (and reference to critique #) |
|----------------------------------|---------------|---|
| Structural Adjustment | US\$140 mn | <ul style="list-style-type: none"> • restructure public expenditures (1,2) • reduce domestic debt (1,2) • privatise state enterprises (1,2) • initiate land reform (1,2) |
| Transport (roads) | US\$100 mn | <ul style="list-style-type: none"> • rehabilitate and maintain roads (1) • coordinated plans, policy and institutional reforms (1) • programming of rehabilitation and maintenance (1) • private sector participation (1) • human resource development (1) |
| Transport (rail) | US\$60 mn | <ul style="list-style-type: none"> • staff retrenchment and rationalisation (1,2) • infrastructure rehabilitation (1,2) • studies and technical assistance (1,2) • training and counselling (1) • assistance to retrenched staff (1) |
| Public Sector Management | US\$50 mn | <ul style="list-style-type: none"> • infrastructure financing (1,2) • local government capacity building support (1,2) |
| Population, Health and Nutrition | US\$50 mn | <ul style="list-style-type: none"> • district health decentralisation (1,3) • public/private mix (4) • provision of drugs (5) • personnel reform (1) |

Chapter 5: The regional implications of the crisis in Zimbabwe:

Rationale and principles of regional support for land

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The matter I have been invited to address contains two basic questions:

1. How, and why, should countries in the region support land reform – either in the region generally or in Zimbabwe specifically?
2. What are the consequences for the rest of the region of the course of events relating to the land issue in Zimbabwe?

To begin, it is worth stressing that Southern Africa is different from the rest of Africa. Apart from Kenya and Algeria, it was the only part of the continent that experienced large-scale settler-colonialism. This had many consequences, among them the creation of a dual agricultural economy that comprised a large-scale, capital-intensive sector, producing commodities for national and international markets, and a small-scale, labour intensive sector producing mainly food crops for household consumption and local markets. While the dual economy itself is not unique to Southern Africa, what is different about our region is that it survived relatively intact the transition to independence and, with it, survived the highly inequitable distribution of land and agricultural opportunities created under colonialism. Again, unequal distribution of land is not unique to the region, but what is unique is its extreme nature and that in three countries in the region prime land is concentrated in the hands of a racial and cultural minority that is widely seen as unsympathetic to the broad national liberation agenda that forms a central part of the dominant political discourse.

This inequality in land holding is most evident in South Africa, Zimbabwe and Namibia (probably in that order), but it also endures in the former settler colony of Mozambique (and to a lesser extent Angola, Malawi and Kenya). In Mozambique, the dual economy has survived not only the transition to independence but also a decade of socialism and the transition to market capitalism, as colonial estates and irrigation schemes have been transformed first into state farms and later into private companies controlled by local elites, returning Portuguese, or even white South African and Zimbabwean farmers looking for greener pastures.

The case for land reform can be made on grounds of both equity and efficiency or, to put it another way, on political and economic grounds. The inequalities in land holding and the brutality of colonial dispossession are themselves strong arguments for radical redistribution in favour of the historically disadvantaged, and these arguments have informed all national liberation struggles in the region. Post-independence, however, the political case for land reform has tended to lose out to economic arguments, based on the assumed efficiency of the large-scale commercial agricultural sector. Variations on this argument refer to the costs – political and otherwise – of confronting commercial farmers, the likely loss of foreign-exchange earnings, the potential impact on foreign perceptions (and investors) and the impact on national food security. All of these feed into what I call the myth of large-scale agriculture. Thus, governments across the region of various ideological persuasions have, through their agricultural and trade policies, effectively endorsed and even nurtured the dual economy, and with it the severe inequalities in land holding that characterises it.

Up to 1999, with the outbreak of farm occupations in Zimbabwe, governments in the region tended to use the land question to assert their credentials in the political sphere, but were unwilling or unable to translate this political rhetoric into significant action in the economic sphere. This speaks volumes about the balance of power within the region and the inclinations of the ruling parties, but also about the continuing symbolic importance of the land question to the mass of the electorate.

While governments have tended to prioritise economics over politics when it comes to land, for much of the population access to land remains both a political and an economic demand. A range of factors – including civil war (in Mozambique), falling demand for migrant labour, the phenomenon of ‘jobless growth’ (in South Africa), a long-running economic crisis (in Zimbabwe), and a general deterioration in the conditions for small-scale agriculture, tied to deregulation of markets and globalisation, along with a largely unaddressed HIV/AIDS pandemic – have combined to create a severe crisis of rural livelihoods across the region, a crisis for which the ‘traditional’ developmentalist remedies of industrial employment and urban migration no longer provide a solution.

