

Re-thinking aid policy in response to Zimbabwe's protracted crisis: A Discussion Paper

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Preamble

The aim of this discussion paper is to contribute to debate at a Roundtable on Zimbabwe at the Overseas Development Institute on 4th June 2007. The paper is organised thematically to present a brief overview of the current situation in Zimbabwe before outlining alternative visions for the future for Zimbabwe and the role of the international community in that future.

It is important to highlight that some of the assertions made in this paper are drawn from the media³. They are uncorroborated and the Overseas Development Institute cannot be held responsible for any errors in fact or interpretation.

Introduction

Zimbabwe is in the grip of its worst humanitarian crisis since the start of majority rule. Life expectancy has plummeted to 36 and is expected to fall to 27 years by 2010, 1.4 million people are in need of food aid, the economy has shrunk faster than any other in peace time and has the highest inflation rate in the world.

How has the former breadbasket of Africa collapsed in this way? Adverse climate conditions and the high prevalence of HIV/AIDS can only partly explain the high levels of poverty and vulnerability among Zimbabwe's once prosperous population. The Zimbabwean government blames the country's collapse on US and EU sanctions but these are limited to (i.) a ban on travel to the EU and US by 95 ZANU PF officials; (ii.) a ban on arms sales to Zimbabwe and (iii.) a freeze on Zimbabwean owned assets in European and American banks. This suggests that the root cause is elsewhere.

In the sections below we outline what we see as the key drivers of the current economic crisis.

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³ We rely, throughout, on Proudlock, K. (2007) Zimbabwe Media Digest. May 2007. London: Overseas Development Institute.

Land reform and agricultural policies

The fast track land reform programme, initiated in 2000, has undoubtedly contributed to Zimbabwe's rapid social and economic deterioration (see Box 1, below, for more detail). The eviction and loss of jobs experienced by former farm workers has led to displacement and created new vulnerable groups who lack access to essential services and are often chronically food-insecure. Lacking in assets and often in transferable skills, this group is likely to become a group of 'hard to reach' chronically poor people, even following economic recovery. Unfortunately, little attention has been focused on them by the Zimbabwean population and State as they are commonly first, second or third generation immigrants from Malawi, Zambia and Mozambique and are regarded by many Zimbabweans as 'aliens' and outsiders and humanitarian aid from the international community is interpreted as politically motivated support to the opposition.

Box 1: Fast Track Land Reform

Some suggest Zimbabwe's 'war vets' were central to Mugabe's decision to push ahead with the fast track land reform process, as such a reform process would create a resource which could be used to support, or create, allies. From 1997 the 'war vets' had become Mugabe's most significant political threat and to stave off possible political defeat, Mugabe offered the veterans a generous set of payments including a pension and gave them the green light to invade white-owned commercial farms.

Legally, Zimbabwe's fast track land reform is closely associated with the revision of the country's constitution which attempted to link the constitution with the state's right to seize land from large-scale farmers for redistribution. A national referendum (February 2000) rejected the proposals but that same month farm invasions began (Chaumba et al 2003). These may have been spontaneous or orchestrated by the 'war vets' but they coincided with a severe regional rainfall shock and harvest failures. Despite losing the referendum, the Government amended the constitution and passed a new Land Acquisition Act in April 2000. This legalised compulsory acquisition (Kinsey 2004) and in June 2000 Mugabe announced the fast track land reform programme, stating that it was necessary to correct colonial imbalances in land ownership.⁴

In June 2002 around 3,000 white farmers were ordered to leave their farms (Addison and Laakso 2003), and by August 2002 the fast track land reform was completed. More than 5,000 white-owned commercial farms were seized⁵, and by the end of 2002 only 600 white farmers remained in the country (Sachikonye 2003). Over 10 million hectares of land changed hands, with 300,000 farmers gaining access to plots of between 5 and 10 hectares, and over 50,000 farmers gaining access to plots large enough for commercial farming. The process was chaotic and access to plots was mainly organised through ZANU-PF party structures. Rather than being an equitable process of redistribution to the landless it became highly politicised and patronage systems came into play. In the end a number of members of the black political elite gained large tracts of high-quality land (Scarnecchia 2006), which they tend to hold speculatively, rather than farming productively.

Source: Prowse & Bird, 2007.

