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## Zimbabwe Before and After the Elections

**A Concerned Assessment**



*Moeletsi Mbeki, Greg Mills and Fred Phaswana*

South African Institute of International Affairs

Reports

# **Zimbabwe Before and After the Elections A Concerned Assessment**

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**A report based on a conference held jointly by the  
South African Institute of International Affairs (SAIIA)  
and the  
World Peace Foundation (WPF)  
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# Zimbabwe

## Before and After the Elections

### A Concerned Assessment

Moeletsi Mbeki, Greg Mills and Fred Phaswana<sup>1</sup>

#### Executive summary, preface and acknowledgements

#### Executive summary

Zimbabwe is, in its government's own words, 'in crisis'. The economy is imploding. Key indices show that:

- ▶ By the government's own admission, 75% of the population are living on or below the poverty line.
- ▶ By December 2001, there was a food shortage of 600,000 tonnes of maize.
- ▶ The country's inflation is touching 90%. Unofficially it is placed at more than 160%.
- ▶ The fiscal deficit has averaged 16% of GDP for the past three years.
- ▶ Farm output was down 20% in the period 2001/02, with tobacco down 40% over two seasons.
- ▶ The country has an alarmingly high HIV/Aids infection rate.
- ▶ There has been a significant loss of skills through emigration.
- ▶ In 2001, there was a GDP contraction of 7.5%.

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This dire situation has been exacerbated by the government's land redistribution strategies, which have reduced investor confidence both locally and regionally. However, the key issue is the government's inability to build the economy over the last two decades. This failure was reflected in the vote for the opposition Movement for Democratic Change in the June 2000 parliamentary election.

An economic turnaround in Zimbabwe hinges on the re-establishment of the rule of law and, more immediately, the staging of free and fair presidential elections by March 2002. There is a short window of opportunity to facilitate this, and the role of the Southern African Development Community (SADC) and South Africa is key to its success. This is particularly true as Zimbabwe is a comparatively minor issue for the international community, especially in the aftermath of the 11 September 2001 attacks on New York and Washington. However, events in Zimbabwe remain a major problem for South Africa and the Southern African region.

Southern Africa's future, and the credibility of African leadership and the New Partnership for Africa's Development are all linked to the Zimbabwean situation. Thus, in the immediate term, the following actions should be taken to ensure stabilisation and recovery:

- ▶ The international community and SADC should be willing to declare the elections not free or fair if the violence is not stopped and if proper, supervised registration is not conducted.
- ▶ Elections should preclude all forms of aid or International Monetary Fund credits, and targeted sanctions should be recommended by SADC.
- ▶ SADC should also recommend Zimbabwe's suspension from the Commonwealth if the rule of law is not upheld, and if immediate steps are not taken towards allowing international supervision of the elections.
- ▶ If the election process goes ahead unhindered, SADC and the international community should press for accelerated talks with the IMF and aid donors.

Over the longer-term, Zimbabwe's recovery will demand large-scale international financial and technical assistance. Given the right conditions of good governance; respect for human rights and the rule of law; and entrenched democratic principles, Zimbabwe's economic situation could be rapidly reversed.

## **Preface and acknowledgements**

This report is based on a conference held jointly by the South African Institute of International Affairs (SAIIA) and the World Peace Foundation (WPF) at the University of the Witwatersrand in Johannesburg on 12 November 2001. This was the seventh time that SAIIA and the WPF have collaborated in staging an international event on a Southern African theme.

The **South African Institute of International Affairs**, founded in 1934, is an independent non-governmental foreign policy think-tank based on the campus of the University of the Witwatersrand in Johannesburg. The Institute aims to promote a wider and more informed understanding of international issues among South Africans, and to educate, inform and facilitate contact between people concerned with South Africa's place in an interdependent world.

The **World Peace Foundation** was created in 1910 by the imagination and fortune of Edwin Ginn to encourage international peace and co-operation. The Foundation seeks to advance the cause of peace through study, analysis and the advocacy of wise action.

Appreciation is expressed to those who participated in the conference, and to SAIIA's organising team, notably Leila Jack and Bryan Bench. Appreciation is expressed to Ross Herbert, SAIIA Africa Research Fellow, for his contribution to this paper, and to the WPF's Robert Rotberg for his assistance in facilitating and co-organising the conference. While care has been taken to reflect the substance of the overall debate at the conference, please note that the responsibility for the views herein are the authors' alone and not those of the organisers or the participants.

## Introduction

Zimbabwe has tremendous untapped potential, measured not only in economic statistics but also in terms of its human and technical capacity. It was once the *bread-basket* of the region. Today, it is quickly becoming a *basket-case*. If Zimbabwe's obvious potential is to be realised and the country is to contribute positively to regional development in Southern Africa, radical political and economic action is necessary. Zimbabwe is a fulcrum on which the future of Southern Africa rests: if it tips the right way, the region could face a more prosperous future; if not, regional prospects could deteriorate.