Thus, for much of the rural poor, access to land remains a matter of direct economic importance, and one that carries immense political and symbolic significance. Land is not just a place to reside and secure a livelihood, but also a place to die, a place to commune with the ancestors, and a place that is central to the definition of a people. It must be emphasised, however, that land-based activities are no longer the dominant element within the livelihoods of much of the rural population. With the possible exception of farm workers and a small minority of better-off farmers, land-based livelihoods are no longer capable of supporting households, and typically form just part of a diversified livelihood strategy that may combine a mix of formal and informal employment, migrant labour and welfare transfers with small-scale cropping, livestock farming and harvesting of wild resources such as firewood, building materials and medicinal plants. Throughout the past century, a rural homestead and so-called subsistence agriculture provided the basis on which rural people were able to obtain a multi-faceted livelihood, often under very difficult conditions, a fact widely ignored within government policies.

The persistence of the colonial-era mindset that divides agriculturalists into ‘real farmers’ (full-time, large-scale, capital intensive, with freehold title, typically male) and ‘subsistence farmers’ (small-scale, part-time, labour intensive, on communal land, often female) is evident across the region: in the resettlement programme in Zimbabwe in the 1980s; in the continuing neglect of the so-called family (or peasant) sector in Mozambique; and in the emphasis on ‘commercial farming’ under the Land Redistribution for Agricultural Development (LRAD) programme in South Africa today. Such an attitude has locked governments into narrow development – or perhaps anti-development - policies that have exacerbated inequalities, created little additional employment, failed to lift the mass of the rural poor out of poverty and have left the so-called subsistence sector in many ways worse off than at the time of independence. The myth of the comparative efficiency of large-scale agriculture has left little scope for harnessing the indigenous knowledge and skills of rural people, of absorbing labour and building a buffer against famine by enhancing household food security and, perhaps most importantly, has failed to provide pathways for capital accumulation – accumulation from below – for the mass of the rural population, thereby entrenching poverty and vulnerability. In the era of globalisation, it has also left national economies vulnerable to the long-term decline in world commodity prices and, in this time of drought, incapable of feeding their people.

A similar degree of myth making surrounds dominant attitudes towards land tenure; in particular the false equation between freehold tenure and commercial success in agriculture. Freehold tenure in Africa emerged within a particular political and economic context that favoured particular kinds of rights (European, documented) and actively undermined another (African, customary). Farmers holding land under communal (or customary) forms of tenure have shown ample ability to respond to economic opportunities given reasonably supportive institutional frameworks. The response of South African peasants in the early decades of the minerals revolution is an obvious example, before they were smashed by the colonial state.⁶⁹ Virtually the entire West African cocoa industry, an early and spectacular example of export-oriented capitalist agriculture, has been based on customary forms of tenure. The dramatic rise of marketed maize and cotton from the communal areas of Zimbabwe after 1980s is further evidence that freehold tenure is not a necessary condition for agricultural growth and development.⁷⁰

So, does land reform provide the solution? Yes and no. There can be little doubt that a more equitable distribution of land will bring multiple benefits, in terms of enhanced livelihoods, food security, development of the rural economy, slow-down of forced migration to urban areas and even political stability – although considerable costs are also involved. And yet, political support for land reform has, up to now, consistently stalled on the economic argument that large-scale agriculture is more efficient, and therefore better for the economy. While this position is typically advanced by those with a vested interest in preserving the *status quo*, it also has its supporters within key government departments, political parties and urban-based civil society formations. This faith in the efficiency of large-scale agriculture (particularly in the Southern African context), however, rests on the very flimsiest of theoretical and empirical foundations⁷¹. Surprisingly, it has almost never been challenged directly by the advocates of radical land reform, who continue to emphasise the political (equity) or moral arguments.

Put bluntly, governments and other dominant interests in the private sector and civil society (including most political parties and trade unions) simply do not believe that small-scale farming is economically viable and, despite much political rhetoric, are unwilling to challenge the position of a narrow land-owning elite.⁷² It has taken an unparalleled economic crisis, and imminent loss of political power, to overcome this deep conservatism in Zimbabwe, with the consequences we are now witnessing.

So, does it make sense for governments in the region to support land reform? What are they doing about it at present, and what should they be doing differently? I will limit myself to a few general points.

