STATE RECONSTRUCTION IN ZIMBABWE

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Introduction

The Centre for Conflict Resolution (CCR), Cape Town, South Africa hosted a policy advisory group seminar at Lake Safari Lodge, Siavonga, in Zambia, from 9 to 10 June 2011 on the theme “State Reconstruction in Zimbabwe”. The policy dialogue was made possible through the support of the Open Society Initiative for Southern Africa (OSISA). The meeting was also supported by the Friedrich Ebert Stiftung (FES), Zimbabwe.

The meeting explored some of the most important challenges presently facing state reconstruction efforts in Zimbabwe, and considered strategies to accelerate the process. It also developed concrete recommendations to complement initiatives led by the government of Zimbabwe, the Southern African Development Community (SADC), the African Union (AU), and external donors in Zimbabwe following a disputed election process in June 2008, which led to a Global Political Agreement (GPA) three months later.

In particular, the seminar sought to build on the achievements of this accord, which enabled the establishment of a transitional National Inclusive Government in February 2009 between the Zimbabwe African National Union–Patriotic Front (ZANU-PF) and the two formations of the Movement for Democratic Change (MDC). The advisory group found that, since Zimbabwe represents a unique case study for state reconstruction, innovative and creative solutions are needed. The Zambia meeting focused on eight main themes: 1) Structural Transformation of the Economy; 2) Socially Inclusive Growth and Employment; 3) Land Reform; 4) Restoring the Health Sector; 5) Reviving the Education Sector; 6) Security Sector Reform; 7) the Role of SADC; and 8) the Role of External Donors.

1. Structural Transformation of the Zimbabwean Economy

In addition to increasing political repression, Zimbabwe experienced an economic crisis between 2000 and 2008, as cumulative real Gross Domestic Product (GDP) fell sharply by 40 percent. Hyperinflation peaked at 500 million percent in December 2008, and nominal GDP stood at a mere US$3.5 million in 2009. Living standards and life expectancy for the estimated population of 12 million fell more rapidly than anywhere else in the world. The country’s external debt was estimated at US$6.9 billion at the end of 2010. In view of these developments, the GPA of 2008 identified the restoration of economic stability and growth as a key issue to be addressed by Zimbabwe’s new power-sharing government. The government developed and launched a Short-Term Economic Recovery Plan (STERP), which it set out to implement in 100 days. Hyperinflation was curbed, and capacity use in the manufacturing and service sectors improved. But fundamental challenges relating to constrained infrastructural capacity, insufficient foreign currency reserves, inadequate investment, skills shortages, a restricted tax base, and poor liquidity, continued to blight the economy, which also faced persistent corruption and high levels of poverty and unemployment. In 2008, Zimbabwe further experienced a budget crisis.
deficit estimated at more than 200 percent of GDP, and had the world’s worst credit rating. In addition, the country faced the world’s most serious skills exodus, with between 3 million and 4 million people leaving the country; foreign earnings fell from US$3.6 billion in 1995 to US$13 billion in 2008; and life expectancy fell to 37 years for men and 34 for women. The need to address these challenges led to the formulation of the “Medium-Term Plan (MTP) 2010-2015” which sought to steer the country towards sustainable growth, rebuild its human capital, revive employment, and reverse the decline in social indicators. Recent statistics show that salaries for Zimbabwean workers are below the poverty line of US$467 a month for a family of five, set by the country’s National Statistical Agency. However, in response to demands from civil servants for increased wages, the Zimbabwean government has responded by arguing that it cannot afford to spend more than US$186 per month, which is the current base rate.

