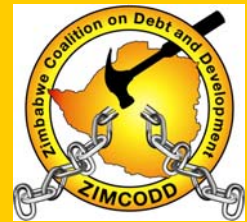


Breakfree

The Zimbabwe Coalition on Debt and Development monthly Newsletter
Investing in people for social and economic justice in Zimbabwe



January, 2007

Leadership Renewal: Highlights of the ZIMCODD National AGM

In line with its constitutional provisions, ZIMCODD held an elective AGM in Harare on December 20 2006. A total of 48 delegates representing ZIMCODD sectoral members, regional committee members from Harare, Bulawayo and Mutare as well as the Secretariat attended the landmark meeting. Mr Jonah Gokova was retained as the Chairperson of the Board whilst Mrs Irene Takundwa (Mutare) was elected as the new Vice Chairperson. Presiding over the peaceful election, Mr Deprose Muchena, a long standing member of ZIMCODD, said elections were not meant to contest for political power but to achieve leadership and organisational renewal, consolidation of gains, legitimacy and cohesion.

The National AGM was part of an earlier electoral process in Bulawayo, Mutare and Harare in which members were elected into respective regional committees. In line with Section 7 of the ZIMCODD constitution, the three regions elected regional chairpersons, vice chairpersons and at least five committee members. Following this electoral process, ZIMCODD enters 2007 invigorated, stronger and focused towards achieving a people based movement for social and economic justice in Zimbabwe.

In the next Issue....

Sino-Africa Cooperation Watch

From the next issue on-wards, we shall be taking a closer look at the China-Africa Cooperation, and its implications on Africa's Development.

Watch this space!

Editorial

Dear Reader

Complements of the New Season!

As we begin 2007 it is important for us to ensure that as a nation we learn from our past mistakes so that we make the future brighter. However, it seems our economic and political strategists do not get this point at all. No wonder they continue to sing the privatisation song despite the increasing HIV/Aids death toll, number of school dropouts, retrenchments and poor sanitation, to name a few verifiable indicators of the impact of privatisation. In this issue we take a look at the impact of privatisation on health, transport and social service delivery. The testimonies published hereunder were captured in Bulawayo at the launch of ZIMCODD's report on the findings of a desk study entitled "*An Analysis of the Objectives and Effects of Privatisation on the Public Sector and the role of the State in Zimbabwe*" in November 2006. The study formed the first phase of a regional project commissioned by the Southern Africa People's Solidarity Network (SAPSN) in five other Southern Africa countries. The report argues that the privatisation process in Zimbabwe has deepened the humanitarian crisis. It recommends a reversal of privatisation of services and the readopting of the welfarist state, genuine indigenous economic empowerment, and a transparent regulatory framework for economic development.

In light of the foregoing we take interest in the current wave of privatisation under which social services are being 'commercialised'. In this issue the Zimbabwe National Water Authority (ZINWA) which is taking over the water and sewer reticulation system from towns and cities takes center stage.

Read on...

Editor

In this issue...

- ❑ **ZINWA, leave Bulawayo Alone!**
- ❑ **Privatization and Rail Transport industry in Zimbabwe: Excerpt**
- ❑ **Effects of privatization on social service delivery: Excerpt**
- ❑ **The effects of Privatization on people living with HIV/AIDS**
- ❑ **Of EPAs and the Leadership Crisis in Southern Africa**

Zimbabwe Debt Statistics

External Debt **US\$4, 1 billion** (November 2006)

Arrears & Interest **US\$2,2 billion** (November 2006)

Domestic debt **\$Z178 billion** (December 2006)

Annual Inflation rate **1281.1%**
(December 2006)

Food Basket (family of 6) **Z\$352 000** (January 2007)

To contribute send your articles to comms@zimcodd.co.zw. Please note that articles should be precise with a maximum length of 1page

ZINWA, leave Bulawayo Alone!

