

Policy Dialogue Report

24 June 2021, Zoom Platform

Public Meeting on Political and Economic Developments in Zimbabwe

**SALO PUBLIC POLICY DIALOGUE:
TRACKING ECONOMIC AND POLITICAL
DEVELOPMENTS IN ZIMBABWE**

THURSDAY 24 JUNE 10:00 TO 12:00 (SAST)



**MABEL NEDERLOF
SITHOLE**



**DR IBBO
MANDAZA**



**DR PHILLAN
ZAMCHIYA**



Introduction

The Southern Africa Liaison Office (SALO), in partnership with the Rosa Luxemburg Foundation, held a public meeting on Zoom tracking the recent political and economic developments in Zimbabwe. The speakers included Dr Ibbo Mandaza, Dr Phillan Zamchiya, and Mabel Nederlof-Sithole. The dialogue was premised on recent developments regarding the economic situation in Zimbabwe, including the June 2021 report released by the International Monetary Fund (IMF) and separately the World Bank's report on the economic growth in the country. Ms. Nederlof-Sithole covered a paper she co-authored with Professor Brian Raftopoulos.

Content of Discussion

Dr Ibbo Mandaza, Executive Chairman of the South African Political Economy Series Trust

Dr Ibbo Mandaza started the discussion on the recently released reports by the IMF and the World Bank, wherein both financial institutions provided differing key analyses and interpretations of the economic situation in Zimbabwe. Dr Mandaza found that there are implicit incongruities within the reports, which subsequently led state media entities to highlight aspects of the report which are favourable to the state. A key example of this included the World Bank's projected economic growth for 2021 as 6%, whilst the IMF stated that economic growth from 2020 is 3.1%. Both reports attribute the economic growth to good rains; however, Dr Mandaza asserts that it is a shallow metric to base economic growth purely on agricultural development whilst making no mention of any other sectors, including mining. Dr Mandaza stated that the IMF and World Bank's reports are further contradictory when painting an optimistic situation with an assessment that the economy is stabilising whilst the Zimbabwean government's own data indicates a bleak economic situation. Dr Mandaza concludes by explaining the apparent crisis in terms of the government's failure to reform.

Reserve money ballooned by 217% in 2020, inflation in 2020 reached triple digits, and the local currency vis-à-vis the US dollar depreciated by 70%. Formal employment continues to fall amid soaring prices and extreme poverty increased from 30% in 2017 to 42%, in 2019. Additionally, by the World Bank's own admission, 49% of the population lives below the poverty line. Service delivery continues to be critically lacking, all of which has been compounded by the COVID-19 pandemic, with limited government support or safety nets. The business and tourism sectors have been severely impacted by the pandemic, with no support mechanisms in place for restaurants and hotels. This has taken place in a context of financially under-resourced and under-performing government departments.

Dr Mandaza explained his understanding of the justification of the IMF and World Bank reports. He argued that it is a result of Zimbabwe being part and parcel of the international capitalist financial system, and therefore is historically and presently dependent on the aforementioned international financial institutions (IFIs). Following the coup in 2017 when Emmerson Mnangagwa took over as President and reported a new political and economic dispensation, what was seen was IFI's trying to reassert their position on Zimbabwe, likely in accordance with the British Lima Plan.

The British offered to clear Zimbabwe's arrears, an offer that remained on the table until June 2018 for the British embassy in Harare. This agreement was called the Lima plan – an attempt to re-integrate Zimbabwe into international financial institutions (IFIs). However, this was to be done based on a quid pro quo basis, and Zimbabwe would have to institute political, governance and economic reforms – primarily the public sector reform of parastatals and the need to privatise parastatals. To date, Zimbabwe has been unable to meet these conditions. As a result, it appears as if the IMF and World Bank are attempting to kickstart the Zimbabwean economy through positive reporting. Attempts at reform include austerity measures, primarily in the financial sector, with evidence of manipulation of the local currency amid a 70% depreciation of the ZWL. Given the ongoing economic situation, it is unlikely that the country will survive economically unless there is an inflow of money from IFIs. However, the state has had difficulty in meeting even the minimum requirements for reengagement, thus the ongoing difficulty for IFIs to reintegrate into the Zimbabwean economy.

Dr Phillan Zamchiya, Southern Coordinator at the Institute for Poverty, Land and Agrarian Studies (PLAAS)

Dr Zamchiya focused on a recent report released by Afrobarometer, an independent, non-partisan research network that measures public attitudes on economic, political, and social matters in Africa. Afrobarometer works with the Mass Public Opinion Institute, led by political scientist, Professor Eldred Masunungure. From the survey, 67% of Zimbabweans state that the country is going on a downward trajectory, whilst 72% state that the economic conditions are fairly or very bad. Social, economic, and political discontent is widespread and is breeding a silent social war that threatens peace and stability. Although the statistics of alleged economic improvement are being released by IFIs, it has not filtered down to the tangible transformation of people's livelihoods.