2. Socially Inclusive Growth and Employment

At independence in 1980, the Zimbabwean government inherited a dual economy which was dominated by a wealthy white minority, with a large informal sector composed of the majority black population. The right to work remains unrealised for most Zimbabweans as a result of this economic legacy. A decade of macroeconomic instability saw structural unemployment rise to about 80 percent in 2008, with only 720,000 (six percent) of the population formally employed – a significant decrease from the 3.6 million people (30 percent) employed in 2003. Between 2004 and 2009, the country’s once dynamic economy had shrunk by more than 50 percent. This led, particularly among the employable urban population, to an increasing reliance on remittances from friends and family overseas, estimated at more than US$260 million in 2010. With improved economic activity and effective capacity utilisation, the number of formally employed people could potentially rise to an estimated 1.4 million. Most people rely on the informal economy for survival, and even formally employed workers are often unable to support their families, pay school fees, and afford health services. Although Zimbabwe has signed international agreements that provide the right to decent and full employment, the country lacks a viable employment policy.

3. Land Reform

In 1980, when Zimbabwe gained independence, it also inherited a colonial pattern of unequal land ownership. The provisions of the Lancaster House Agreement of 1979, which set conditions for the post-independence government, made it difficult to address economic and social inequalities that had resulted from colonial and white minority rule. In 2000, 42 percent of the country’s agricultural land was controlled by about 4,500 white commercial farmers (0.03 percent of the population), while most of the black population remained landless, with only about 12 million black people subsisting on 41 percent of the country’s total area of about 390,000 square
Land reform is therefore fundamental to Zimbabwe’s long-term political stability and socio-economic development. The significance of land lies both in its economic value and its political importance as a resource over which struggles have been waged in the colonial and independence eras. Market-based land reform in post-independence Zimbabwe failed to transform ownership patterns that had been historically skewed by the control of vast swathes of agricultural land by white colonial settlers and their heirs. The failure to tackle the issue eventually led to land-based conflict when the government expropriated 11 million hectares held by 4,500 white commercial farmers in a compulsory land redistribution programme in 2000. The Fast Track Land Reform Programme (FTLRP), which targeted about 3,000 farms for resettlement by black beneficiaries, reflected a radical shift from the more gradualist approach that had been adopted by the government between 1980 and 1996. The FTLRP’s hasty implementation followed a failed referendum in February 2000 which the ZANU-PF government had hoped would grant approval for constitutional reforms that included a strengthened presidency and allowed for the institutionalisation of land acquisition without compensation. The Movement for Democratic Change, a new political party at the time, effectively opposed the referendum and the majority of Zimbabweans voted “No” to the proposed changes. The FTLRP led to international sanctions imposed by the European Union (EU), the United States (US), Australia, and New Zealand; the loss of jobs for most farm workers; and a decline in agricultural production. However, the land reform process also created benefits such as the acquisition of land as a resource by thousands of small farmers and black commercial farmers. Furthermore, while the politicisation of the land issue accelerated Zimbabwe’s deepening political and economic crises after 2000, the Global Political Agreement of 2008 recognised that, in addition to disputes over land, differences over issues such as the rule of law, respect for human rights, and democratic governance, have also been central to much of the recent conflict in Zimbabwe. The government in Harare is thus currently grappling with the challenge of defining a land-use system that can guarantee security of tenure and collateral value, while ensuring a more equitable distribution of land. Other key challenges include: whether Zimbabwean farming needs protection from international market forces; and the role of China, which has become a large consumer of the country’s agricultural products and a major investor in this sector.

4. Restoring the Health Sector

At the time of the inauguration of Zimbabwe’s inclusive government in 2008, the country’s health sector had almost completely collapsed due to Zimbabwe’s political and economic crises as well as deep cuts in social spending imposed by the International Monetary Fund (IMF) and the World Bank’s Economic Structural Adjustment Programme (ESAP) from the early 1990s. In recent years, maternal and infant mortality rates have worsened. Under-five mortality stood at 82 deaths for every 1,000 births in 2005, and increased to 90 deaths for every 1,000 births in 2009, while maternal mortality has risen from 560 for every 100,000 live births...
between 1997 to 2006 to an alarming 790 deaths for every 100,000 live births in 2008. It is unlikely that the country’s efforts to meet the Millennium Development Goal (MDG) set by the UN in 2000 of reducing child mortality by two-thirds and maternal mortality by three-quarters by 2015, will be achieved. Cholera outbreaks have become more frequent, and the incidence of tuberculosis has risen. In 2009, malaria was the third leading cause of hospital admissions in Zimbabwe, despite the government’s undertaking to reduce such cases by 50 percent between 2000 and 2010. However, HIV/AIDS rates among adults have fallen recently: between 2001 and 2009, the prevalence of the disease in adults (people aged 15 and above) declined from 23.7 percent to 13.7 percent. The health sector continues to face critical challenges including: infrastructure collapse; skills and human resource shortages; inadequate equipment and technology; poor working conditions; the politicisation of training institutions; and a lack of proper planning.