First, I would like to suggest that trying to develop a regional position on land reform on the case of *Zimbabwe* is really to miss the point. Land is just one part of a wider economic and political crisis in Zimbabwe, and trying to address the land issue in isolation makes little sense. The first priority for the region, and the Zimbabwean people, must therefore be to re-establish the rule of law and address the profound economic crisis facing the country. This is not to suggest that land is not important to Zimbabwe – it is, and will remain so for a long time to come. It is just that it is not an appropriate starting point for addressing the current crisis. Moreover, the land question extends across the region, as I have argued above, and the position that neighbouring states take on land reform in Zimbabwe will be closely related to the position they take on land reform in their own countries. The question then becomes: what can be done about land reform in the region?

A few brief points:

- Land reform in Southern Africa is necessary, and possible (as experience from Zimbabwe itself in the 1980s demonstrates).
- Land reform, to be sustainable, must be linked to far-reaching reforms of the agricultural sector and substantial support for small-scale farmers.
- The biggest obstacle to land and agrarian reform is the established commercial agricultural sector. Reform cannot proceed while the current structures of the agricultural economy are left intact. Restructuring of the agricultural economy – overcoming the dual economy – will have its winners and losers. How this process is managed is a critical political question.
- The redistribution of land is a complex and potentially disruptive (and expensive) process, and cannot be accomplished overnight or without opposition. International experience suggests that reform requires strong political and financial support from the centre, allied to a decentralised and flexible system of implementation.
- Land reform requires a high degree of state intervention (and a degree of coercion). As Riedinger et al.⁷³ have argued, no successful land reform has ever been achieved through the market, despite what the World Bank and others would like us to believe. Markets tend to exacerbate inequalities – they are not redistributive or transformative in nature. Thus, the current orthodoxy of willing seller, willing buyer, deregulation of

agricultural markets and minimal state intervention, is unlikely to bring about fundamental changes in landholding or in the economic opportunities for the rural poor.

What, then, do the events in Zimbabwe tell us about the prospects for land reform in the region, and how has it affected its neighbours?

As stated above, I am not convinced that the crisis in Zimbabwe is primarily about land, although for many in the region and further afield this is how it appears. Rather, it is about economic collapse and a crisis of political legitimacy, leading to the abandonment of the rule of law.⁷⁴ But it does tell us a number of things that have importance for the region.

First, that land is important. The demand for land has always been there but, as Prof Moyo has recently argued, has been largely ignored by government and urban-based interests⁷⁵. A mix of economic desperation and unfulfilled political expectations have fuelled a widespread rural revolt against certain types of property – including white-owned farms, conservancies and state land – that took on greater proportions as it won the support of an embattled ruling party and the organs of state.⁷⁶

It also shows us the potential for violence, not just between new settlers and white farmers, but also between settlers and farm workers, who would appear to be the biggest losers in the current events.⁷⁷ It also shows us the vulnerability (or unsustainability) of a small, privileged minority in times of turmoil, especially when that elite is racially, culturally and politically distinct.

So, have these lessons been learned in the region?

For South Africa, Zimbabwe has certainly raised the profile of land reform, an issue that hardly existed on the political landscape in 1998.⁷⁸ At the grassroots level, there has been a noticeable increase in militancy, with the formation of the Landless People's Movement and a series of actual or threatened 'land invasions'. It is significant that most of these have been in urban areas, or on state land in rural areas – occupation of operational commercial farms are still very rare, but low-intensity violence against farm owners and destruction of property are endemic.⁷⁹ While this has led to calls for an acceleration of the pace of land reform from virtually all sides, including farmers' unions, and the occasional swipe at white farmers by our Minister of Agriculture and Land Affairs, it has not led to any fundamental changes in the market-based approach. Indeed, the period since 1999 has seen a significant shift away from the pro-poor land reform of the Mandela presidency towards more explicit attempts to foster a new class of black commercial farmers, via the market.⁸⁰ Other areas of land reform, such as protection of the tenure rights of farm workers and labour tenants, remain in the doldrums, although considerable progress has been made with the settlement of restitution claims.⁸¹

Overall, the efforts of the South African government have been directed towards assuring outsider observers (and investors) that 'it won't happen here', and getting tough with its perceived opponents at places such as Bredell and the World Summit on Sustainable Development (WSSD) in Johannesburg. The President is adamant that what the rural poor want is not land but jobs and services (although the delivery of the latter has greatly exceeded the former). In all of this, the South African government would appear to have learned at least one lesson from Zimbabwe – keep a firm grasp on political power and the economic fundamentals, and the land question need not become a crisis. In this it is probably right, but this stance offers little hope to the millions of rural poor and landless.