Zimbabwe: A statistical snapshot	
Population (millions)	12.4
Adult literacy (%)	88
Youth literacy (%)	97
Primary, secondary and tertiary enrolment ratio (%)	65
Adults living with HIV/Aids (15-49) (%)	25.06
Gross national income per capita (\$, 1999)	530
GDP % per capita average growth (1990-99)	0.6
Agriculture (% of GDP, 1999)	20
Total external debt (\$m, 1999)	4,566

Source: World Bank, *World Development Indicators*

However, the pace of Zimbabwe's economic decline has been spectacular, focusing attention not on its positive contribution to regional development, but rather on the negative direct (refugee flows, trade and investment relations) and indirect (investor perceptions) spill-over effects of this collapse on the Southern African region. The United Nations' Human Development Index value measuring quality of life fell from 0.621 in 1985 to 0.598 in 1990 and 0.554 in 1999.<sup>2</sup> In his budget presented to the Zimbabwean parliament on 2 November 2001, commonly described as an 'election budget', the minister of finance, Simba Makoni, admitted that 75% of Zimbabweans were 'living in abject poverty', and revealed that health spending per head had fallen from \$23.60 in 1991 to \$14 today. Amidst plans to reintroduce price controls, Makoni revised economic growth forecasts downwards, saying that GDP will fall 7.3% in 2001, compared with an earlier

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<sup>2</sup> See the *United Nations Human Development Report 2001*. New York: United Nations Development Programme/Oxford University Press, 2001.

budget projection of 2.8%. Agricultural output, which had been hard hit by the land resettlement crisis, was expected to fall by 12%, while tourism and distribution were forecast to be down 9%, and manufacturing and mining 7.5% each.

As a result, the minister said that public spending would increase to 42% of GDP from 38% in 2001, while revenues will increase marginally to 27% of GDP. The budget deficit was predicted to be 14.9% of GDP. Furthermore, the budget was based on raising more in corporate tax at a time when the economy is collapsing. However, as described below, the unofficial figures paint a far worse picture of the situation facing Zimbabwe.

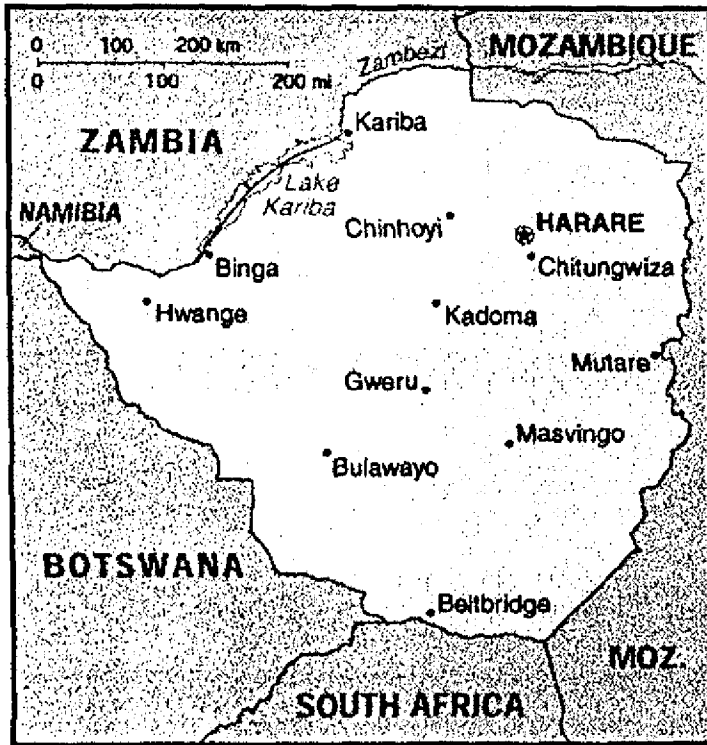
Until the establishment of the SADC Zimbabwe Task Team following the Blantyre Heads of State summit in August 2001, the role of SADC member states in the Zimbabwe crisis had been circumscribed by two factors. First, the need to recognise concerns regarding sovereign interference; and second, the racial (white-black) and anti-colonial characterisation of the land redistribution issue both in the media and especially by Harare itself, which had particular resonance in South Africa.

Importantly, however, Zimbabwe's economic and political instability cannot be contained within its borders. Indeed, its crisis threatens the stability and security of the entire SADC region.<sup>3</sup> It has the potential to drive significant numbers of refugees into neighbouring countries, damaging Southern Africa's investment reputation and leading to market fears, which negatively affect regional currencies and financial markets, where international and local concerns are fundamentally linked to the political environment. Such perceptions are compounded by the related collapse of the Zimbabwean dollar, soaring inflation rates, unsustainable and damaging fiscal deficits, and crippling shortages of fuel and other imported goods and services. If the Zimbabwean government cannot exercise sovereign control and responsibility, it cannot hide behind the concept of non-interference in the domestic affairs of other nations.

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<sup>3</sup> SADC comprises the following states: Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.





Thus, there is an urgent need to arrest Zimbabwe's economic decline and prevent lawlessness and, in so doing, create a platform for the normalisation of political activity. Moreover, recovery from the present situation is impossible for Zimbabwe unless it can attract foreign assistance and restore business confidence so as to win investment and reverse the flight of capital.

Accusations of acts of unprosecuted political violence, declarations that government will not respect the rulings of the judiciary, and perceptions of the persecution of independent media and political opposition have contributed to a climate in which foreign donors and investors question whether the Zimbabwean government has abrogated the rules that are considered indispensable to the conduct of business and to economic development worldwide. Equally, any solution must deal with the present perceptual-political impasse and must focus its attention on both economic stabilisation and political normalisation.

With this backdrop in mind, this report is divided into two sections reflecting the proceedings of the conference on which it is based. These are the nature of the political and economic crisis and the policy process and options available.

## The political and economic environment

### *The need for political normalisation*

Even without the political and economic violence and cost generated by the land redistribution strategy, the Zimbabwean economy faces serious challenges. As the United States (US) Central Intelligence Agency (CIA) noted in its 2001 fact book:<sup>4</sup>

The government of Zimbabwe faces a wide variety of difficult economic problems as it struggles to consolidate earlier moves to develop a market-oriented economy. Its involvement in the war in the Democratic Republic of Congo, for example, has already drained hundreds of millions of dollars from the economy. Badly needed support from the IMF suffers delays in part because of the country's failure to meet budgetary goals. Inflation rose from an annual rate of 32% in 1998 to 59% in 1999 and 60% in 2000. The economy is being steadily weakened by excessive government deficits and Aids; Zimbabwe has the highest rate of infection in the world. Per capita GDP, which is twice the average of the poorer sub-Saharan nations, will increase little if any in the near-term, and Zimbabwe will suffer continued frustrations in developing its agricultural and mineral resources.