'New farmers', who have benefited from land redistribution, were commonly allocated land on the basis of political patronage rather than agricultural expertise. According to critics, many are holding the land speculatively and lack the dedication, financial resources, equipment and expertise to run large farms⁶, leading to massive production disruptions. These have coincided with adverse climate conditions and the negative effect on agricultural production of inflation, forex shortages and deepening market failures (See Boxes 2 and 3, below). As a result Zimbabwe has experienced a sharp decline in grain production shifting from being a net food exporting to a net food importing country.

⁴ CAJ News 06 March 2007: <https://www.cajnews.org/>

⁵ IRIN Johannesburg, 22 Feb 2007: <http://www.irinnews.org>

⁶ Mail & Guardian, SA, 05 March 2007

Food shortages have been compounded by government policies, including price controls for basic goods, and the control of key output markets (maize, wheat and white sorghum). In an effort to counter food shortages the government is reported to be relying increasingly on the army to control not only food distribution but also production through the GMB. Under Operation Maguta, begun in 2005, producers obtained inputs from the Grain Marketing Board (GMB) but had to sell most of their produce to the Board at below the international market price⁷. The volumes that households are allowed to retain for own consumption is often inadequate and producers have to buy back grain from the GMB. However, this is not necessarily straightforward and examples of people being denied the right to purchase maize, because they are considered to support the opposition are well documented. Furthermore, rocketing input prices have led to severe losses and farmers choosing to cultivate less or to produce 'less political' crops, not subject to price controls⁸. Grain production has declined even further and in May 2007, Zimbabwe's main electricity supplier announced massive power cuts in Harare's residential areas in order to keep irrigation schemes running on the few farms still growing wheat.

Box 2: Fragmented and imperfect agricultural input markets

The availability of seed and key agro-chemicals is now variable over time and space. Over the last four growing seasons even farmers with the money to purchase the increasingly expensive inputs have often not been able to find them.

Recently fertiliser companies operating in Zimbabwe have been constrained by foreign exchange shortages, which has hampered production and supply has been unreliable. Speculators are active and "new farmers", who benefited with land allocations following the Fast Track Land Reform, are selling the subsidised fuel and fertiliser they have received from the State rather than using them for productive activities.⁹

Without fertiliser, yields from the exhausted soil are reported to have fallen by three quarters, driving many households into a downward spiral of increased food insecurity, income declines and an inability to purchase the next season's agricultural inputs (Bird et al, 2006:7).

Source: Prowse & Bird, 2007.

Box 3: Distorted agricultural output markets

Food grains: Maize, wheat and white sorghum are now classified as 'restricted crops', meaning that they can only be sold to the state owned and administered Grain Marketing Board at below the international market price. Liquidity problems means that GMB does not collect these crops post harvest requiring farmers, even very poor farmers, to pay their own transport to GMB depots. Richer communal farmers club together to hire a truck to transport their harvest, but this is expensive, and is likely to exclude poorer farmers and those with limited marketable surplus. These, and other farmers, rely on illegal 'side marketing', local agro-processing including beer brewing which is accessible to the labour surplus less poor and retention for own consumption.

The sale of maize by the GMB at subsidised prices further distorts local and national food markets. Anecdotal reporting suggests that trade *within* GMB warehouses creates margins for certain officials (buying maize at consumer market price, reselling at the higher GMB purchase price)¹⁰. Despite commercial maize mills functioning at a fraction of their capacity, new mills are apparently being constructed by senior ZANU

⁷ Another example of the militarization of agriculture has been the systematic destruction of market gardens and cash crop by the army (Solidarity Peace Trust 2006).

⁸ Human Rights Watch 2003, Solidarity Peace Trust 2006

⁹ Zimbabwe Independent, 26 Feb 2007 Mugabe faces Dilemma <http://www.thezimbabweindependent.co.zw/>

¹⁰ In February 2007 the Grain Marketing Board was reportedly buying maize at \$52,000 per tonne and selling it to politically connected millers at \$600 per tonne, who then sell the subsidised maize at exorbitant prices. Zimbabwe Independent, 26 Feb 2007 Mugabe faces Dilemma. <http://www.thezimbabweindependent.co.zw/>

PF officials, to take advantage of rent seeking opportunities – as GMB will mill through party-owned mills rather than go to the private sector.