By Janet Mudzviti

Two Ministries, namely the Ministry of Water Resources and Infrastructure Development and the one called Local Government, Public Works and Urban development, have confirmed that the government will go ahead with plans to privatise water and sewer reticulation system from towns and cities through the Zimbabwe National Water Authority (ZINWA), with the next target being Bulawayo. In Harare this has already been effected without bringing any good news. Burst sewer pipes have become the order of the day with Harare residents literally living with raw human waste in their courtyards and on the streets. As for the potential health risk involved, no one in the government seems to care. Dr Ignatius Chombo, the Minister of Local Government had the audacity to publicly justify the mess on national television alluding to the fact that it was one of the hand-over take over challenges that ZINWA was facing.

Maybe someone needs to be reminded here, that this problem is not anything new or peculiar to a handover-takeover process. The question then is can we trust ZINWA to solve this problem? Does ZINWA have the capacity to save the situation from the ill-functioning commission in the case of Harare? From what we see, ZINWA has simply failed, it was never meant to succeed anyway. For this reason Bulawayo residents have already said No to ZINWA! Bulawayo has been experiencing perennial water shortages owing to the low rains in the region and the growing population, which has seen the demand of the commodity outgrowing the supply. One wonders whether ZINWA is going to start off the Zambezi-Matabeleland water project (which is believed to be the ultimate solution to the water crisis) or they believe in cloud seeding as the solution!

Currently the development of alternative sources has failed purportedly due to 'lack of funds', or is it lack of political will from the relevant stakeholders? One wonders how ZINWA is going to deal with the water shortages in Bulawayo. The last time residents heard about ZINWA interventions was when they leased some boreholes at the Nyamandlovu aquifer to improve the Council's water supplies. Are boreholes the solution to this dry region's water problems? If ZINWA dreams of solving the water problems and its dream can only go as far as drilling boreholes, surely they have not started dreaming or they simply don't dream at all. Bulawayo residents need supplies of water and sewer reticulation systems that can simply match the growing population.

Who really benefits from this ZINWA adventure to nowhere? Or is this one of the cash cows of some corrupt leaders meant to milk the poor residents dry? One way of looking at it is to assess how this initiative is going to incapacitate the Council. The Council is going to lose about 40% revenue from water billing to ZINWA yet there is no guarantee that ZINWA will deliver. All we know from experience with these institutions is that there will always be excuses for failure. One of the excuses predicted is "there is no foreign currency to import the required equipment and other chemicals."

The point is Bulawayo does not need ZINWA; neither do all other towns and cities. ZINWA does not have any success story in its folder. What we need are capacitated

local authorities with autonomy from political interference. The solution to water and sewer reticulation problems in the cities is simply to avail resources to cope with the increased demand of those services. No to ZINWA! Stop privatizing essential services.

Janet Mudzviti is the Program Officer for ZIMCODD's Southern Region

Privatization and Rail Transport industry in Zimbabwe:

Excerpt from speech by Phebeon A. Chenyika (President of the Railway Artisans Union, RAU – Bulawayo)



“Susan George, an economic writer and researcher of note remarks, ‘I submit that we should stop talking about privatization and use words that tell the truth; we are talking about alienation and surrender of products of decades of work of thousands of people to a tiny minority of large investors. This is one of the greatest hold ups of ours or any generation.’

In 1997 the Privatization Agency of Zimbabwe (PAZ) and the Ministry of Transport and Communications sought to privatize the National Railways of Zimbabwe (NRZ). The PAZ in conjunction with CIE a consultancy firm from Ireland came up with a number of models which included splitting NRZ into 21 sub units on the basis of core and no-core business and the vertical and horizontal separation of the main entities namely Infrastructure, Equipment, Operations and Real Estate. The Railway labor unions fiercely resisted these privatization attempts and demanded consultation.

Our experience on the NRZ as labour regarding privatization is that the diagnosis of the NRZ problems should be properly and fairly made in order to come up with a requisite remedy. We have been able to demonstrate to government that the NRZ's problems are to do with under capitalization, a blotted and bureaucratic structure and inordinate legislation. For example, regulations on road axle loadings are heavily tipped in favour of road haulers. They traverse the country say from Hwange up to Mt. Hampden with maximum tonnages and only pay a nominal annual road tax. Whilst the state maintains the roads and bridges, the NRZ has to maintain its own infrastructure, service equipment and rolling stock, as well as meet its operational costs and yet it is expected to maintain a sound balance sheet.