Indeed, as the Zimbabwe economy stumbled in the mid-1990s, the country's president, Robert Mugabe, was forced to resort to radical means to shore up his power-base, particularly in the face of mounting challenges from Zimbabwe's war veterans. Their frustration deepened over a scandal in early 1997 involving the fraudulent abuse of the veterans' compensation fund, in which inflated compensation payments were made for bogus injuries. It was alleged that senior government ministers and officials were involved in the fraudulent practices. Chenjerai Hunzvi, the leader of the veterans and a medical doctor, was implicated in this scandal and subsequently charged. In August 1997, Mugabe made an *ex-gratia* payment totalling Zim\$4 billion (then more than ZARI billion) to the veterans. This was as a direct result of the street demonstrations staged by the veterans amidst deteriorating economic conditions.

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<sup>4</sup> See [www.cia.gov](http://www.cia.gov).

<b>Zimbabwe: Crisis timeline</b>	
1923	Southern Rhodesia is declared a British colony upon its annexation from the British South Africa Company.
1953	The colony is temporarily united in the Central African Federation with the two British protectorates of Northern Rhodesia (now Zambia) and Nyasaland (now Malawi).
1961	A constitution is formulated to keep whites in power.
1963	The Central African Federation is dissolved.
11 November 1965	A white Unilateral Declaration of Independence is declared.
March 1970	Rhodesia is declared a republic.
September 1979	The Lancaster House Rhodesian Constitutional Conference is convened.
18 April 1980	Zimbabwe is declared independent.
December 1989	The Zanu-Zapu merger is implemented.
March 1992	The Land Acquisition Act permitting the compulsory acquisition of land is approved.
March 1996	President Mugabe wins the presidential elections with 92.7% of the votes cast.
August–November 1996	There are national strikes by public sector workers for higher pay.
August 1997	Government announces that war veterans are to be awarded substantial unbudgeted amounts.
October 1997	Mugabe announces the acceleration of the national land resettlement programme, declaring that the constitutional right of white farmers to receive fair compensation would not be honoured and challenged the United Kingdom to take responsibility for them.
November 1997	A list of the 1,503 farms for acquisition is published.

<b>Zimbabwe: Crisis timeline (continued)</b>	
January 1998	The IMF stipulates that an assurance is required from the Mugabe government to respect the Constitution during the land resettlement process.
January 1998	There are maize riots.
June 1998	A series of illegal farm occupations takes place. There is a civil service strike over a 20% pay rise demand.
August 1998	Mugabe introduces the second phase of the land resettlement programme.
August 1998	Zimbabwe dispatches troops to the Democratic Republic of Congo. Deployment soon reaches an estimated 11,000.
September 1998	Harare launches an appeal to Western donors to assist the land reform programme. A land donor conference establishes a set of guidelines for reform.
November 1998	It is ordered that 841 farms be confiscated. Pressure is brought to bear by the IMF not to do so.
March 1999	Mugabe announces a list of 529 farms identified for seizure.
May 1999	An agreement is reached with donors on a land reform programme based on 800 uncontested farms for compulsory purchase to be partially funded by the World Bank.
September 1999	The opposition Movement for Democratic Change (MDC) is formed.
October 1999	International aid to Zimbabwe is suspended over reform targets and military expenditures.
November 1999	A constitutional conference is held.
12-13 February 2000	A constitutional referendum is held. 54.6% of the 26% of the electorate which participated voted to reject the constitution.
Late February 2000	The illegal occupation of farms by war veterans begins in earnest.

Zimbabwe: Crisis timeline (continued)	
24–25 June 2000	Parliamentary elections are held. Government refuses to permit 200 foreign monitors to observe the elections. The United Nations team is recalled. Zanu-PF secures 48.6% of the vote and 62 of the 120 elective seats. The MDC receives 47% of the ballot and 57 seats. Zanu-Ndonga wins one seat. Land resettlement continues.
February 2000	The MDC leader, Morgan Tsvangirai, is charged with incitement to violence.
December 2000	Mugabe declares whites to be the enemy of Zimbabwe.
March 2001	A Commonwealth delegation of the ministers of foreign affairs of Australia, Barbados and Nigeria visits Zimbabwe. Mugabe refuses to meet them.
August 2001	The US Senate passes the <i>Zimbabwe Democracy and Recovery Act</i> directing the administration to support democratic change and restore the rule of law. The act doubles funding to democracy programmes, urges support of election observers, and calls on the US president to consult other nations on ways to implement visa restrictions and other targeted sanctions against those responsible for political violence in Zimbabwe.
6–7 September 2001	The Commonwealth Abuja settlement on land is engineered.
10–11 September 2001	The SADC Task Team meets in Harare.
March 2002	Last date for presidential elections to be held

The Zimbabwean government has presented its current (election) agenda of land redistribution as a continuation of the anti-colonial liberation struggle. By contrast, the issues the opposition Movement for Democratic Change (MDC) are focusing on are those of the need to establish conditions of good governance and the rule of law, where the land issue has been used by the ruling Zanu-PF as a strategy to maintain political power.