Looking slightly further afield, I don't believe the events in Zimbabwe have had a great impact in Mozambique. The most significant development there in terms of land reform has been the 1997 Land Law, which preceded the current crisis. While the Land Law protects the rights of peasants on communal land, it has done little in terms of delivering economic benefits.⁸² Mozambican government policy still looks to elusive 'investors', both national and international,

to develop the rural economy, and while some investment has been forthcoming, the developmental benefits that have 'trickled down' have been very limited.

In Namibia, the Zimbabwe events have certainly raised the political rhetoric around white-owned farms, but as yet there appears to be little move towards fundamental reform. Actual transfer of land has been painfully slow, and 'willing-settler, willing-buyer' remains official policy.

Conclusion

Recent events in Zimbabwe have irrevocably raised the hitherto neglected question of the unequal distribution of land in Southern Africa: the unfinished business of the transition from colonialism to national independence. The manner in which the latest redistribution of land in Zimbabwe has come about may be deeply distasteful to many – the violence, destruction of property, dislocation of farm workers and farm owners, the political intolerance - but there can be little doubt that it was overdue and that it enjoys support from large sections of the population. Whether it succeeds in the longer term – in providing sustainable livelihoods and economic growth that favours the mass of the rural population – remains to be seen, and will depend heavily on the resolution of the wider economic and political crisis besetting the country. The challenge facing the rest of the region is to assist Zimbabweans to re-establish the rule of law and create a democratic and prosperous country. There may then be practical support that countries in the region can provide to make land reform a success, but the idea that interventions can be made around the land question, without first addressing the political and economic context, is not, in my opinion, a viable one.

Given the very different political and economic conditions prevailing in countries in Southern Africa today, I do not believe it likely that the so-called 'farm invasions' can 'spill over' into neighbouring countries, despite the similarities in land-holding patterns discussed above. This is not to say, however, that events in Zimbabwe are not impacting on its neighbours. This is most evident in the international arena, in the perceptions of Southern Africa among western governments and investors. The influx of Zimbabweans to the border areas of South Africa has been accelerating for some years now, driven not by land reform but by deteriorating economic conditions at home. The options available to countries in the region to influence events in Zimbabwe are, I believe, quite limited, and there are pressing reasons why many governments are not willing to take a more robust line. Nevertheless, I believe that South Africa, in particular, could do itself and the region a favour by being more outspoken on flagrant abuses of civil liberties and the democratic process.

At the popular level, as I have suggested above, the events in Zimbabwe have certainly had an impact, particularly in South Africa. The likelihood of mass mobilisation and direct action by the landless has, I would argue, been greatly increased by the images of war veterans and others occupying former white-owned farms, even if this is based on a very limited understanding of Zimbabwe's political dynamics. Pressure is being exerted on the faltering Department of Land Affairs not only from below but also from opposition parties and landowners themselves to accelerate the pace of land reform, precisely to avert the possibility of 'another Zimbabwe'.

The question that remains, however, is what can be done about land reform in the region? Is the 'Zimbabwe model' the only option, or can other approaches achieve politically and economically desirable goals by other means? Taking the example of South Africa, it would appear that this question has only begun to be asked. The market-based reforms implemented since 1994 have managed to transfer less than 2% of agricultural land, as against a target of 30%, and although the ANC now acknowledges the need to speed up delivery, it continues to put its faith in an unproven market-based model. There is no doubt in my mind that radical action is going to be required sooner or later across the region to address the 'unfinished business' of national liberation. This poses an enormous challenge to the current neo-liberal orthodoxy espoused by most governments. Now is the time to ask what can be done to

achieve fundamental land and agrarian reform, not to hide behind the illusions that 'the market will decide' or that 'it can't happen here'.

Notes

¹ The lack of accountability of the post-independence government is related to the under-development of the concept of citizenship and participatory democracy. The colony conditioned the majority of Zimbabweans to acquiesce and comply with decisions and actions taken by politicians, regardless of their independent thoughts on the issues. They were compelled to act as no more than unquestioning recipients, and the cost of non-compliance was always excessive.

² This is not to absolve the free market of its numerous exclusions and excesses, which lock out the majority poor from the premises of national governance, especially those of policy formulation and implementation.