5. Reviving the Education Sector

By the mid-1990s, Zimbabwe had almost achieved primary education for all of its citizens. The country was on track to become one of the first African states to achieve the Millennium Development Goal of providing universal primary education by 2015. However, these gains have been reversed by a series of political and economic crises that lowered the morale of teachers, persuading many to neglect their duties. Government funding for schools was cut, and the faltering economy deprived parents of the means to educate their children. By the time the inclusive government was established, the sector had nearly ground to a halt. School attendance had rapidly declined from over 85 percent in 2007 to a mere 20 percent by 2008. Reviving the education system is a major challenge for Zimbabwe’s state reconstruction efforts. Medium-term government plans have prioritised the reintroduction of free primary education, including the provision of school lunches. Since 2009, the inclusive government has taken positive steps such as ensuring that schools are reopened and that basic and improved salaries have been offered to teachers. However, adequate government financing for this important sector remains a critical issue, and already overburdened parents are expected to supplement teachers’ salaries. In urban areas, parents have been contributing at least US$20 to US$25 a month towards teachers’ salaries, while in rural areas, similar contributions have been made in kind. The financing and management of higher education also remains an important challenge. The role of education in fostering national economic development and security remains critical. Many young Zimbabweans cannot find work when they leave school. This is a particularly urgent challenge, since youth unemployment has been shown to play a significant role in fuelling and prolonging conflicts.
6. Security Sector Reform

Zimbabwe’s inclusive government faces a range of security sector challenges. The engagement of the military, intelligence, and policing agencies in politics increased after the closely contested parliamentary elections of June 2000 when the Movement for Democratic Change entered the political arena. ZANU-PF thereafter began to engage the security sector in order to sustain its power, increasingly rewarding key serving and retired military officers with important posts and contracts in commerce, parastatals, and national ministries, as well as through land acquisition opportunities. In 2009/2010, an estimated eight percent of government expenditure was allocated to defence. In a US Central Intelligence Agency (CIA) country comparison of military expenditure, Zimbabwe’s military expenditure as a percentage of GDP stood at 3.8 percent in 2006, ranking it 27 out of 173 countries. The relationship between political and security elites, which is based on collective decision-making and a common ideology, has been characterised by partisanship and human rights violations. Reform of the security sector can not be achieved without complementary reform of the political sector. Since the creation of the Government of National Unity in 2008, the issues of the rule of law and the role of the military have been widely debated across the country. These discussions have demonstrated that most Zimbabweans, especially in the rural areas, strongly support the need for security sector reform. While the establishment of the National Security Council in 2008 to discuss such reform is a step in the right direction, the body has been hampered by political differences in discharging its mandate effectively. Simultaneous reform of the political and security sectors would thus help to reprofessionalise key national institutions and safeguard human rights. However, recent statements by senior Zimbabwean defence officials that any proposals for security sector reform will be rejected, has heightened tensions between the ruling ZANU-PF and MDC, which has called for such reform to take place before elections can be held.