The union believes NRZ plays a crucial and strategic national role and a tributary function in the SADC regional railways configuration with a lot of transit traffic traversing the country. It is our strong conviction in opposition to privatization that;

- The provision of services by the private sector will lead to an increase in user charges
- Privatization leads to retrenchments and cutbacks on working conditions, wages and employment benefits
- Privatization will only benefit big business and a few people

Due to the foregoing, government has now adopted a cautious approach to the privatization of the NRZ”.

EFFECTS OF PRIVATIZATION ON SOCIAL SERVICE DELIVERY :

Excerpt from speech by S. W, Moyo (Bulawayo Residents Association, BURA President)



I grew up in Bulawayo and attended my Primary and Secondary education in this city. I also worked and lived in the suburbs of Makokoba and Mzilikazi between 1947 – 1950. During that time, the all-white City Council had put in place projects and social welfare services for the African population who received very low wages and lived in crowded rooms in Makokoba. These included youths and women's clubs where a lot of handiwork was taught. The *City Council African Brewed Beer* was one project that benefited the African population in a big way. The City Council brewed beer that was sold to numerous outlets in the locations and in doing so, the project subsidized the development of African townships. These projects were directly managed by Council administrators and they brought about a very fast development of both the housing and social services for residents. During those days the Bulawayo Residents Association (BURA) pressurized the city council to provide home ownership facilities rather than rented houses as most of the African people never had owned anything in the city. City Council adhered to this demand and hence we have home ownership in all areas except Iminyela, Mabuthweni and parts of Makokoba which are still waiting to be upgraded to home ownership.

It is important to note that the income generation projects by the 'white-only' City council were managed efficiently and the profits thereof were ploughed back into development projects and subsidy to keep service charges rentals low and affordable to the African population. This continued for many years and this enabled city council to provide adequate service delivery to the residents. Nowadays privatization of council services has adversely affected all its service delivery. They have privatized Ingwebu Breweries and Aisleby Farms and are thinking of even privatizing tuck shops, lavatories, street lights and former youths and women's clubs, all cocktails, beer outlets to mention but a few. Now that I am a retired headmaster at the age of 72 years, living on a meager pension of Z\$12000 per month, I wonder how I will manage to pay for the proposed 2007 Council services pegged at Z\$16 000-00 per month up from \$1000. Meanwhile, the poverty datum line is now about Z\$40000-00 or more per month for a family of five. I wonder how fellow residents who do not have any income will manage Council bills. Some of them are those retired workers who worked in Bulawayo many years ago to sustain it through their committed services. They own houses in the city and with the coming of the devastating HIV / AIDS pandemic, some of them have orphaned grand children to look after yet they do not have any income. How then will they survive?"

The effects of Privatization on people living with HIV & AIDS

Excerpt from speech by Abraham Nyatsanza (HIV/AIDS Counselor)



“The only thing necessary for the triumph of evil is for the good men to do nothing.” Edmund Burke’

We are reliably informed that in Zimbabwe, one is either infected or affected by HIV/AIDS making the pandemic not only a household issue but one that deserves attention at the highest level. One of the adverse effects of privatization in Zimbabwe has been the ever rising cost of medical care and drugs. With privatization health services have been *commoditized* and the cost of Anti-Retroviral Drugs (ARVs) has been prohibitive. Even the cost of locally manufactured drugs has been reported by the *Chronicle* to be increasing at a rate of 50-65% every three months. As of October 2006, it was between \$20 000 and \$25 000. The prices of the imported ARVs are also skyrocketing every month as the Zimbabwe dollar continues to fall against major currencies on the parallel market. It is important to note that the cost of HIV/AIDS therapy is not limited to ARVs. It involves nutrition and other drugs required to fight opportunistic infections. Privatization has pushed the price of food beyond the reach of many people. Meanwhile, only 42 000 out of 600 000 infected people are benefiting from the government sponsored HIV/AIDS therapy scheme. Furthermore, the scheme does not cover the complete therapy and as such beneficiaries still have to buy supplementary drugs.