³ This position is taken on the basis of indications that the magnitude of the economic crisis will eventually push Mugabe to capitulate.

⁴ N Bhebe and T Ranger, 'Introduction', in N Bhebe and T Ranger (eds), *The historical dimensions of democracy and human rights in Southern Africa*, vol 2, Harare, University of Zimbabwe, 2002.

⁵ B Raftopoulos and T Yoshikuni (eds), *Sites of struggle: Essays in Zimbabwe's urban history*, Harare, Weaver Press, 1999.

⁶ N J Kriger, 'The politics of creating national heroes: The search for political legitimacy and national identity', in N Bhebe and T Ranger (eds), *Soldiers in Zimbabwe's liberation war*, London, James Currey, 1995. The war also had innumerable positives and was, indeed, responsible for entrenching the culture of resistance to repression around which the current pro-democracy movements have been created.

⁷ I Mandaza (ed), *Zimbabwe: The political economy of transition, 1980-86*, Dakar, CODESRIA, 1986. This was achieved through three devices: the introduction of a bi-cameral legislature to safeguard white minority interests; the entrenchment for five years of twenty common roll seats for the white minority; and the entrenchment of the property clause for ten years.

⁸ Substantial resources went into providing primary healthcare, basic education and infrastructure development and housing.

⁹ There were many instances in which conservative white groups used human rights as a shield to preserve their colonial privileges and interests.

¹⁰ State security agencies were responsible for the disappearance, murder and abduction of over 30 000 civilians. These atrocities were frightening in their magnitude and the fact they targeted persons of a particular ethnic group, the Ndebele.

¹¹ For example, this legislation became the basis for the ultimate deportation of Shadreck Gutto in 1988 as well as the detention without trial of student and labour leaders in the same year.

¹² Given that the pronouncements by both Mugabe and Innocent Nkala amounted to saying, 'we will annihilate the Ndebele', the mandate of the Fifth Brigade and CIO would necessarily have been so broad as to include anything and everything. In any event, most potential witnesses fled the country or went into hiding.

¹³ See *Journal of Social Change and Development* No 17 Special Issue (1987).

¹⁴ J Moyo, *Voting for democracy: A study of electoral politics in Zimbabwe*, Harare, University of Zimbabwe, 1992, p 30.

¹⁵ *Sunday Mail*, 14 June 1992; *Herald*, 15 June 1992.

¹⁶ Such as Shadreck Gutto, Kempton Makamure, Welshman Ncube, Jonathan Moyo, Geoff Feltoe, Solomon Nkiwane, Godfrey Kanyenze and Themba Dlodlo

¹⁷ F B Schiphorst, *Strength and weakness: The rise of the Zimbabwe Congress of Trade Unions (ZCTU) and the development of labour relations 1980-1985*, unpublished dissertation, University of Leiden, 2001.

¹⁸ This notion of social exclusion became a key mobilization tool in the struggles for constitutional review in the late 1990s and ultimately the formation of the MDC in 1999. Most of the leaders of the women's movement became key players in the constitutional review processes of the National Constitutional Assembly and the Constitutional Commission.

¹⁹ Tekere later challenged Mugabe for the presidency in 1990. The current Zanu PF Minister of Information, Jonathan Moyo, has done a thorough analysis of this election in his book, *Voting for Democracy: Electoral Politics in Zimbabwe*, op cit.

²⁰ The NCA is the largest and most effective civic coalition in the whole of Zimbabwean history. It has managed to build membership structures in every province and constituency within Zimbabwe. By February 2000, it had 700 institutional members and 100 000 individual members. NCA=s leadership is popularly elected at a biannual congress.

²¹ L Sachikonye, *Democracy, civil society and the state: Social movements in Southern Africa*, Harare, SAPES, 1995.

²² Schiphorst, op cit, p 21.

²³ *Parade Magazine*, November 1988, col 25.

²⁴ See, for example; Herald newspaper 13th April and 12th May 1988 as well as the Chronicle newspaper 11th May 1998. John Nkomo accused the ZCTU leaders of indiscipline, selfishness and failing to promote the interests of workers. Later, Zanu PF openly attempted to impose party stalwarts like Charles Chikerema on the ZCTU leadership.

²⁵ This capacity to network with other civil society organizations as well as its organizational advantages explains why ZCTU became the leading organization in the NCA and later on in the formation of the MDC.

²⁶ See Herald newspaper, 2 February 1989.