7. The Role of SADC

The 15-member Southern African Development Community has sought to provide sustained institutional support for the intra-Zimbabwe dialogue between ZANU-PF and the two formations of the MDC. SADC, the Facilitator of the Intra-Zimbabwe dialogue (represented by South African President, Jacob Zuma), and the African Union, are the guarantors of the Global Political Agreement of 2008. SADC’s Organ on Politics, Defence, and Security Cooperation (OPDSC) has periodically reviewed the agreement’s implementation. The Community has increasingly taken a firm stance on Zimbabwe, particularly at a summit held in Livingstone, Zambia, in March 2011, when SADC heads of state criticised state intimidation and violence, issuing a strong call for the completion of a parliament-led constitutional reform process. The meeting also made clear that SADC’s Principles and Guidelines Governing Democratic Elections of 2004 continue to provide a crucial frame of reference for the credibility of forthcoming polls. At a summit in Johannesburg, South Africa, in June 2011, SADC insisted that...
its planned timetable for a new Zimbabwean Constitution and elections be finalised, although issues of security sector reform and electoral oversight remain outstanding. Southern African economies are estimated to have lost more than US$36 billion in potential investments in Zimbabwe as a result of the crisis in the country. It therefore remains in SADC's interest to ensure that the GPA is fully implemented and remains in place until Zimbabwe’s political and economic stability can be ensured. SADC countries provided US$200 million of credit to Zimbabwe in 2009, and US$200 million more has been requested from countries in the Common Market for Eastern and Southern Africa (COMESA). SADC’s strategy of ‘constructive engagement’ and its lack of open criticism of Mugabe at the onset of the crisis have been seen by critics as a form of appeasement that has contributed to a lack of political progress. The poor human rights records and flawed electoral practices in many AU member states, SADC’s own history of solidarity, and its acknowledgement of Mugabe’s ‘struggle credentials’, have all contributed to the reluctance of both regional bodies to adopt a tougher stance towards Zimbabwe’s long-ruling president.

8. The Role of External Donors

Financial support from external donors and international organisations currently helps to fund important reconstruction projects and economic recovery plans in Zimbabwe. An estimated US$760 million of such assistance was estimated to have been disbursed in 2008 and 2009. The Government of National Unity has, however, said that it needs US$10 billion a year for these reconstruction efforts. Contrary to widespread expectations within Zimbabwe following the signing of the GPA in 2008, the government has so far failed to attract significant funds from Western donors and China. External aid crumbled in the wake of sanctions imposed by the IMF, the World Bank, and other Western donors in 2000. Aid misallocation, non-repayments, and the country’s deteriorating political climate are among the key reasons for the suspension of funding and other assistance to Zimbabwe. Prior to this action, the country had a good record of prompt debt repayment and was highly rated in international financial markets. The IMF withdrew the provision of technical assistance to Zimbabwe in 2002, and suspended the country’s voting rights in the organisation in 2003. Donors have faced a series of dilemmas: whether to provide humanitarian aid or long-term development assistance; and whether to channel funds through the state or through civil society. External assistance is currently distributed mainly through non-governmental organisations (NGOs) and UN agencies, and not directly through the government, largely due to donor concerns about poor governance; widespread politically motivated violence and arrests; a failure to adhere to bilateral deals protecting external investments; and delays in implementing policies on issues agreed under the GPA such as media freedom; respect for human rights and the rule of law; a land audit; and mining standards. Western governments have demanded more reforms before providing direct support. However, since 2008, some donors have
shifted their policies towards closer engagement with the Zimbabwean government, with some adopting a Humanitarian Plus strategy which aims to narrow the gap between humanitarian and development aid. Nordic countries often prefer engagement to non-engagement, but countries such as Britain, which traditionally adopted a hard-line stance towards Robert Mugabe’s government, have sometimes dominated EU decision-making. Multilateral donors such as the United Nations Development Programme (UNDP) did not support sanctions and instead continued to engage with the Zimbabwean government. However, several external donors have shown a tendency to commission expensive reviews rather than implement aid support. An external debt estimated by the Reserve Bank of Zimbabwe as US$6.9 billion at the end of 2010 and a failure to secure comprehensive relief on this indebtedness, are viewed as major impediments to effective donor support. The Government of National Unity launched a coordination policy in May 2009, based on the Paris Declaration on Aid Effectiveness of 2005, in order to provide a coherent framework for interaction between the government and its external partners on such support. Western donors have a crucial role to play in assisting efforts to implement the commitments made under the GPA. However, donor involvement has also demonstrated that sustainable recovery in Zimbabwe must be locally driven to be truly effective, and that sanctions, while easy to impose, are often hard to manage and even more difficult to remove. Sanctions, including indirect measures such as the withdrawal of aid, have often been cited by the Mugabe regime as the major cause of Zimbabwe’s economic collapse. Donor support, development assistance, and grant inflows declined significantly from an annual average of US$138 million in the 1990s to US$39.9 million between 2000 and 2006. Some foreign missions were also closed or downscaled.