While the uneven distribution of land in Zimbabwe must be a key focus of reform, it is equally clear that the violence and lawlessness accompanying the land issue has contributed to Zimbabwe's perilous economic situation. The conduct of normal political activity by the opposition has been violently blocked by war veterans acting as a ruling party militia, thus placing the staging of the

2002 elections in some doubt. This has been exacerbated by the de facto forced resettlement of tens of thousands of commercial farm workers to the towns. This has been interpreted as an attempt by the ruling Zanu-PF to shift the balance of electoral power in its favour.

*The region thus faces two policy time-phases: the pre-election phase until March 2002; and the economic stabilisation and recovery phase after the election.*

Three possible presidential election scenarios emerge in the context of the environment described previously.

- ▶ **No elections are held:** Where the ruling party subverts the electorate and clamps down through, inter alia, the imposition of a state of emergency; peasant removals; the use of the police and military; and the invasion of businesses and farms.
- ▶ **Elections with a pre-determined outcome are held:** Where violence and intimidation is the norm and there is limited or no international supervision. Like the first scenario, this outcome will be seen as illegitimate by most of the international community.
- ▶ **Free and fair elections under international observation are held:** Where there is timely and sufficient international and regional observation.

How can the third scenario be facilitated? Given the current levels of violence and intimidation, there is little likelihood of a transparent and free and fair electoral process being established without international involvement. Internal dialogue is unlikely to produce the consensus necessary to devise a country-wide system of Zimbabwean monitors, particularly given the levels of violence, the degree of mistrust already present, and the short period until the 2002 elections.

*There is an immediate-term imperative for the international community—with the continent and SADC at the forefront—to allow Zimbabweans to choose freely in the presidential elections.*

### ***The importance of economic stabilisation***

Zimbabwe's economic meltdown cannot be prevented—it is already occurring. The country, potentially the bread-basket of Southern Africa, faces a maize and wheat shortage. Key businesses, especially in manufacturing and mining, are finding it impossible to continue to operate within the current foreign exchange

regime and political climate. Lasting, if not permanent, damage has been inflicted on the commercial farming sector, the country's engine of growth, as a result of the fast-track land resettlement programme.

Zimbabwe's Chamber of Mines estimated, in mid-2001, that 90% of the country's gold mines are at risk from the foreign currency crisis. Some 400 companies in Zimbabwe's manufacturing sector are reported to have closed in 2000 with the related loss of more than 10,000 jobs. The motor industry has reportedly been the hardest hit with 171 closures, the steel sector with 92, and the clothing and textile sector with 45. This is due to a sharp decline in domestic sales, increased overheads and limited capacity utilisation arising from unpredictable raw material sourcing. The latter is related to the acute foreign exchange shortage. Industrial production is now below 1970 levels.

Overall, an estimated 300,000 of the 1.3 million industrial and farm workers have lost their jobs since the crisis began at the start of 2000. This is expected to increase rapidly given the year-on-year decline of 54% in agricultural output in 2001. Zimbabwe has moved from a net neutral import/export position on staple foods to being a significant importer. An estimated 40% of domestic consumption of wheat and maize will have to be imported in 2001—a shortfall totalling some 800,000 tonnes of maize and 150,000 tonnes of wheat by December 2001.

A joint report by the USAID-backed Famine Early Warning System and the state agricultural department released on 31 October 2001, predicted worsening food shortages.<sup>5</sup> The report said that as many as 30% of the population in some districts in central, western, southern and arid northern Zimbabwe suffered food shortages during October. It noted that the nation's stocks of grain, the staple food, stood at about 200,355 tonnes in mid-October, the lowest level in two years, or 63% lower than at the same period in 2000. Previous reports had apparently sought to play down evidence of food shortages as the 2002 presidential poll approached.

Of the approximately 6,000 industrial and commercial firms, half are thought to be agriculture-dependent. Tobacco output is expected to fall by up to 50% in 2001, and grain plantings to 20% of their previous commercial farm levels. According to figures from the Commercial Farmers' Union (CFU), 900 of the 1,150 farms

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<sup>5</sup> See IRIN, 2 November 2001.

under occupation were unable to continue normal operations.<sup>6</sup>

The official inflation rate has risen from 55.2% at the end of 2000 to 83.6% in October 2001. It is expected to touch 100% by the end of 2001, though unofficially the figure is thought to be as high as 300% on key consumer items. Combined with ongoing fuel and foreign exchange shortages, the 23.6% fiscal deficit for 2000 (the highest in the country's history), and unemployment of over 50%, some economists are predicting GDP shrinkage reaching minus 9% in 2001.

In September 2001, the International Monetary Fund (IMF) announced its decision to bar Zimbabwe from future loans and the use of its general resources. The decision followed the IMF Executive Board's review of Zimbabwe's financial obligations to the organisation. The board 'declared Zimbabwe ineligible to use the general resources of the IMF and removed Zimbabwe from the list of countries eligible to borrow resources under the Poverty Reduction and Growth Facility (PRGF). The PRGF facility allows countries to borrow money at low or reduced interest rates to implement poverty reduction programmes in their respective countries. The IMF said that since mid-February 2001, Harare had fallen behind in its payments to the Fund by about \$53 million.<sup>7</sup>

Foreign direct investment (FDI) declined by an estimated 90% in 2000. Investors are understandably cautious about risking shareholder funds in Zimbabwe's crises-ridden environment. Tourism, traditionally one of Zimbabwe's key sources of hard currency and employment, has been adversely affected. Hotels and tourist resorts were, in 2001, operating at an estimated 70% below previous occupancy rates as a result of the overall instability.

Emigration is also estimated to be some 4,000 adults per week, of which 75% are apparently going to South Africa. If this is correct, this will place an enormous burden on the remaining state and private sector resources and levels of expertise.