There is also a trend toward the loss of legitimacy by ZANU-PF – which has been waning in urban areas since the 1990s. Currently, 62% of people living in rural areas feel the country is also going on a downward trajectory. This indicates that there is a new wave of rural discontent in Zimbabwe. Thus, the urban-rural divide in Zimbabwean politics is turning out to be a false dichotomy. This could be attributed to the socio-economic conditions reported in the country in 2020: approximately 52% of Zimbabweans went long periods without enough food; 55% without medicine; 87% without money; and 51% without clean water. The majority are saying that the government is performing very badly in creating jobs, with 91% of participants stating that the government is failing to keep prices stable for basic commodities in the shops, and 78% assert that the government is failing to improve the living standards of the poor.

Dr Zamchiya asserted that there's evidently a weak social contract. If you look at the President of Zimbabwe, Mr Emmerson Mnangagwa, only 48% of the surveyed Zimbabweans said they trust him, and people's trust in non-government organisations stood at 79%. This is because, in the rural spaces and low-income urban suburbs of Zimbabwe, they have by and large replaced the function of the state through food provision, cash transfers, and other social basic services. In terms of delivery, the state is absent, and the church has also become a strong source of trust at 78%.

In terms of a positive assessment of the state, approximately 81% of Zimbabweans think that the government managed COVID-19 fairly or very well. However, the study was done in April and May of 2021, thus the assessment of government vaccine rollout was slightly pre-emptive. Dr Zamchiya also mentioned that the MDC Alliance led by Nelson Chamisa and their response to the pandemic was also uncoordinated, with some of the party's efforts characterised as politically opportunistic to exploit the pandemic for political benefit.

In terms of attitudes to election parties and elections in general (despite waning social legitimacy for the ZANU-PF government) should general elections be held, approximately 33% of respondents would vote for ZANU-PF while 26% would vote for MDC-A. The report focused on the party rather than party leaders or presidential candidates. Importantly, in terms of electoral trends in Zimbabwe, ZANU-PF is more popular than the candidate, while the MDC's political candidate is usually more popular than the party. An important takeaway from the report is that despite ZANU-PF's efforts to dismantle the MDC-A, it remains the only socially legitimate opposition party in Zimbabwe. With all the other parties combined, they only managed to garner 1% of the vote. A further important finding is that 40% of respondents refused to answer whom they would vote for. Dr Zamchiya analysed that in his experience with electoral studies in Zimbabwe, fear is pervasive, and people are not free to talk about their political choices. What Professor Masunungure calls 'the margin of terror' remains. Dr Zamchiya cites a quote by former MDC leader, Morgan Tsvangirai in 2017,

"I traversed the breadth and length of rural Zimbabwe in early 2017. The people are aware of the challenges that affect them, most want a change of government. However, the biggest problem is fear. They are afraid to vote for the opposition. The fear factor is the greatest stumble. Before the opposition come out with a strategy to deal with the fear factor, it is going to be difficult".

Mabel Nederlof-Sithole, Building Bridges Program Manager at the Nelson Mandela School of Public Governance

Ms Nederlof-Sithole focused on a research paper produced by herself, Professor Brian Raftopoulos, and Dr Godfrey Kanyenze funded by the Carnegie Foundation. The paper is titled *Navigating Turbulence in Zimbabwe*, wherein the paper provides a historic overview of the political economy of Zimbabwe leading to more recent events, including the disputed 2018 elections, increasing trends of predatory state capture and militarised governance, and state-sanctioned violence. The deepening economic crisis since 2018 and the already fragile livelihoods of the majority of Zimbabwean citizens manifested in public sector protests in late 2018 – with nurses, doctors, and teachers going on strike over depreciated salaries and working conditions amid rising inflation and the persistent monetary crisis. Following the announcement of a 250% fuel price hike in 2019, it elicited a wave of protests met with a heavy-handed government response. This led to the deaths of 17 people in the military clampdown in and around Harare. Women were reportedly raped, children were arrested and incarcerated, and attempts at national dialogue since that point have not been inclusive.

