

Zimbabwe: Development Context



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Map of Zimbabwe



Zimbabwe is a landlocked country with a land area of 390 757km² of which 85% is agricultural land and the remaining comprises national parks, state forests and urban land. Official population figures are 10.4 million for 1992, 11.8 million for 1997 and 11.6 million for 2002. The annual average inter-censal population growth rate between 1997 and 2002 was 1.1% as compared to 2.2% between 1992 and 1997.

Some key social indicators began deteriorating during the 1990s, in comparison to a commendable improvement in the same indicators during the 1980s. For example, the human development index (HDI), which peaked at 0.621² in 1985, has since declined to 0.496 by 2001. The life expectancy at birth is estimated at 43 years for the period 2000-2005, as compared to 61 years in 1990. In 2002, about 34%³ of the adult population was HIV AND AIDS infected. The impact of HIV AND AIDS on the reduction of life expectancy and other social indicators cannot be over-emphasized. The estimate of 43 years for Zimbabwe in 2000-2005 is 26 years lower than it would have been without AIDS. The impact of the epidemic has also been compounded by the negative impact of economic decline, droughts and floods.

Post Independence Development Progress and Challenges in Zimbabwe: 1980-1995

In 1980, Zimbabwe inherited a dual economy characterized by a relatively well-developed modern sector and a largely poor rural sector that employed about 80% of the labour force. The

newly independent government sought to address some of these inequities through a “*Growth with Equity*” Strategy published in 1981, as well as the *Zimbabwe Transitional National Development Plan* (1982-1985) and the *Zimbabwe first five-year National Development plan* (1986-90). Priority was given to poverty reduction, and government spending was geared towards increased social sector expenditures, expansion of rural infrastructure and redressing social and economic inequality including land reform. Immunization programs were expanded to cover most children, primary health care services were subsidized, and primary school enrolment became almost universal. By 1995, Zimbabwe had registered a net enrolment rate of 86%, thus signalling the near attainment of universal primary education. The overall outcome of these policies was very strong social indicators for Zimbabwe.

However, the decade of the 1990s witnessed a turnaround of economic fortunes, as economic decline set in and structural problems of high poverty and inequality persisted. Some of the explanations behind this turnaround include recurring droughts and floods, as well as, the non-realisation of the objectives of the structural adjustment programme (ESAP). During the period between 1991 and 1995, real GDP growth averaged about 1.5% per year. Considering population growth, this economic growth rate was insufficient for poverty reduction and employment creation. Extreme poverty increased significantly during the 1990s, with an estimated 35% of households living below the poverty line in 1995 compared to about 26% in 1990. Based on the total consumption poverty line, households in poverty increased from around 40% in the late 1980s to 62% by 1995/96.

Development Progress and Challenges in Zimbabwe: 1996 - 2003

This period has been marked by accelerated deterioration in the socio-economic situation. The Government replaced ESAP with a “home-grown” reform package the *Zimbabwe Programme for Economic and Social Transformation (ZIMPREST)* in April 1998. However, the lack of resources to implement this reform package undermined its effective implementation. In yet another attempt to address the declining economic performance, the *Millennium Economic Recovery Programme (MERP)* was launched in August 2001 as a short-



² The Human Development Index (HDI) measures human development by combining three dimensions of development – life expectancy at birth, adult literacy, and income. It ranges from a minimum of 0 to a maximum of 1, which puts Zimbabwe in the medium human development range.

³ Current 2003 adult (15-49 yrs.) prevalence of HIV is estimated at 24.6% (range 20-28%), a figure lower than the 33.7% estimate of 2002. It is acknowledged that the lower prevalence could be due to measurement methodological differences.

term 18-month economic recovery program. Its objective was to restore economic vibrancy and address the underlying macroeconomic fundamentals. Unfortunately, MERP was also rendered ineffective largely due to the withdrawal of the international donor community. In February 2003, Government launched yet another 12-month stabilisation programme the *National Economic Revival Programme (NERP): Measures to Address the Current Challenges*, while considering options for long term economic recovery. Though NERP was received with more optimism by donors, private sector and other stakeholders, more than half-way through its implementation, the programme has not yet managed to generate the foreign currency required to support economic recovery. It must be noted however, that these "home-grown" reform efforts are commendable efforts.

The undermined reform efforts since 1996, combined with the negative impacts of recurring droughts and floods, international isolation, and the HIV AND AIDS epidemic, have given rise to severe macroeconomic difficulties. These difficulties are characterised by the following; hyper-inflation of over 400%, low foreign exchange reserves, a build-up in external arrears, and a decline in investment, resulting in a real GDP contraction of around 30% cumulative since 1999. Zimbabwe is currently ineligible for financial assistance from the IMF and the World Bank because of the arrears situation.

As part of continuing efforts to redress past inequalities, the government has embarked on general asset redistribution (land redistribution, ability of public to own shares on the stock exchange, etc.) as one approach to addressing structural imbalances in the economy, so as to reduce poverty and inequality. The challenge is to consolidate the land reform programme into a sustainable agrarian reform programme. This would help the country cope with recurring humanitarian challenges.

For a summary of Zimbabwe's key development indicator's since 1990, see table 1.

Therefore, at the time of setting the 2015 MDG targets for Zimbabwe, the country is no doubt confronting a complex set of development challenges. These challenges will need to be addressed in the context of a long-term broad-based macroeconomic growth and development strategy for poverty reduction.

Zimbabwe's development context clearly shows that the Millennium Development Goals (MDGs) are interrelated, such that the achievement or non-achievement of certain goal(s) will impact on

TABLE 1: KEY DEVELOPMENT INDICATORS					
	1990	1995	2000	2002	2003 ¹
Real GDP Growth %	7.0	0.2	-8.2	-14.5	-13.9
Per capita Real GDP growth %	5.5	-1.3	-7.7	-14.7	-14.1
Inflation, %	15.5	22.6	55.9	133.2	525.8 ²
ODA Flows (US\$ Million)	295.9	347.7	192.6	--	--
Net Foreign Direct Investment, US\$ (million)	-12	98	16	23	5 ¹
Population (million)	10.4 ³	11.8 ⁴	--	11.6 ⁵	11.87 ¹
Population growth rate, %	2.5 ⁵	--	2.5 ⁷	1.1 ⁸	0.3 ⁹
HIV/AIDS prevalence (Population aged 15-49 years) %	25 ¹⁰	34 ¹¹	34 ¹
Life expectancy at birth, years	61	55	43 ¹²	43 ¹²	43 ¹²
Structural unemployment	--	--	--	> 50	> 50
Population with access to safe water (rural), %	65 ¹³	73 ¹⁴	75 ¹⁵	--	--

Note: 1 = Provisional, 2= October 2003, 3= 1992, 4= 1997, 5= 2002 Preliminary Population Census Results, 6= 1982/92 7= 1992/97, 8 = 1992/2002, 9 = 2002/2003, 10= 1999, 11= 2001, 12=UNAIDS estimate, 13= 1992, 14= 1997, 15= 1995-99.

the others. Even though the report presents an analysis of individual goals, the inter linkages should always be kept in mind. Zimbabwe's priority MDG goals are Goal 1 on *Eradicating extreme poverty and hunger* Goal six on *Combating HIV AND AIDS* and Goal 3 on *Gender Equality and Empowerment of Women*. The reason being that the non-attainment of these three goals would undermine achievement of the rest of the MDG goals.

Poverty Monitoring & Evaluation Environment

Note: The Poverty Monitoring and Evaluation Environment for each of the eight goals is presented in Table 3 at the end of the report.