²⁷ See for example the Herald newspaper of 22 October 1988.

²⁸ See Sunday Mail newspaper, 7 August 1988 and the Herald of 1 September 1988

²⁹ See Madhuku and Sibanda, 1996: 130.

³⁰ Ironically, Tsvangirayi is facing a substantially similar charge arising out of events that took place in 2001.

³¹ See Africa Confidential, 1 December 1989.

³² The most notable of the scandals involving top government officials were the United Merchant Bank scandal that led to the near collapse of the Zimbabwe Building Society and the Cold Storage Commission; the War Victims Compensation Fund scandal; the VIP Housing Scheme scandal; the National Oil Company of Zimbabwe (NOCZIM) scam and the Grain Marketing Board scandal.

³³ This general strike almost coincided with the Zanu PF Annual Congress held in Mutare, starting on 4 December 1997. In anticipation of adverse police interference, ZCTU made an urgent application for an interdictory order to the High Court, but despite the existence of a court order, the police still violently broke up the lawful protests in Harare. The strike attracted hundreds of thousands of supporters throughout the rest of the country and was largely peaceful.

³⁴ When the March attempt was foiled, the state sought to amend the Labour Relations Act with a view to seriously curtailing the rights of workers to engage in strike action. This equally unsuccessful amendment had been brought in via the Presidential Powers (Temporary Measures) Act. ZCTU launched litigation against the proposed presidential amendment and before the matter could be placed before the court, the Parliamentary Legal Committee issued an adverse report.

³⁵ The *Herald*, 18 October 1998.

³⁶ This report focused on five major areas, namely health, social welfare, the economy and agrarian issues, constitutional issues and the political system.

³⁷ This meeting was held at the Women=s Bureau Centre in Hillside, Harare and was chaired by Gibson Sibanda in his capacity as president of the ZCTU.

³⁸ The *Daily News*, 13 September 1999.

³⁹ A critical analysis of Zimbabwe=s first 19 years of independence shows that many of these same commercial farmers supported Zanu PF and its leadership financially.

⁴⁰ The race factor is a thorny one for many in the region, especially in South Africa. Thus Mugabe=s anti-imperial and anti-white rhetoric resonated with many victims of apartheid. In a sense, once the spectre of

an ever-present, megalomaniac white power elite was raised, Mugabe was eternally shielded from scrutiny of his shoddy human rights record.

⁴¹ See P Bond and M Manyanya, *Zimbabwe's plunge: Exhausted nationalism, neoliberalism and the search for social justice*, Pietermaritzburg, University of Natal Press, 2002, pp 83-84; 93-103.

⁴² M Curtis, *Comparative government and politics*, Harper and Row Publishers, New York, 1968, p 135.

⁴³ W N Chambers & W D Burnham *The American party systems*, Oxford University, USA, 1975, p 5.

⁴⁴ H Hess, *Party work in social democratic parties*, Friedrich-Ebert Stiftung, Germany, 1996, p 15.

⁴⁵ H Bienen, *Armies and parties in Africa*, Africana Publishing Co., New York, 1978, p 67.

⁴⁶ P H Merkl, *Modern comparative politics*, Dryden Press, 1977, p 95.

⁴⁷ *Ibid.*

⁴⁸ J M Makumbe and D Compagnon, *Behind the smokescreen*, University of Zimbabwe Publications, Harare, Zimbabwe, 2000.

⁴⁹ P H Merkl, *op cit*, p 96

⁵⁰ W N Chambers & W D Burnham, *op cit*, pp 18-19.

⁵¹ D Easton, *A framework for political analysis*, Englewood Cliffs, NJ, Prentice-Hall, 1965.

⁵² P Merkl, *op cit*, p 14.

⁵⁴ MDC (2001), *Economic Stabilisation and Recovery Programme (BRIDGE)*, Harare, August. Note that at the time of writing, an 'Audit and Options' exercise is being conducted within the MDC to take account of BRIDGE shortcomings. For evidence of the incapacity of Zanu-PF to exit the economic crisis, see Government of Zimbabwe (2003), *National Economic Revival Programme*, Harare, February; the NERP sends all manner of contradictory messages, including continued price controls (revoked a few weeks later), partial repayment of foreign debt, and commercialisation of parastatal corporations.

⁵⁵ This the phrase adopted by one of the international justice movement's leading intellectuals, Walden Bello, following from arguments advanced earlier by a key African intellectual, Samir Amin. See Bello, W. (2002), *Deglobalization*, London, Zed Press; and Amin. S. (1990), *Delinking*, London, Zed Press.