**Policy Recommendations**

The policy advisory group made 30 recommendations in the eight sectors covered by the seminar.

1. **Structural Transformation of the Zimbabwean Economy**
   - The parties to the Global Political Agreement must demonstrate a common vision, harmonise efforts to address the critical issues that affect Zimbabwe’s economic recovery, and work together to enhance the confidence of international investors and the donor community;
   - Sustained institutionalised social dialogue is needed to develop trust between the political leadership and citizens in order to

Zimbabwe should develop an effective empowerment policy drawing on global best practices in order to protect the socially vulnerable segments of society.
enhance popular, effective participation in policy processes and to encourage ownership of national reconstruction policies across Zimbabwean society;

- The macroeconomic framework developed by the Zimbabwean government should prioritise the basic needs of the poor: food security, healthcare, education, housing, transport, and basic utilities;

- The consolidation of macroeconomic stability should be implemented through expanding the national tax base and increasing the efficiency of government spending; harmonising economic, budgetary, and fiscal planning; re-engaging the international community; adopting a sustainable debt strategy; promoting a "developmental state"; and advancing democratic governance;

2. Socially Inclusive Growth and Employment

- Employment-intensive growth should be prioritised as a national economic policy strategy, while more research needs to be conducted on promoting socially inclusive growth and creating employment opportunities in the informal and formal sectors of medium- to large-scale industries in Zimbabwe;

- Employment policy should be developed in line with international agreements such as the 1976 International Covenant on Economic, Social, and Cultural Rights (ICESCR), which provides the right to decent and full employment;

- Zimbabwe must develop an effective empowerment policy drawing on global best practices in order to protect the socially vulnerable segments of society. In this regard, the country’s National Indigenisation and Economic Empowerment Board (NIEEB) should mobilise resources to implement broad-based empowerment programmes;

3. Land Reform

- The government of Zimbabwe must develop a land use system that can guarantee security of tenure and the collateral value of land, while ensuring more equitable land distribution. The implementation and completion of a land audit will be an important step towards urgently addressing issues of insecurity of land tenure and compensation to displaced farmers.

- Agrarian reform should be viewed as a tool for generating sustainable livelihoods, transferring skills, and creating new markets. Farmers on resettled land must be assisted to achieve their productive potential.
4. Restoring the Health Sector

- The Zimbabwean government should implement the Abuja Declaration of 2001 which calls for 15 percent of national budgets to be allocated to health. Additional funds could be generated from levies and fees in order to finance this vital sector;

- Health services and facilities in Zimbabwe must be improved, and proper human resource plans implemented in order to retain trained medical and health staff, many of whom have been lost to foreign countries;

- Primary healthcare needs to be effectively supported and promoted, in particular, by institutionalising community health programmes on a national basis;

5. Reviving the Education Sector

- National education curricula must be developed in Zimbabwe to cater to the different needs of diverse learners. In particular, artisan and technical skills in the fields of agriculture, engineering, and information technology should be promoted to support the development needs of the national economy;

- Peacebuilding and conflict resolution knowledge and skills should be integrated into all levels of education and training. In-service teacher and school-management training must also be implemented to develop a core of committed educators;