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<sup>6</sup> IRIN, 28 September 2001. In 2000, exports amounted to \$1.8 billion, made up of tobacco (29%), gold and ferro-alloys (7% each) and cotton (5%). Export partners are: South Africa 10%, the United Kingdom (UK) 9%, Malawi 8%, Botswana 8%, Japan 7%, (1999 est.). In 1999, imports were made up of: machinery and transport equipment 35%, other manufactures 18%, chemicals 17%, fuels 14%. Major import suppliers were: South Africa 46%, the UK 6%, China 4%, Germany 4%, the US 3% (1999 est.). See [www.cia.gov](http://www.cia.gov).

<sup>7</sup> See IRIN, 28 September 2001.



The skills' flight is compounded by Zimbabwe's alarmingly high adult HIV/Aids infection rate of over 25%.

Although the government has steadfastly maintained a foreign exchange rate of \$1-Zim\$55, the parallel market is trading at more than five times that amount, reflecting a collapse of confidence and capital flight 'at any cost'. The overvalued exchange rate is being sustained through the tightening of exchange controls. There are also questions about what the government is doing with its foreign currency reserves given annual tobacco proceeds during 2001 of an estimated \$400 million and gold sales of \$125 million, as well as the 40% of all foreign proceeds that have to be sold to the Reserve Bank at the official exchange rate, totalling around \$1 billion in 2001. There are persistent allegations of individuals selling foreign exchange in the market, and of the government funding arms and riot-gear purchases as well as financially supporting the war in the Democratic Republic of Congo (DRC) with these funds.

In contrast, Zimbabwe's industry and the country's ability to feed itself are being crippled by severe shortages of foreign currency, which prevent the purchase of vital inputs including fuel, spare parts, fertilisers, chemicals, and others. There is also a human cost to this deterioration: hospitals are without drugs, schools without books, and civil servants are being poorly paid—if they are paid at all. The introduction of effectively negative real interest rates to save interest charges on government debt has imposed an effective 'stealth tax' on savings and pension funds. Yet the government has politicised spending, stoking the flames of hyperinflation, increasing public spending to 42% of GDP, with the budget deficit averaging 16% of GDP for the past three years. While health spending declined, in the 2001/02 budget, from 6.8% to 5.8% and education from 21% to 16%, defence spending has increased from 9% to 12%.

It is, however, important to reinforce Zimbabwe's economic strengths and assets and, in doing so, its potential for a rapid economic turnaround, including notably:<sup>8</sup>

- ▶ **The agricultural sector:** In 1998, this sector contributed an estimated 28% of GDP and employed 63.8% of the total labour force. The principal crops were tobacco (accounting for roughly 25% of export earnings in 1998), maize, cotton, coffee and sugar.

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<sup>8</sup> For a detailed historical survey, see 'Zimbabwe' in *The Europa World Yearbook 2001*. London: Europa, 2001.

- ▶ **The industrial and mining sector:** Industry contributed 32% of GDP in 1998, including mining, construction and manufacturing, and employed just under 10% of the workforce. Mining contributed 4.7% of GDP in 1992, employing 1.7% of the workforce. Though its share of GDP declined in real terms by 3% in 1999 and an estimated 11% in 2000, this provides an indication of the potential present in this sector. Gold, nickel and asbestos are the key exports, with chrome, copper, silver, emeralds, lithium, tin, iron ore, cobalt, magnesite, niobium, tantalum, limestone, phosphate, coal and diamonds also being mined.
- ▶ **Human and material capital:** The relative strength of the Zimbabwean manufacturing sector (19% of GDP in 1998, employing 5.4% of the workforce) and services sector (41% of GDP and employing 21.9% of the labour force) reflects in part the high levels of education enjoyed by Zimbabweans.
- ▶ **Tourism:** Zimbabwe has a tourism potential of more than two million visitors annually, which could bring in over \$250 million in receipts. This could improve with concerted efforts at regional marketing and liaison, but first requires political stability.

Indeed, the potential for Zimbabwe's economic turnaround is, paradoxically, indicated by the rate of its decline since the early 1990s. Much hinges on land and the nature of land reform, however. As Sam Moyo has argued:<sup>9</sup>

Zimbabwe's economy is diversified in the sense that about one-third of the gross domestic product is from mining and another third was—and still is a bit—from manufacturing. Then you split the rest of the economy into 20% from agriculture and the rest is split into services and other things. So although there is this diversification...a big chunk of the economy is based on agricultural throughput...So the economy is diversified but integrated into an agriculturally based economy. One of the growing sectors, tourism—about 10% of the economy—is also another land-consuming area because of wildlife, so the majority of the people still depend on land for their basic survival.

In the light of the above, there is an urgent need to establish a clear methodology and policies for reform and recovery. In addition, until the presidential election has passed, it is essential to suspend the land redistribution process which has become overtly politicised.

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<sup>9</sup> See IRIN, 14 August 2001.

## Policy Process and Options

In considering the policy options now available to the South African and other governments, it is important to recognise five important provisos:

The *first* of these is that South Africa's relative gigantism and its values threaten some of its neighbours. As one US analyst has argued, 'the world's expectation is that South Africa will solve the problems of the Southern African region [but] the fact is that this is not always a role that other countries in the region are willing to let it play'. However, particularly in light of the 11 September 2001 attacks on the US, the world is looking to South Africa to play the lead role, however reluctant it may be to do so.

*Second*, and related to the above, Pretoria's relationship with the ruling Zanu-PF has worsened with the worldwide acceptance of South Africa back into the international fold. Indeed, the problems in Zimbabwe are synonymous with the accession of South Africa to the regional and international leadership stage in 1994. This has been exacerbated, too, by strained relations between Pretoria and Zimbabwe's leadership, and by the gulf between the economic and political values of the two states. Ironically, economic influence is limited because of the linkages with the South African economy and thus the costs for South Africa in bringing any sustained economic pressure to bear. Such influence has also declined as the Zimbabwean economy has weakened.