⁵⁶ Details behind the typology provided can be found in Bond, P. (1998), *Uneven Zimbabwe: A Study of Finance, Development and Underdevelopment*, Trenton USA, Africa World Press.

⁵⁷ Bond, P. and M.Manyanya (2003, 2002), *Zimbabwe's Plunge: Exhausted Nationalism, Neoliberalism and the Search for Social Justice*, Harare, Weaver Press; London, Merlin Press; Trenton USA, Africa World Press; Pietermaritzburg, University of Natal Press.

⁵⁸ What sort of model for democratic transformation can be found south of the Limpopo? Notwithstanding the political success achieved in deracialising the South African state since 1994, there is a large and rapidly growing literature on what can accurately characterised as a socio-economic transition from racial apartheid to class apartheid. Statistics South Africa, the official government statistical agency, released a report in October 2002 confirming that in real terms, average African household income had declined 19% from 1995-2000, while white household income was up 15%. Households with less than R670/month income increased from 20% of the population in 1995 to 28% in 2000. Across the racial divides, the poorest half of all South Africans earned just 9.7% of national income in 2000, while the richest 20% earned 65% of all income. The official measure of unemployment rose from 15% in 1995 to 30% in 2000, and adding to that figure frustrated job-seekers brings the percentage of unemployed people to 43%. These statistics reveal worsening poverty; one symptom is that ten million people reported having had their water cut off in one national government survey, and ten million were also victims of electricity disconnections, mainly due to unaffordability. In addition, two million people have been evicted from their homes or land since liberation in 1994 (*Business Day*, 22 November 2002; <http://www.queensu.ca/msp>). My own contributions to documenting and explaining class apartheid are recorded in Bond, P. (2003, 2000), *Elite Transition: From Apartheid to Neoliberalism in South Africa*, London, Pluto Press and Pietermaritzburg, University of Natal Press; Bond, P. (2003, 2001), *Against Global Apartheid: South Africa meets the World Bank, IMF and International Finance*, London, Zed Press and Cape Town, University of Cape Town Press; Bond, P. (2002), *Unsustainable South Africa: Environment, Development and Social Protest*, London, Merlin Press and Pietermaritzburg, University of Natal Press; Bond, P. (2000), *Cities of Gold, Townships of Coal: Essays on South Africa's New Urban Crisis*,

Trenton USA, Africa World Press; and Bond, P. and M.Khosa (Eds)(1999), *An RDP Policy Audit*, Pretoria, HSRC Press.

⁵⁹ *Wall Street Journal*, 12 April 1999.

⁶⁰ *Financial Gazette*, 12 March 1999. In April 2003, I confirmed with Nowak that these provisions – outdated after the luxury import tax withered thanks to the currency overvaluation, and price controls were largely removed – and the following paragraphs remain at the top of the IMF agenda.

⁶¹ Agence France Press, 20 July 1999.

⁶² *Herald*, 9 December 2000. However, it seemed that tempers improved over the holidays, for in early 2001, another IMF report was partially published in the press, emphasising the need for devaluation: The International Monetary Fund has urged the Reserve Bank of Zimbabwe (RBZ) to scrap its monetary policy linking rates of interest with the rate of inflation, effectively pegging the bank rate at between 2 to 2.5 percentage points above the rate of inflation. However, the RBZ has been commended by the IMF for its decision, which has not yet been announced in the country, to depart from a fixed exchange rate system. (*Zimbabwe Independent*, 5 January 2001.) The IMF had 'commended' too soon, as the decision to depart from reliance on an overvalued Zimdollar was never announced.

⁶³ Or, at worst, the parallel-import of generic drugs from India, Thailand and Brazil, amongst other exporters.

⁶⁴ Crisis in Zimbabwe has warned that 'human rights advocacy... is often uncritical of globalisation and its excesses. Resultantly, such advocacy is poorly equipped to found a post-nationalist order.' See Crisis in Zimbabwe (2003), 'Defining the Way Forward', Document prepared for the Commonwealth, Harare, April, fn.10.

⁶⁵ UNDP/PRF/IDS, *Zimbabwe: Human Development Report 1999*, pp.82-83.