- Zimbabwe’s seven state universities should be granted greater managerial and academic autonomy, overseen by a strengthened National Higher Education Council, to ensure institutional accountability and sound governance. Innovative fundraising efforts must also be developed by higher education bodies, which could include developing mechanisms to recover loans and bursaries from students. The harmonisation of higher education standards enabling qualifications to be easily transferred throughout Southern Africa – institutionalised through a SADC protocol – could usefully encourage the interchange of students among its 15 member states;

- The goal of universal primary education must be adequately funded by ensuring a predictable and adequate state budget for the education sector. Issues of early childhood development (ECD) and high drop-out rates at secondary level should also be urgently
addressed by providing adequate ECD facilities and increasing the number of specialist teachers in early childhood education; addressing chronic malnutrition (which has been linked to high dropout rates); and ensuring the inclusion of vocational and technical skills training at secondary school level;

• The government should increase teacher salaries to ensure decent living standards and act decisively to safeguard the physical safety of educators in the face of political violence;

6. Security Sector Reform

• A white paper should be produced by the Zimbabwean government with the aim of transforming the security sector from the dominant influence of the ruling ZANU-PF party into a more accountable national institution that can act on behalf of, and enjoy the credibility of, all Zimbabweans. The White Paper for The National Defence of South Africa of 1996 which tackled related issues of transformation, could provide useful lessons for such a policy;

• It is critical that the process for reforming the security sector is agreed by all sides. Reaching agreement on reviving and properly staffing the military civil service would represent a useful means of building trust to start this process;

• A Zimbabwean-led dialogue should be established on the reform of the security and defence sectors, seeking possible lessons from other African countries that undertook such reforms including South Africa, Namibia, Mozambique, Angola, Sierra Leone, and Liberia. Frameworks developed by SADC and the African Union for security sector reform could also provide useful lessons;

• Parliamentary oversight of the security sector must be strengthened, and civil society monitoring of the reform process should be enhanced;

7. The Role of SADC

• Clear political agreement on SADC’s role in Zimbabwe is needed to increase the Community’s effectiveness in building peace and promoting state reconstruction efforts in the country through regional integration;

• Governments and civil society groups in Southern Africa must ensure that the decisions of the Community’s bodies such as the SADC Tribunal are respected and implemented;

• SADC should continue to support full implementation of the Global Political Agreement until the country’s political and economic stability
can be ensured. Pre-election processes in Zimbabwe should therefore be closely monitored, and the country’s political parties held responsible for any human rights violations. SADC should ensure that the focus remains on constitutional reform as a precondition for holding credible elections, using the Community’s Principles and Guidelines Governing Democratic Elections of 2004;

- SADC’s institutional structures and operational capacity (including its Organ on Politics, Defence, and Security Cooperation) need to be strengthened to enable it to address issues of peace and security in Zimbabwe, and the broader sub-region, more effectively;

8. The Role of External Donors

- Coordination of aid for Zimbabwe must be improved in line with the 2005 Paris Declaration on Aid Effectiveness which highlighted the need to align donor support to national development priorities, placing emphasis on pro-poor policies and national ownership of aid programmes; consensus must be reached among bilateral and multilateral donors about their respective roles and the form that their support should take in the reconstruction of the country, taking into account the Zimbabwean government’s comfort with the African Development Bank (AfDB) supporting projects to rebuild the country’s infrastructure;

- Advantage should be taken of the widely held view of the United Nations as an “honest broker” to develop and support initiatives that could be jointly funded by external donors, with the UN also acting to ensure the effective administration of local programmes;

- The capacity of key state ministries and institutions in Zimbabwe needs to be enhanced to ensure the effective coordination of donor funds. Donors should therefore support the effective implementation of Zimbabwean government initiatives such as the country’s Humanitarian and Development Assistance Framework adopted in 2008, and its aid coordination policy launched in May 2009. Partners should also continue to prioritise Zimbabwe’s efforts to achieve the Millennium Development Goals by 2015, and

- External donors should carefully consider the viability of continued sanctions which have severely restricted Zimbabwe’s access to aid and loans, and have contributed to the country’s ongoing financial crisis.