*Third*, President Mugabe's commitment to standing again in 2002 has also narrowed policy options by ruling out, at least in the short term, the possibility of a negotiated 'exit option'—one that could guarantee the septuagenarian president a comfortable retirement. If he were to win and then step down after the election, this would require another election run-off, further exacerbating political uncertainty and instability. Yet the longer Mugabe stays in power, the greater the likelihood of further economic damage and greater political repression and instability given that the country is unlikely to regain international investor support and confidence with him at the helm.

*Fourth*, quiet diplomacy has been predicated on both the limited influence Pretoria has and the need to maintain regional unity—the latter increasingly a façade after the establishment of the SADC Task Team. But South Africa and the region will bear, and are bearing, the brunt of the Zimbabwean economic collapse with little apparent gain from going softly on Harare. The Zimbabwe situation has enormous structural costs for South Africa, not to mention potential lost

opportunities. For example, the American Chamber of Commerce in South Africa estimated in mid-2001 that \$3 billion in potential investment to South Africa has been lost as a result of events in Zimbabwe in 2000–01.

*Fifth*, the relationship between Harare and key international actors, notably the US and the United Kingdom (UK) along with the IMF and the World Bank, has been characterised by high levels of rhetoric and personal animosity rather than by achievement and engagement. The US' *Zimbabwe Democracy and Economic Recovery Act* has exacerbated these tensions and arguably reduced the leverage available on an increasingly autistic Harare, as did the stance taken by the former UK minister of state for Africa, Peter Hain.

Influencing and interacting positively with Harare depends on the mutual acceptance of basic common standards of behaviour. Given recent history and the sacrifice of sound economics by Harare in pursuit of a mix of retaining political power and ideological beliefs, the international community has to plan for significant intransigence.

### ***Ten Policy Steps***

*To arrest this decline, the staging of free and fair elections is an essential first step. The future of Zimbabwe has to be made a choice of Zimbabweans themselves, but one free from intimidation and vote rigging.*

*There are two clear periods which define the nature of future external involvement and assistance. First, that leading up to the 2002 presidential elections. Second, the period following the elections.*

With this in mind, Zimbabweans, Southern Africans and the international community alike are faced with a number of immediate- and longer-term policy solutions.

- First, to *immediately* find ways in which the regional and international community can assist, in liaison with Zimbabwean authorities, to ensure a smooth and peaceful electoral process. This includes enquiring of both government and the opposition as well as independent civil society organs what is required. This could include the early agreement to train, fund and deploy local and international election observers, ensure independent control of the media, and monitor state and non-statutory military and other militia forces. This could be achieved, inter alia,

through the establishment of codes of conduct for political parties and the security forces. In practical, immediate terms, the government should also be pressured to stop all police road-blocks or other organised interference with free campaigning. The police should be an instrument of law and order, not state terror. *Importantly, if such recommendations are not accepted by the Zimbabwean government, pressure could be increased through the imposition of targeted 'smart' sanctions.* A smooth electoral process will also depend, however, on sufficient food supplies being provided and delivered on time and en masse. Food aid could be utilised to push for the liberalisation of the electoral regime. Monitors will have to be prepared, however, to declare that the elections were not free.

- Second, to examine the impact of the current land redistribution process, and identify ways to suspend this process until after the elections have taken place and a clear, internationally-supported methodology has been established. In this there is a need to explore with key constituencies including government, opposition parties, business, aid agencies, war veterans, commercial farm workers, the police and military, communal farmers and commercial farmers, suggested solutions for ending the land crisis, and for establishing a clear, transparent and legal land reform programme. However, acknowledging that the reversal of the land seizures is highly unlikely in the short term, foreign intervention should instead seek achievable goals that can judge Mugabe's own claims—for example, that the police will reply properly and promptly to all complaints of violence.
- Third, to pressure the different sides to engage with one another and create common ground, it is crucial to have sound, sensible, pragmatic and visionary leadership. To meet this challenge it is essential to remember the importance of internal dialogue and consensus and the importance of overcoming the mistrust between the two sides (and remembering, too, the lessons of South Africa's own transition in this regard). Efforts have to be made to engage Zanu-PF rank-and-file to ensure that they understand the economic gravity of the current situation and that the present government policies make it impossible for an early financial bail-out.
- Fourth, to examine the need for the reform of the justice system to re-establish the independence of the judiciary and the principle of non-interference with that body.
- Fifth, to explore the nature and extent of economic fundamentals and political and perceptual issues affecting the economic crisis. Special

focus should be directed towards the analysis of foreign exchange reserves and other economically important links to outside countries such as foreign debt levels.

- Sixth, to construct a series of realistic confidence-building measures to restore faith in the Zimbabwean economy.
- Seventh, to establish a method of liaison with multilateral and bilateral donors critical to improved foreign currency and aid flows and economic recovery.
- Eighth, to set targets and benchmarks for governance and economic indicators against which progress can be measured.
- Ninth, to establish a forum for regular dialogue internally between key business and employment stake-holders, international donors and actors and the Zimbabwe government.
- Tenth, through the last mentioned point, to develop a public-private economic recovery partnership plan in conjunction with business and external agencies and governments.