Ms Nederlof-Sithole's presentation titled, *Youth Are Drowning: Navigating Turbulence in Zimbabwe*, further focused on Zimbabwean youth and how the socio-economic and political environment has impacted them. She mentioned evidence brought forward by the Zimbabwean Human Rights Commission,

“Zimbabwe's youth constitute almost 70% of the population and they are facing the challenges of unemployment of almost 80% now, affordable education, lack of access to healthcare due to excessive poverty, forced mobility or migration due to limited opportunities, child marriages, sexual abuse, and the youth are at the receiving end of poor governance, corruption, and to some extent the pandemics of HIV AIDS, not to mention COVID-19, which we know has exacerbated all of these challenges even more as global trends have shown us.”

Further, youth exclusion from policy formulation and implementation, and political processes are also affecting their well-being, especially within the rural context. Youth are rarely consulted in formulating, designing, and implementing policies that directly affect them. Moreover, parental emigration and migration have negatively impacted youth and children in the country. This has led to several challenges, including being more vulnerable to abuse, lack of proper housing, lack of money, inability to attend school, food insecurity and psychological issues, child marriage, homelessness, and crime, among other issues.

The Zimbabwean government recently announced its plans to relaunch the National Youth Training Programme in partnership with the Ministry of Youth, Sport, Arts, Recreation, and the Ministries of Youth Defence and War Veterans. However, the alignment is worrying given the possibility of youth co-option to facilitate political agendas, and possible participation in political violence and intimidation, especially in the run-up to the 2023 General Elections. She noted that there is an urgent need for alternate networks to harness the minds, creativity and aspirations of the youth because she believes the ruling party themselves recognise the power that youth hold. Civil society has an important role to play here. Importantly she stated,

“The youth participation as well in democratic processes is also threatened by more restrictive legislation as we've seen, which also include the Patriotic Bill, and this seeks to silence any critical engagement in the political and public policy space, inclusive of Zimbabweans inside and outside of the country - and that's extremely worrying because that means forums like this cannot happen where we debate policy. And organized resistance, peaceful resistance is critical in this period so that we are not reactive but proactive.”

Ms Nederlof-Sithole also touched on the prevalence of gender-based violence in Zimbabwe. Nearly 50% of Zimbabwe's women have experienced either physical or sexual violence at some point in their

lifetime. Meanwhile, one in three of these women have experienced physical or sexual violence before the age of 18, as cited by the Borgen Project.

Contributions from participants

Piers Pigou, Senior Consultant for Southern Africa at the International Crisis Group (ICG)

Mr Pigou commented on the disjuncture in the narratives profiled by Dr Ibbo Mandaza with respect to the IFIs, which are echoed by the government in terms of the respective publications but also by certain business practitioners, professional associations in Zimbabwe, and some international business players that have been talking optimistically about an economic recovery in Zimbabwe. He questioned what the speakers think could be done about the binary narrative at play; because the two narratives contradict one another – i.e., binaries of crisis versus no crisis, and reform versus no reform. He asked, what are the appropriate vehicles for trying to construct and have these conversations around both of these narratives. Mr Pigou also asked,

“Are we going to see more proactive attempts from colleagues in Zimbabwe to reach out to the South African tracks, to the ANC and the government tracks, to at least try and ensure that that the realities that are being presented in these presentations today, for example, are very clearly on the table?”

Lwazi Somya, SALO Research, Development, and Programmes Coordinator

Mr Somya spoke in recognition that the COVID-19 pandemic has hit the international community very hard, particularly poor and working-class groups. Countries are avoiding investing in the Global South to protect their own economies from COVID-19 induced shocks. He asked what other mechanisms or frameworks can be utilised for there to be greater traction in the international community. In highlighting the difficulties of the current socio-economic and political environment, amid the ongoing human rights crisis perpetrated by the current Zimbabwean administration, and engaging around notions of international solidarity; what role do regional actors have to play in terms of highlighting the human rights crisis?

Nicole Beardsworth, Honorary research fellow in PAIS and politics lecturer at the University of the Witwatersrand

Ms Beardsworth stated that for the last 20 years, if not more, discussions have been stuck in a binary around questions of what political actors are doing, and it is either as the ruling party or the opposition. She noted that perhaps this is not helpful framing. She asked the panellists to unpack what it is that the MDC, led by Nelson Chamisa, is doing to try to reach out and to raise the stakes of the repression which is currently quite significantly underway. What can political actors do? And what are political actors doing?