⁶⁶ The core Convention statement is reproduced in *Zimbabwe's Plunge*, Appendix 3. My own personal perception is that the initiative can be compared to the African National Congress *Freedom Charter* of 1955; and on that basis, Zimbabwean civil society has within it the capacity -- and increasingly urgent need -- to establish something comparable to the *Reconstruction and Development Programme* adopted by the ANC and its civil society allies prior to South Africa's first democratic election in 1994.

⁶⁷ For details, see *Zimbabwe's Plunge*, Afterword: Beyond Despondency, and Bond, P. (Ed)(2002), *Fanon's Warning: A Civil Society Reader on the New Partnership for Africa's Development*, Trenton USA, Africa World Press and Cape Town, AIDC.

⁶⁸ Source: <http://www.worldbank.org>

⁶⁹ Bundy, Colin, 1979, *The Rise and Fall of the South African Peasantry*. London: Heinemann.

⁷⁰ Kinsey, B. H., 1999, 'Land Reform Growth and Equity: Emerging Evidence from Zimbabwe's Resettlement Programme.' *Journal of Southern African Studies*, Vol. 25, No. 2.

⁷¹ Lipton, M (1996), 'Rural Reforms and Rural Livelihoods: the context of international experience', in Lipton, M, de Klerk, M and Lipton, M (eds.) *Land, Labour and Livelihoods in Rural South Africa*. Volume One: Western Cape. *Indicator Press, Durban*; van Zyl, J (1996), 'The farm size-efficiency relationship', in van Zyl, J, Kirsten, J and Binswanger, HP (eds.) (1996), *Agricultural Land Reform in South Africa*. Oxford University Press, Cape Town; Deininger, Klaus and May, Julian, 2000, *Is there scope for growth with equity? The case of land reform in South Africa*. Centre for Social and Development Studies Working Paper No. 29, University of Natal, Durban.

⁷² "State, business affirm solidarity on land issue". *Business Day*, 15 November 2001.

⁷³ Riedinger, J M, Wan-Ying, Y & Brook, K, 2000, "Market-based land reform: An imperfect solution". Paper presented at International Conference on Agrarian Reform and Rural Development, Tagaytay City, Philippines, 5-8 December 2000.

⁷⁴ See Sachikonye, Lloyd M., 2002, 'Whither Zimbabwe? Crisis & Democratisation'. *Review of African Political Economy*. No.91.

⁷⁵ Moyo, Sam, 2001, 'The Land Occupation Movement and Democratisation in Zimbabwe: Contradictions of Neoliberalism'. *Millennium: Journal of International Studies*, 2001, Vol.30 No.2.

⁷⁶ Chaumba, J., Scoones, I. and Wolmer, W., 2002b, *New Politics, New Livelihoods: Changes in the Zimbabwean Lowveld since the Farm Occupations of 2000*. SLSA Research Paper 3. Institute of Development Studies, Brighton.

⁷⁷ Rutherford, Blair, 2001, 'Commercial Farm Workers and the Politics of (Dis)placement in Zimbabwe: Colonialism, Liberation and Democracy'. *Journal of Agrarian Change*, Vol.1 No.4.

⁷⁸ Lahiff, Edward, and Cousins, Ben, 2001, 'The Land Crisis in Zimbabwe Viewed from South of the Limpopo'. *Journal of Agrarian Change*, Vol.1 No.4.

⁷⁹ For an account of struggles over land in KwaZulu-Natal See Steinberg J. *Midlands*, University of Natal Press, 2002.

⁸⁰ Lahiff, Edward, 2001. *Land reform in South Africa: Is it meeting the challenge?* Cape Town: Programme for Land and Agrarian Studies, University of the Western Cape. Policy brief; no. 1.

⁸¹ This is significant, as the restitution process is explicitly based on equity ('historical redress') rather than efficiency. Most restitution claims to date have been settled with cash compensation, rather than the return of land.

⁸² Norfolk, Simon, Nhantumbo, Isilda and Pereira, João ('Norfolk et al') 2002, "'Só para o Inglês ver" – The Policy and Practice of Tenure Reform in Mozambique'. Sustainable Livelihoods in Southern Africa. Mozambique Case Study Paper. Brighton: Institute of Development Studies; Tanner, Christopher, 2002, *Law-Making in an African Context: The 1997 Mozambican Land Law*. FAO Legal Papers Online #26; Hanlon, Joseph, 2002, 'The land debate in Mozambique: will foreign investors, the urban elite, advanced peasants or family farmers drive rural development?' Research paper commissioned by Oxfam GB - Regional Management Centre for Southern Africa.