Tobacco: Tobacco used to be Zimbabwe's main national industry and foreign exchange earner, contributing 25-30% of total earnings, and at least 6% of total national employment (Woelk et al 2001). Most of the key tobacco farms were left intact between 1997 and 2000 but farm invasions after 2000 included some of these large-scale tobacco farms, and production has collapsed (falling from 200,000 to less than 50,000 tonnes per annum) with many Zimbabwean tobacco farmers leaving the country to farm in Zambia, Mozambique, Malawi and even Tanzania. This has undermined Zimbabwe's main source of foreign exchange, and the economic ramifications have been severe.

Cotton: Zimbabwean cotton was high quality and high value and increasingly grown by smallholders. By 2001 outgrower schemes, enabling smallholders to access inputs, had become increasingly important (Tschirley et al 2006). It will be hard to maintain the sector's success, as it depends on credit, high productivity, and excellent quality control – all of which will be hard to sustain in the current climate

Source: Prowse & Bird, 2007.

Unemployment and hyperinflation

The fast track land reform process has had a profound effect on the national economy. The sharp decline in export revenues and the collapse in foreign investment combined to create an acute foreign exchange shortage. This severely affected industrial production, which is import dependant, and hundreds of companies closed down, fuelling unemployment (Richardson 2005) and further worsening foreign exchange shortages. Official unemployment is now 80% in Zimbabwe and the informal economy has emerged as a critically important for survival as it soaks up some of the excess urban labour and as huge numbers of former farm workers search for ways of making a living and other agricultural labourers leave their jobs to escape low wages and worsening conditions of service to search for better paid livelihoods (Prowse & Bird, 2007)

Migration has risen sharply since 2000, both within Zimbabwe and internationally. Tens of thousands of professionals have left the country to find work abroad in the region and in Europe,¹¹ and an estimated 3 million Zimbabweans have fled to South Africa. These illegal migrants ("border jumpers") travel at night, guided by traffickers but 57,600 illegal immigrants were caught and deported between just January and May 2007.¹² (Prowse & Bird, 2007)

In order to cover the huge budget deficit and to repay its debts, the government has been printing money. This has contributed to hyperinflation which was reported to have reached 3,700% in May 2007¹³. Despite the obvious dangers of such a strategy the Zimbabwean government printed approximately 60 trillion Zimbabwean dollars in early May 2006 to finance the recent salary increases it had awarded the army and police (300%) and other civil servants (200%). The printing of money is likely to continue even though foreign exchange shortages now mean that the government struggles to import the paper and ink that Zimbabwe's bank notes are printed on¹⁴.

¹¹ Pambazuka News, 20 April 2007: *Zimbabwe: Time for Civil Society to seize the space?*
<http://www.pambazuka.org/en/>

¹² BBC news, Africa 10 May 2007. <http://news.bbc.co.uk/1/hi/world/africa/default.stm>

¹³ Channel 4 News. 17.05.07.

¹⁴ San Francisco Chronicle, June 2006.

Social unrest and state repression

The real power brokers in Zimbabwe are the security sector - the Army, the Central Intelligence Organization (CIO), the Police, and War Veterans and various state militia. Although there are splits within and between these, it is the soldiers and the CIO who ultimately hold the power, and they will have to be involved in decisions about Zimbabwe's future¹⁵. We illustrate the way in which the security sector (mis)uses its power with a discussion of Operation Murambatsvina in Box 4, below.

Box 4: The authoritarian state: Operation Murambatsvina

Operation Murambatsvina (Restore Order) took place in May/June 2005 and was described by the Government as an attempt to control 'economic saboteurs' who were operating the black market and to improve the quality of urban housing stock by ensuring that planning permission and building regulations were obeyed. Three alternative explanations have been suggested: first a desire to punish opposition supporters, many of whom are urban-based, and to tighten control over the population; second, to disperse potential sources of political agitation from urban areas to rural areas – in rural areas people can be 'disciplined' easier and less transparently; and third, with the informal sector crushed, the control of the economy returns firmly to the government and the population's dependence on the state for food increases, reducing scope for opposition.

Operation Murambatsvina (OM) targeted illegal structures and informal businesses, demolishing buildings, vending sites and other informal business premises without planning permission and driving the informal sector underground. The Operation resulted in the loss of livelihoods for those previously working in the informal sector. It is estimated that some 650,000-700,000 people were directly affected through the loss of shelter and/or livelihoods (Tibaijuka, 2005)¹⁶. Government figures state that almost 95,000 dwelling units were destroyed, displacing some 570,000 people, with a further 98,000 losing their livelihoods in the informal sector (Potts 2006).