Our fight against HIV and AIDS must take a holistic approach and not just deal with spread of the disease while neglecting those suffering from that disease. The privatization initiatives in Zimbabwe, having commoditised education, will result in the reduction of the number of medical professionals. The high cost of education will end up producing a few health workers that are after money. We need the “Florence Nightingales” of the yesteryear.

Privatization of statutory bodies has made the local councils fail to provide facilities for our youths and teenagers to learn and interact at the youth centers. They no longer have the personnel and equipment that these youngsters could take advantage of and not just think about sex. With privatization, unemployment levels have gone up and prostitution as a means of livelihood has gained ground. The number of orphans resulting from HIV / AIDS related deaths has also increased. Without education, employment and social amenities, these orphans are thus trapped in a way of living that ends up with more HIV / AIDS related deaths. The fight against HIV / AIDS must be won and it can be won.

Comrades, the fight against HIV / AIDS is not won by condomising only, but by making information and resources available to those who need it the most. Privatization denies those who need these things. We cannot afford to be silent.”

Of EPAs and the Leadership Crisis in Southern Africa

By Fr. Brian Mac Garry

So much can be said about how the Economic Partnership Agreements (EPAs) between the European Union (EU) countries and member countries of the Southern Africa Development Community (SADC) weaken the bargaining position of SADC. A lot can be written about how EPAs also hamper regional co-operation and undermine Africa's autonomous development. We can condemn EPAs, as we did at the SADC Peoples' Summit held in Maseru in August 2006. We can present clear and forceful arguments against them. But all of that has nothing to do with why governments enter into these agreements.

It was pointed out in the discussions in Maseru that a large part of EU 'aid' to SADC and its members comes as 'free advice'. The EU sends their policy experts to advise SADC and its member governments and pays their salaries. We all know that 'He who pays the piper calls the tune.' We know whose advice those experts are giving and who it will benefit. If an EU expert consultant advised an African government to act against the interests of the government that sent him, that would be the last EU consultancy that person would get.

But why do African governments surrender their authority in this way? Very simply, because most government ministers are more interested in the perks of power than in helping their people, so they do not mind selling off the power as long as they keep the perks. How many African leaders since 1960 can you name who were really concerned with changing the power structures to benefit their people?

The American Central Intelligence agent CIA played a large part in the assassinations of Patrice Lumumba of the Democratic Republic of Congo and Noel Sankara of Burkina Faso. They write Libyan Colonel Muammar al - Gaddafi off as a nutcase. They call former South African president, Nelson Mandela a saint, which isolates him from the realities and writes him off. They called the late Julius Nyerere a saint and misguided. That writes him off decisively. Can you name another? Is there a country you can name where the post-independence phase hasn't left us with entrenched elite? They survived multi-party elections in Malawi, Kenya and Mozambique, with or without a change of party in government. They have entrenched themselves in Botswana without ever abandoning multiparty elections (for years they had only one government newspaper, one government radio station, no TV, denied the existence of 200-300,00 Kalanga in their country and used all the subtle tricks, from patronage to the occasional ballot-rigging, against the Botswana National Front. Now Kgosi Khama IV is lined up to be the next president and the process looks complete). South Africa hasn't completed the post-independence phase, but isn't it on the same track?

Of course, there are levels of acceptability to their peers and the Western world. Botswana has achieved the top place in this table. Mobutu's Congo fell below the minimum level and he eventually had to go. Our man is probably on the bottom rung of that ladder now. But when we presented the peoples proposals to the SADC Heads of State Summit in Maseru, can you guarantee that the official who accepted it politely didn't hand it to the official who filed it in the wastepaper basket?

Maybe there is some hope for Zimbabwe because our Old Man lacks the politeness

or the hypocrisy to hide his villainies from us. That keeps us all more aware of the need for change. But when the Old man goes to his reward, will any likely successor break the pattern? We don't want him replaced by someone who is more acceptable merely because he is more of a hypocrite - or more polite.

Contact: *Zimbabwe Coalition on Debt & Development (ZIMCodd), No. 5 Orkney Road, Eastlea, Harare, P.O.Box 8840, Harare, Tel/Fax +263 4 776830/1, Email: comms@zimcodd.ci.zw, Website: www.zimcodd.org.zw*