Tony Reeler, Senior Researcher at Research and Advocacy Unit

Mr Reeler commented that the discussion is too focused on political fear as opposed to political trust. Looking at trust in state agents, as found in the Afrobarometer study, in 2021, there was a significant drop in trust not just in the executive, but also in the state. Zimbabweans have lost faith in the state, the government, and political parties, and that leads to a concern about what it means for citizens to participate in public life and in elections. Mr Reeler highlighted that only 44% of the population trust

President Emmerson Mnangagwa, whereas, in 2017, 64% of the population trusted former President Robert Mugabe. He commented that this is a very serious issue going forward into the election, as the most violent elections that happened in Zimbabwe have historically been contested where ZANU-PF's control over the presidency is at stake. It raises concern in Zimbabwe, as he argues that ZANU-PF essentially has no social base at all, rather, they have coercive power and that there is a massive populace out there that either vote for ZANU-PF or votes against them. He assessed that the predictions for the 2023 poll are extremely gloomy and that one of the key issues that we should be thinking about in the region is how to manage that problem.

Munjudzi Mutandiri, SALO Senior Programme Advisor

Mr Mutandiri queried the financial framework that the finance minister, Mthuli Ncube has presided over in the past few years. There have been a number of statutory instruments in the finance sector. He asked whether these statutory instruments have had a positive impact (which could have spurred the World Bank and the IMF to bring about their reports) but also on the ground and politically whether this has contributed to any positives on the ground. The latest statutory instruments seem to have given energy to the parallel market.

Johnny Oates, Liberal Democratic Lords Spokesperson on the Climate Emergency & Energy; Co-Chair All-Party Parliamentary Group for Zimbabwe

Lord Oates, a UK Parliamentarian, asked if there is a constructive role that the UK can play, noting that it can be counterproductive for them to be involved given Britain's history in the region.

Athenkosi Thoba, SALO Researcher

Mr Thoba asked about the role that the World Bank and IMF plays and stated that they have significant input in terms of the policy structures of many governments around the world. Would these two reports hamper any possible economic reform that was in the cards in terms of Zimbabwe? And secondly, do they contribute to this lack of effort from the regime to deal with the mismanagement of the economy in Zimbabwe and other issues relating to corruption?

Responses from the panel

Dr Ibbo Mandaza

- When replying to Mr Mutandiri's question, in Dr Mandaza's view, all the statutory instruments reflect the kind of panic tinkering with the economy in a situation where more fundamental things should be done in terms of reforming. The import of the statutory instruments steals from the people. It is eroding the financial capacity of the population with every statutory instrument. Particularly, the arbitrary exchange control mechanisms of the Zimbabwean dollar to the United States dollar.
- On the question relating to Mthuli Ncube's performance as finance minister, he stated that the extent to which the financial crisis is so serious in Zimbabwe is reflected in the social and economic condition of the people. Dr Mandaza asserted that IFIs are exacerbating the situation, not solving them. Noting the nature of the economic system of Zimbabwe as one that is

dependent on international financial institutions; what is happening now is perhaps a step closer to some kind of rapprochement between Harare and the IFIs.

- In terms of Mr Pigou's question, the IMF or the World Bank reports does complicate matters, as it reflects the tendency in the international community toward a kind of rapprochement with Harare, despite the evident crisis. This is evident even in the Afrobarometer report, which shows that the crisis is deepening.
- In terms of the way forward, as echoed by Dr Zamchiya, Dr Mandaza stated that peaceful resistance is not working against a regime that tends to be pre-emptive in a manner that deals with civil society violently. There is a fear from the state of the population, that if you allow even peaceful demonstrations, it could ignite a storm, which the state will not be able to handle. Anything that suggests any kind of protest is pre-emptively dealt with, and violently so.
- In response to Ms Beardsworth's question about the binary of the ruling party versus the opposition, Dr Mandaza stated that it has appeared to him that the MDC Alliance, the formal opposition, has been decimated. However, that is not to say the opposition has been stifled altogether. He argued that 90% of the population is very much in the opposition but what is lacking is leadership.