After homes in cities had been destroyed, the UN also estimated that after OM, at least 114,000 were living without shelter in the open and the government curtailed international assistance to internally displaced people (Human Rights Watch 2005). Few were able to access alternative Government accommodation (Operation *Garikai*) due to strict conditions, including evidence of formal employment and a monthly salary (Human Rights Watch 2005). The police intimidated and beat displaced people and forcibly moved them to transit camps, after which the government assigned people to rural areas on the basis of their identity numbers. These relocations have placed an additional burden on rural areas, which now have additional people to house and feed in place of the remittances they may previously have received (BBC, 2006). OM has been described as a massive human rights violation

The Operation has had a long-run impact. The police have enforced stringent licensing regulations more tightly and the requirement that all vendors sell only from a covered stall or shop generate a powerful barrier to entry for legal vending. Also new regulations have been introduced to control the informal sector and those applying for a vending license now have to obtain police clearance. People without ID (e.g. 'aliens') or with criminal records are not given licenses. The police now routinely harass petty traders and other informal sector workers, who have had to adapt their livelihoods with negative consequences for their income. Many people are still effectively homeless and the large numbers of urban households who depended on letting back-yard properties in order to cover their basic living costs have lost an important source of income. In order to try to maintain consumption levels some 'landlords' now share their small homes with a second family.

Source: Prowse & Bird, 2007.

¹⁵ Royal United Services Institute (RUSI), 2007: <http://www.rusi.org/>

¹⁶ Other estimates are higher, with 700,000 to 1m people being directly affected.

In the run up to the next elections in 2008, Mugabe has intensified the crackdown on political opponents. The brutal police intervention against an opposition prayer meeting¹⁷ in March ignited a new campaign of state violence against the opposition and other groups suspected to conspire against the state (see Box 5, below). The arrest and the severe beating of opposition leaders and political activists, among them the MDC leader Morgan Tsvangirai, signifies a new low point in the systematic persecution of opponents. Catholic bishops publicly condemned Mugabe's oppression and the Zimbabwe Congress of Trade Unions (ZCTU) held a general strike throughout Zimbabwe in response to declining economic conditions. The State responded robustly and initiated a campaign of intimidation against Zimbabwe's lawyers, blamed for obstructing the course of justice in their defence of opposition activists.

Box 5: Recent examples of oppression

Examples of the misuse of state power between January and May 2007 include:

- A crackdown on the opposition in early 2007, following accusations from Mugabe that they were trying to topple the regime on behalf of Zimbabwe's former colonial master, Britain. Violence and repression were used to suppress the independent media, harass human rights defenders and intimidate opposition leaders and peaceful demonstrators
- In February 2007, in reaction to growing unrest over the economy, police outlawed rallies and demonstrations in Harare and other parts of the country regarded as opposition strongholds. Using teargas, batons and water cannons, police scuttled a rally that Morgan Tsvangirai, leader of the Zimbabwean opposition Movement for Democratic Change (MDC), was to hold at Zimbabwe Grounds in Highfield to launch his 2008 presidential election campaign.¹⁸
- In March 2007, Morgan Tsvangirai and several other members of his party were detained in a police raid in the capital, Harare. Scores of police officers in riot gear, wielding AK-47 assault rifles, barricaded all the roads around Harvest House, the MDC headquarters in Harare. Police confirmed a crackdown on "perpetrators of violence".¹⁹
- Four members of the opposition Movement for Democratic Change were prevented from leaving Zimbabwe, including one MP, Nelson Chamisa, who was badly beaten when travelling to a meeting in Brussels. A significant number of activists and opposition supporters are still being arrested and tortured throughout Zimbabwe. Trade and student union members have been harassed and arrested.²⁰
- Opposition supporters were denied state-supplied food aid. In a public statement, Charumbira, president of Zimbabwe's Council of Chiefs, confirmed that traditional leaders had been ordered to consider only Zanu PF supporters on programmes initiated by the government. *"We cannot afford to continue feeding the enemy because they are sellouts,"* he said. ZANU-PF deny the use of food aid as a political weapon.²¹

Source: Proudlock, 2007.

In addition, discontent among underpaid police and troops and the impoverished population is leading to increasing violent reactions: Strikes and protests have on occasion given way to bombing of police stations, a passenger train and a supermarket, among other targets across the country.²² In response, the government is diverting hundreds of thousands of US dollars to pay Pakistani military experts to help train and equip the Zimbabwean army, which has been weakened by mass resignations of experienced officers.