### *The process of international engagement and assistance*

Much of the above can, and will, however, only happen after the election. Until then—to avoid what analysts have portrayed as an election ‘train wreck’—a number of different yet complementary avenues exist for international contact and assistance, including through SADC, the United Nations (UN), the European Union (EU) and the Commonwealth especially in the four short-term areas of:

- *Writing and monitoring codes of conduct for political parties and the security forces both prior to and during the elections. This would include the right of unrestricted campaigning, the end of police road-blocks and equal police protection.*
- *The deployment of international observers and the operation of an independent electoral commission.*
- *Independent monitoring of and access to media.*
- *Electoral education and training.*

However, until now none of these parties has been able to play a positively influential role over a sustained period nor have they been able to keep Harare to its promises.

The landscape has, to some extent, been positively altered by the establishment of the SADC Task Team at the August 2001 Blantyre Heads of State summit. The Task Team has the following mandates:

#### 2001 SADC Summit Final Communiqué

In its consideration of the situation in Zimbabwe, Summit welcomed the initiative of President Olusegun Obasanjo of Nigeria to mediate between Zimbabwe and the United Kingdom, and further welcomed the readiness of the government of Zimbabwe to fully co-operate with the President of Nigeria. Summit also expressed its total support for the initiative in the expectation that a positive outcome will emerge for all parties concerned.

Summit expressed concern on the effects of the Zimbabwe economic situation on the region, and indicated its readiness to engage in a dialogue with the government of Zimbabwe and other co-operating partners to resolve the situation. Summit established a task force comprising the SADC Troika, Botswana, Mozambique and South Africa, to work with the government of Zimbabwe on the economic and political issues affecting Zimbabwe.

On 10 and 11 September, the SADC Task Team met with officials and political parties in Harare to discuss the land crisis. According to reports, Mugabe and his government came under fire at the Harare meeting and were embarrassed by SADC demands that he meet with MDC leaders, and other civil society bodies.<sup>10</sup>

However, SADC's pressure on Harare has lessened owing to three events. First, as noted above, the 11 September 2001 attacks on the US that have deflected attention elsewhere. Second, the related postponement of the Brisbane Commonwealth Heads of Government Meeting in October 2001 where Zimbabwe was expected to feature prominently on the agenda. Third, the SADC-appointed ministerial-level committee tasked to monitor the restoration of the rule of law has proven ineffective. This in spite of the one-month time limit it set for Mugabe's restoration of the rule of law in Zimbabwe.

Nonetheless, SADC still has a key role to play in a programme of action for

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<sup>10</sup> The meeting comprised the presidents of South Africa, Malawi, Namibia, Botswana and Mozambique, and ministers from Angola, Nigeria, and Tanzania.

economic and political stabilisation, both in the short and long term.

*In the short term, SADC has to continue to recognise the potential for, and cost of, Zimbabwean non-compliance and must aggressively monitor the situation so as to be able to demand such compliance.*

In doing so, it will have to continue to attempt to dovetail its operations with the Commonwealth and the EU in particular, although the role of these bodies has been undermined by recent developments.

At a mini-summit of the Commonwealth a week before the SADC Harare meeting on 6–7 September 2001 in Abuja, Nigeria,<sup>11</sup> Mugabe's government agreed to end farm invasions in return for pledges of financial help from Britain for the implementation of a fair and orderly land reform programme. However, in a communiqué issued on 27 October, following a visit by a Commonwealth delegation to Zimbabwe in October, Commonwealth ministers called on the Zimbabwe government to fully implement this agreement. The ministerial team also urged co-operation with farmers and dialogue on other issues. The communiqué said that: 'It [the ministerial committee] called upon the government of Zimbabwe to speed up, in particular, the de-listing of farms which do not meet the set criteria and also implement the entire process in accordance with the laws and the constitution of Zimbabwe.' The Commonwealth secretary-general, Don McKinnon, who was part of the team led by the Nigerian minister of foreign affairs, Sule Lamido, said that 'There was a lot of disagreements on a number of facts on the land crisis in Zimbabwe but there is no alternative other than to take this process forward.'<sup>12</sup>

Earlier, in September, Zimbabwean CFU officials said they had hoped to reach agreement on how the Abuja deal could be implemented. Yet within days, the Zimbabwe minister of information, Jonathan Moyo, said that the Abuja deal had not committed the government to ending violence in farming districts. As the Abuja agreement came unstuck, some 350 mainly white-owned farms had shut down because of occupation by pro-government militants, while another 550 were only able to function partially. The CFU said 20 farms were invaded after the Zimbabwean government signed the Abuja agreement, and that 25 farmers had

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<sup>11</sup> Attended by the foreign ministers of Britain, Kenya, Jamaica, Canada, South Africa, Zimbabwe and Nigeria and a senior Australian official.

<sup>12</sup> See IRIN, 29 October 2001.



been forced off their property.<sup>13</sup>

While the Abuja agreement provides a new standard by which the international community can judge Zimbabwe's good faith regarding an end to violence and the reinstatement of the rule of law,<sup>14</sup> in reality the Commonwealth has been undermined by Harare's (non)adherence to these standards. Peer pressure has clear limits of influence when political survival is at stake. The Abuja agreement is also flawed on several counts, including its lack of mechanisms for monitoring and enforcing its terms and its apparent condoning of previous land invasions. Although additional scope for action against Harare (including suspension) exists, ironically, in terms of the principles of the 1991 Harare Declaration and the 1995 Millbrook action<sup>15</sup> programme, this is unlikely to make much of an impact, if any at all, before the elections. However, the Abuja agreement would appear to have been completely negated by the presidential decree of 13 November forbidding all white farmers to work their land.