Dr Phillan Zamchiya

- There is a struggle in terms of the constitutional definition of what is allowed in peaceful resistance versus state allowance. In practice in Zimbabwe, "peaceful" is defined mainly by the state securocrats. If you look at most of the cases where people are said to be violent, they were engaging in peaceful resistance. People tweeting criticism against the state have also been charged. Who defines that as violence? Thus, the issue lies with state securocrats who define "peaceful" and the Constitution that is not put into practice.
- Regarding the MDC Alliance, it is fair to say that its capacity has been constrained recently. The state has had a very deliberate process to decimate the opposition, not just the MDC Alliance, but also extraordinary activists and civil society members. COVID-19 has also been used as a political tool to silence opposition. It is overlooked that the current leadership of the MDC Alliance, their Vice Presidents, Tendai Biti and Lynette Karenyi-Kore, are all facing charges for engaging in peaceful demonstrations. All the top leadership of women in the MDC Alliance are facing challenges – Gladys Kudzaishe Hlatywayo, Fadzayi Mahere, Joanna Mamombe, Cecilia Chimhiri, and Netsai Marova. There is a deliberate attempt to decimate, silence, and eliminate the MDC Alliance. However, notwithstanding this, the MDC can do more, especially its current president, who has been disappearing in key political moments. However, collectively, they are strained, and they have all these charges hanging over them. However, there is definitely room for improvement.
- In response to Mr Reeler's question regarding the issue of trust, as aforementioned in the Afrobarometer study, only 48% of participants trust President Mnangagwa, while 38% of the participants trust the ZEC, with limited trust in state institutions. One of the reasons for his study of why people do not trust the police as an institution, for example, is because of their use of terror. The violence, even in non-political matters, is ingrained. When one is arrested and taken to the police station, police do not follow the Constitution, there is no rule of law, and people are beaten up. With this use of violence and terror, people are afraid of the state institutions that should be protecting them.

Conclusion

Dr Zamchiya emphasised the Afrobarometer survey, and he extrapolated the data. He stated that it is clear that ZANU-PF is wounded and when ZANU-PF is wounded, as we have seen historically, it is likely to increase the securitisation of both the party and state institutions. Historically, when the state is wounded, it begins to attack the Judiciary. This has been evident in state actions in the last two years with an increasing encroachment on the Judiciary. However, what is different is that the state has also started to threaten the Law Society of Zimbabwe by utilising the Zimbabwe Anti-Corruption Commission. As evident in the quote by the State Security and Minister of Justice, Ziyambi Ziyambi,

“I want to make it clear that we do not accept the decision of the High Court. We have a serious situation of a Judiciary that has been captured by foreign forces in the country.”¹

Historically, when faced with opposition or criticism, ZANU-PF has labelled critics as an extension of the ‘neo-colonial or neo-imperial’ agenda. This has been present even in the Mugabe administration. The state has also lashed out at the citizenry, particularly those most disenfranchised, especially women and economically marginalised people.

Separately, the upcoming 2023 general elections are likely to be peaceful; however, whether they will be free and fair remains a concern in Zimbabwe. Only 38% of Zimbabweans trust the Zimbabwe Electoral Commission, indicating a limited trust in the electoral system. In turn, we are likely to see greater voter apathy in the upcoming 2023 general elections should there be no significant reforms. If there are reforms, Dr Zamchiya asserted that it is likely to be superficial or window dressing reforms to appease external observers. As per the ZANU-PF acting Finance Minister, Patrick Chamisa,

“As far as we are concerned, 2023 election is a foregone conclusion, in fact, it’s over before the people vote”.

In Ms Nederlof-Sithole’s conclusion, she argued that there is an urgent call for civil society initiatives to systematically target youth in program delivery. As youth constitute the majority of Zimbabweans, it means they are beneficiaries of most programs regardless of whether they purport to target youth or not. Disaggregation of interest groups amongst the youth by looking at their livelihoods, geographic location, rural or urban, gender, income, etc. is necessary to facilitate context-specific interventions by

¹ Dzirutwe, M. 2021. Zimbabwe minister rebukes judiciary after chief justice ruling. TimesLive. Available: <https://www.timeslive.co.za/news/africa/2021-05-16-zimbabwe-minister-rebukes-judiciary-after-chief-justice-ruling/> [28 March, 2022].

youth and for youth. The chilling developments within Zimbabwe's political and economic landscape, including state capture and corruption, have a devastating impact on youth and their aspirations.

Ms. Nederlof-Sithole stated that,

“The superficial inclusion of youth in politics to strengthen and maintain existing power structures is an ongoing threat to democratic governance in Zimbabwe. Youth deserve more than just a seat at the table, their pluralistic voices must be heard, and the requisite action taken to address their concerns. Finally, if the socio-economic challenges are not resolved, what currently stands as a young, impoverished population will be an ageing, disempowered population that will add layers of complexity to the crisis we see today. Inter-and-intragenerational class mobility will be a bigger challenge, as children access fewer opportunities for education, employment, health and overall sustainable livelihoods.”

The analysis and recommendations included in this Policy Report do not necessarily reflect the view of SALO or any of the donors or conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. The contents of the report are the sole responsibility of SALO, and can under no circumstances be regarded as reflecting the position of the donors who provided financial assistance for this policy dialogue session.

About the Southern African Liaison Office:



The Southern African Liaison Office (SALO) is a South African-based not-for-profit civil society organisation which, through advocacy, dialogue, policy consensus and in-depth research and analysis, influences the current thinking and debates on foreign policy especially regarding African crises and conflicts.

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