¹⁷ The title of prayer meeting may be slightly misleading. All political rallies and meetings have been banned. As a result, people wanting to organise events have increasingly been doing so under the guise of a prayer meeting or religious service.

¹⁸ Financial Gazette, Harare, 01 Mar 2007: <https://www.fingaz.co.zw/>, also available at <https://www.allafrica.com>

¹⁹ IRIN Africa, 28 March 2007: <http://www.irinnews.org>

²⁰ UK MP's Hear Statement on Zimbabwe, 26 Mar 2007

²¹ Zim Online, SA, 31 January 2007: <http://www.zimonline.co.za/>

²² IRIN Africa 28th of March

HIV/AIDS

The HIV/AIDS pandemic in Zimbabwe threatens to further erode Zimbabwe's already weak economy and governance institutions through the attrition of economically active adults. HIV-affected households have a greater proportion of household members who are economically inactive, are less likely to seek medical treatment due to a lack of funds, and have a lower monthly income, illustrating a vicious circle of impoverishment and HIV positive status (Barnes 2003). The impacts of HIV on well-being are multiple and inter-linked. For example, those households who are chronically ill are more likely to: miss meals; eat poor quality food; use wild foods; and focus food on productive members of the household rather than on unproductive members. AIDS has been found to reduce spending on health, education and agricultural inputs (Senfield and Polsky 2005). Affected households not only face income reductions but simultaneously high medical expenses and the need to meet increasingly costly funeral expenses. The spread of the disease has dramatically increased the numbers of orphans, dependents and child-headed households and threatens to overburden traditional safety nets.

Official UN statistics show that HIV infection rate in Zimbabwe is at 24.6%, one of the highest in the world²³, although a recent study of women presenting for pre-natal care suggests that this has fallen to 21% (Bird et al., 2006). Even so the epidemic remains a serious crisis and roughly 3 million people in Zimbabwe are infected with HIV, but only 50,000 of them have access to antiretroviral therapy treatment.

An assessment, based on a survey of micro-credit recipients, found that around 40% of households displayed signs of being affected by HIV (using chronic illness as a proxy), and more than 30% had taken in a new household member in the previous year (Barnes 2003). Zimbabwe's has the world's highest orphan rate, largely as a consequence of the HIV/AIDS pandemic and having such a high proportion of households affected is beginning to place kinship ties under strain (Foster 2005). Since these are a fundamental source of social insurance, this has dangerous consequences for AIDS-affected households who then suffer from subsequent negative shocks or trends.

The Zimbabwean government has declared HIV/AIDS a national emergency and established a National Aids Council that is currently implementing AIDS interventions but nevertheless according to Human Rights Watch (2006) three thousand people die each week due to policies, such as high user fees, which create formidable obstacles to accessing life-saving treatment.

A United Nations humanitarian official appealed to the Security Council in March 2007 for increased funds to allow Zimbabwe to meet the challenges posed by a "triple threat," a combination of food insecurity, the high incidence of HIV/AIDS and declining social services.²⁴ This reflects the fact that the HIV pandemic is now exacerbated by the breakdown in health service provision, including a lack of drugs, and increasing cost of treatment, which has priced the poor out. Transport prices, inflated by fuel shortages, limit the mobility of populations, increasing pressure on home-based care provision, the use of local herbalists, and a general increase in morbidity. In addition, there have also been allegations of the politicisation of drug delivery and a high level of corruption among the service providers (Price-Smith & Daly, 2004). In addition, state health institutions have been hit by an exodus of key staff including specialist doctors, pharmacists and nurses to countries like Australia, Botswana, Britain, New Zealand and neighbouring South Africa.

²³ Pambazuka News: *Zimbabwe: Time for Civil Society to seize the space?* 20 April 2007: <http://www.pambazuka.org/en/>

²⁴ ZWnews, 30 Mar 2007: <https://www.zwnews.com/>

The socio-economic situation and its impact on the population

The ability of households to respond to risks and shocks can be substantially weakened by compound and sequential shocks. In Zimbabwe, households face a combination of different shocks. Some of them have a widespread impact (covariant shocks), such as successive droughts, bad governance, economic decline, characterised by a hyperinflation and high unemployment and institutional collapse. Others affect specific households (idiosyncratic shocks), for example the loss of a job or the death of a household member. These shocks and negative trends have combined to lead to the steady depletion of households assets and there are ever growing numbers of vulnerable people.