More than 200 European observers monitored Zimbabwe's parliamentary elections in June 2000, and the EU has reportedly been watching the run-up to Zimbabwe's presidential poll 'very closely' amid widespread concerns about the potential for voter intimidation and political violence. Indeed, the Cotonou Agreement—binding developing countries to the EU through preferential trade access—contains good governance benchmarks. If they are violated, the agreement has provisions for a robust response from the EU under Article 96 that could include sanctions. Thus far discussions on Zimbabwe within the EU have revolved around the best framework for political dialogue with the government.<sup>16</sup> However, in October 2001 Harare rejected EU offers to send poll observers, with the minister of foreign affairs, Stan Mudenge, saying that the government refused the request as there was 'poison' in it and that Zimbabwe needed to preserve its sovereignty. The EU will have to act quickly and decisively if it is to influence positively the nature of the presidential poll process.

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<sup>13</sup> IRIN, 28 September 2001.

<sup>14</sup> See 'Zimbabwe: Time for international action', *International Crisis Group Africa Briefing*, 12 October 2001.

<sup>15</sup> Which committed Commonwealth states to deal with 'serious or persistent violations' of the Harare principles by member states.

<sup>16</sup> IRIN, 23 October 2001.

Overall, despite rhetorical concerns about the situation in Zimbabwe and—especially in the case of Tony Blair—Africa’s developmental situation generally, global interests are not directly threatened by events in Zimbabwe as they might be, for example, if Southern Africa was instead the Middle East. South Africa has a decisive role in this as its direct interests and its plans for African revitalisation are threatened by events to its north.

Arguably, what is now required is a serious commitment—not commentary—from South Africa to ensure that the elections go ahead peacefully, a warrant that convinces all parties to end violence and to accept a large, international monitoring presence, and *that without this presence, the results of the election will not be recognised*. There also has to be sufficient pressure to ensure Harare keeps its hands off the independent press, an essential part of a transparent process of democracy, and relaxes its control of other media avenues.

South Africa must be in the vanguard with its African partners on this important matter. No other country either has the leverage over or stake in Zimbabwe. The alternative to not pulling Zimbabwe out of what Minister Makoni has described as ‘a crisis’ is too serious and too negative for the continent to contemplate.

## **Conclusion: Turning Zimbabwe around**

The 2002 Zimbabwean elections will take place by March 2002. The timeframe for action is short, though the impact of a fraudulent election process and outcome could be severe and could have long-term implications. In conclusion, two significant elements are necessary for the Zimbabwe crisis to be turned around, namely:

- *The restoration and maintenance of respect for human rights and the rule of law; and*
- *A drastic economic austerity and recovery programme.*

The former requires an end to violence, the introduction of international supervision of and technical and financial assistance for the electoral process, and the establishment of a transparent and legal methodology for the land reform process. Failing the Zimbabwe government’s willingness to agree to this, a more interventionist and possibly coercive international and regional policy might be necessary.

The latter will have to involve the inflow and independent (non-government)

distribution of food aid. Failing Harare's acceptance of monitors, the implementation of targeted 'smart' sanctions such as the freezing of the holdings of Zimbabwean ministers and officials abroad and a ban on their travel will have to be considered. Given Harare's isolation, the practical effect of sanctions may be limited, though they would have an important symbolic value especially if imposed by fellow SADC member states.

A fraudulent presidential election victory will leave Zimbabwe desperate, broke and short of options. Political change that goes beyond mere faces and figures is a prerequisite for economic recovery. A failure to do so and restore confidence could be deemed a direct threat to the well-being of all SADC states. To ensure this recovery:

- The international community and SADC will have to be willing to declare that the elections were not free if the violence is not stopped and proper, supervised registration is not conducted.
- Elections that are not free and fair should preclude all forms of aid or IMF credits, and targeted sanctions should be recommended by SADC.
- SADC should also recommend Zimbabwe's suspension from the Commonwealth if the rule of law is not upheld, and if immediate steps are not taken towards allowing international supervision of the elections.
- If the election process goes ahead unhindered, SADC and the international community must press for accelerated talks with the IMF and aid donors.

The health of political and economic institutions is, in Zimbabwe like elsewhere, intimately and inextricably interconnected. In the short term, Zimbabwe's recovery is predicated on the normalisation of the political environment. In this regard, the staging of free and fair elections is critical. In the longer term, stability hinges on economic stabilisation and growth. Without action in these areas, Zimbabwe threatens to drag Southern Africa down and with it the hope contained in the New Partnership for Africa's Development.

# **Appendix: Conference programme and speakers**

## **Zimbabwe Before and After the Elections A Concerned Assessment**

Convened jointly by the  
South African Institute of International Affairs (SAIIA)  
and the World Peace Foundation (WPF)  
at Jan Smuts House, East Campus, Wits University  
12 November 2001

### **Programme and speakers**

**Welcome and Morning Chair:**  
Fred Phaswana, SAIIA National Chairman

#### **The political situation**

Morgan Tsvangirai, Movement for Democratic Change (MDC)  
Moeletsi Mbeki, SAIIA  
Tunji Olangunju, Nigerian High Commissioner to South Africa  
John Prendergast, International Crisis Group (ICG)

#### **The economic situation**

Dr Simba Makoni, Zimbabwe minister of finance  
Eddie Cross, MDC  
Philip Baum, Anglo American Corporation  
Tony Hawkins, University of Zimbabwe

**Afternoon Chair:**  
Robert I. Rotberg, WPF

#### **Options for the external community?**

Aziz Pahad, South African deputy minister of foreign affairs  
Tony Leon, leader of the official South African opposition: Democratic Alliance  
Chester Crocker, US Institute of Peace  
Richard Bourne, Institute for Commonwealth Studies, UK

#### **Summary and conclusions**

Dr Essop Pahad, South African minister of the presidency  
Fred Phaswana, SAIIA