Economic decline in Zimbabwe means that households are facing shrinking incomes alongside spiralling inflation. According to the early famine warning system FEWS-Net, the cost of a household's monthly basket of goods, monitored by the Consumer Council of Zimbabwe (CCZ), rose from Z\$686,116 in February 2007 to Z\$1,483,324 in March 2007. The prices of all items in the basket increased again in April and many by at least 70%. Notable increases include a 158% increase in the price of bread and 142% increase in the price of fresh milk. Maize prices have also increased by 50% between January and March 2007²⁵.

Hyperinflation combined with unemployment has been a major driver of poverty, particularly in urban Zimbabwe. Many households and individuals have lost the value of their savings, their incomes and/or pensions are nearly worthless and the distress-sale of assets has led to a collapse in their value in some markets. Unemployment now stands at 80%. Economically active adults strive to find paid work and even those in work struggle to meet their own immediate needs, and have little or nothing over to help support other members of the family.

In this context households are increasingly unable to afford education and health services, leading to increasing numbers of school drop-outs, rising numbers of people debilitated by treatable illness and a sharp growth in maternal and neo-natal mortality. Fees are not the only barrier, access to health services is often made impossible due to the effects of inflation on drug and transport prices and the lack of transport, caused by fuel-shortages.

Successive droughts, rocketing input and transaction costs combined with the inability of the formal institutional network to deliver services undermine the capacity to manage food security (Ireland et al., 2004). The introduction of command agriculture further increases vulnerability as people increasingly depend on the State as the only source of marketed food. Economic hardship has also resulted in increased use of adverse coping strategies including commercial sex work, corruption, crime and the unsustainable utilisation of fauna and flora (CAP 2006).

The challenges facing ordinary Zimbabweans has been further compounded by the effects of Operation Murambatsvina (Box 4, above), targeting houses, vending sites and other business premises built without planning permission. The Operation resulted in the loss of livelihoods for many who had previously worked in the informal sector and it is estimated that some 650,000-700,000 people were directly affected through the loss of shelter and/or livelihoods (Tibaijuka, 2005). After destroying homes in the cities and moving people into transit camps, the government assigned people to rural areas on the basis of their identity card numbers. The relocations from cities to villages have affected thousands throughout Zimbabwe and the displaced have placed an additional burden on the rural community to which they used to provide financial support. Failed crops and rejection by traditional leaders has made life even more difficult for many forced migrants. Many others, who could not be relocated, continue to be homeless and destitute, despite the government's promises to provide shelter under Operation Garikai.

²⁵ FEWS-NET 5/9/2007

Is there an argument for *humanitarian* support to Zimbabwe?

The argument for.....

According to the Famine Early Warning System Network (FEWSNET), Zimbabwe faces its worst food shortages yet, with this year's harvest expected to meet only 30-50% of national requirements. Harvest failure caused by poor rainfall and inadequate in-country maize distribution, due to transport problems, fuel shortage and mismanagement have combined, significantly increasing the number of food-insecure households. FEWSNET has reported that about 1.5 million people out of the population of 12 million are in urgent need of food aid and indicated that the number of hungry people would rise in the coming months and peak in around early 2008 when food shortages would worsen to levels not seen in recent years.

In Zimbabwe, with such extreme levels of vulnerability there is a strong argument for humanitarian assistance. If effectively distributed, it will protect the poorest from food insecurity.

Some argue that humanitarian assistance is propping up the Mugabe regime, and that its withdrawal would speed regime change. A withdrawal of humanitarian assistance would signal an attempt by the International community to use food insecurity to trigger regime change, and it is based on a faulty logic. It seems to assume that without humanitarian and development support, the citizenry will rise up to depose despotic leaders and find alternative and more benign leaders to govern the country. However, evidence suggests that regime change involving violent conflict, rather than broadly based political change imposes costs disproportionately on the poor – who take longer to rebuild their asset base and recover pre-conflict levels of well-being than other groups in society. With such an approach, poor people would be 'collateral damage' and the outcome would be uncertain. Zimbabwe's opposition is weak and fragmented and an alternative to the current regime is not immediately obvious. Without a strong interim government of national unity, with mass domestic support, it is quite likely that an attempt to orchestrate regime change would backfire.

Furthermore, the 'strong but unresponsive' Zimbabwean State is a pervasive force in people's lives. NGOs and aid agencies provide, in principle, a countervailing force.

Although the IOM (International Organization for Migration²⁶) and a number of international NGOs are delivering a range of humanitarian interventions, there is not yet a full-scale humanitarian response to the crisis in Zimbabwe. However, with current levels of ill-being, vulnerability and mortality rates the international agencies should gear up to provide a greater level and range of support. Food aid is only one element of such support, which can extend to the provision of drinking water, health services, education and the protection of individuals, and the international community should explore how to scale up and intensify humanitarian intervention, while identifying an appropriate programme design and mode of delivery. (Programme design is discussed further below)

The argument against.....

Feeding the hungry is a short-term goal. Aid should be used to support a longer term goal, supporting good governance.

Food aid and other forms of humanitarian assistance to Zimbabwe are routed through NGO partners and provided in direct support of poor communities. However, some of this is being captured by the Government both to fund the regime and as a political weapon. As a result, the well meant interventions by the international community are being used to prop up the Mugabe regime. The assistance that gets through to the poor is enough to help people tolerate their

²⁶ The International Organization for Migration <http://www.iom.int/jahia/jsp/index.jsp>

situation and they passively accept the behaviour of their government rather than actively supporting the opposition. In other words, humanitarian assistance slows regime change.

Is there an argument for *development* support to Zimbabwe?

The argument for.....

There is no doubt that the people of Zimbabwe should receive humanitarian assistance but, arguably, such assistance should extend beyond food aid to protect livelihoods. Without interventions to help to slow the erosion of poor people's assets and their adoption of adverse forms of coping, poor and very poor people are likely to cross a 'tipping point' and the hardship experienced by poor people will create 'irreversibilities' or deficits in capabilities and functionings that will be difficult and expensive to later reverse or mitigate. The hardships include those contravening the human rights conventions. A vivid example of this is the young girl, orphaned in early childhood, who became a street child at 12 and was drawn into casual commercial sex work to keep herself fed and clothed. In August 2006 she was 16, pregnant, HIV+ and her reputation was forever tarnished amongst her socially conservative peers. As a result, she is unlikely to marry well, and her chances of accessing agricultural land or other productive assets are limited. Unable to afford a basic medical consultation, her baby was likely to be born at home and face a much greater risk of mother-to-child transmission of HIV. Another example is of the older couple, raising 7 grandchildren, who are too ill to cultivate their land, afford medical care or live a life of dignity. They could access medical care, reversing the household's downward spiral of food insecurity, if only they could afford the bus fare to hospital. Their grandchildren are growing up poor and undernourished. One has already had to drop out of school and they all already seek casual work for food.

This suggests that there are both strong ethical and practical grounds for development interventions to complement humanitarian assistance. In a long drawn out crisis, people want and need livelihoods not handouts. The more that individuals and households have been forced to adopt adverse coping mechanisms which draw down on their assets irreversibly, and the longer that this situation has continued, the more difficult (and costly) it will be to reverse. Such a delay will increase the risk that a large proportion of Zimbabweans will live in poverty for an extended period, and that a generation of children will grow up food insecure and with limited access to education and health care – hampering Zimbabwe's eventual economic and political recovery.

Many bilateral donors have signed up to the human rights conventions. This suggests their commitment to the delivery of socio-economic rights. Fragile, failed and unresponsive states are just the types of environment in which the key duty bearer (the government) is likely to abdicate responsibility to deliver the socio-cultural and economic rights of a large proportion of the population. In such a situation other actors, namely the international community should step in.

Humanitarian assistance prevents people from starving to death. It does not prevent the erosion of productive and household assets necessary for effective livelihoods and a decent life, nor does it keep clinics functioning and children in school. Whereas appropriately designed and implemented forms of development assistance could halt and reverse the erosion of assets, capabilities and functionings and create an effective starting point for economic, political and institutional recovery.

The argument against.....

Zimbabwe's crisis is largely due to failures in governance and macro-economic management. Government policies have directly contributed to high levels of vulnerability by undermining or destroying the livelihoods of many (Lambrechts & Barry, 2003). Zimbabwe has been classified as a strong, but unresponsive state with a tendency towards repression (DFID, 2005) and it is unclear that this mode of governance will change in the short-to-medium term.

Furthermore, evidence from around the world shows that aid performance is highest where it is delivered through the government budget. The performance of the government of Zimbabwe is clearly too poor to be in receipt of direct budget support. The international community should use conditionality to lever improvements in both governance and macro-economic management. Poor governance should not be rewarded. (It is clear that the hostile relation between the international community and the government at the moment means that the use of conditionality to leverage change is unlikely to be rewarding in the short-term, and would need to be reserved for the post-Mugabe period).

In addition, by routing aid through non-government organisations, the international community would further undermine the budgetary systems of the Government of Zimbabwe and its accountability to its electorate.

Lastly, resources for international humanitarian and development assistance are finite. Difficult decisions have to be made to prioritise spending. The Zimbabwean Government has done almost all it can to alienate the international community and it is hard to justify massive spending on a country which only ten years ago was on the brink of becoming a middle income country, when its collapse has been almost entirely down to wilful mismanagement.

Zimbabwe and the international community

In 2002, the government suspended operations of several aid agencies. The government stated its intention to regularise activities of the aid community and subsequently, aid agencies were required to register if they wanted to resume humanitarian interventions. Since then, relations between the International aid community and the government of Zimbabwe have been characterised by mistrust. Fears that external interventions will highlight the government's inability to assist its own population, the tense relationship between the International community and Zimbabwe and suspicion that agencies have a political rather than a humanitarian agenda have led to increasing tensions (McIvor, 2003).

In 2004, the government halted general feeding programmes run by humanitarian agencies and their non-governmental organisation partners, explaining that the country was expecting a bumper harvest. This proved not to be the case but since then aid agencies have been forced to scale down their operations to target only 'vulnerable groups', such as people living with HIV/AIDS and the elderly.²⁷ The EU now provides 12 million Euros per annum for various forms of humanitarian assistance, including water and sanitation and HIV /AIDS home based care programmes and USAID is providing \$10 million per annum for HIV/AIDS prevention This involves support to national ART programme, promotion of voluntary testing and counselling, and prevention of mother to child transmission of HIV. DFID routed nearly £33 million (2006-07) through UN agencies and NGOs, to tackle HIV and AIDS and food insecurity²⁸, and in support to

²⁷ IRIN Africa, 21 March 2007: <http://www.irinnews.org>

²⁸ This includes DFID's Protracted Relief Programme (£30 million over three years (2004-2007)) which aims to improve the food security of more than 1.6 million of the poorest and most vulnerable people in Zimbabwe by increasing their access to seeds and fertilisers, nutrition gardens and safe water; a continuation of support to UNICEF, the World Food Program, the UN's Office for the co-ordination of Humanitarian Affairs (OCHA) in Zimbabwe (OCHA) and International Organisation of Migration (IOM).

orphans and vulnerable children. This work is continuing, as is a programme to support internally displaced people and another programme to support Zimbabwean civil society to monitor human rights abuses and promote accountable governance.

Recently the climate of mistrust intensified when the government announced that it was revoking all NGO licenses in order to "sift out those seeking to force regime change in Zimbabwe"²⁹. All NGOs now must reapply for their licence annually. This will add to the administrative hurdles they face and limit their ability to develop plans for the medium term and it is likely that some very effective NGOs will have their licences withdrawn, with serious consequences for the delivery of humanitarian assistance in Zimbabwe.

As Zimbabwe's relationship with its traditional western allies has crumbled it has sought to build new ones with China and Iran. See Box 5, below, on China.

Box 5: Zimbabwe's "look East" policy

China's policy towards African nations has become more active in recent years as it grows increasingly concerned about securing sufficient resources to fuel its industrial revolution.³⁰ China has promised to build schools, hospitals, give loans in foreign currency and help revive Zimbabwe's ailing agricultural sector.

In April, China agreed to provide Zimbabwe with \$25m worth of farm equipment to help revive the tobacco industry in return for large quantities of tobacco. Jia Qinglin, a senior Chinese Communist party official, presented the equipment, including 424 tractors and 50 trucks, to Robert Mugabe in a deal to replace equipment damaged when Mugabe's government seized white-owned farms under the 'fast track' land reform process. China wants all the tractors to go to tobacco farmers and expects Zimbabwe to deliver 30 million kilogrammes of tobacco by the end of 2007. As much as 80 million kilogrammes is to be exported to China by the fifth year.³¹

China has also contributed \$100,000 to fund the newly opened Confucius Institute in Harare. The institute is "a very important way of developing our cultural ties with Zimbabwe and Africa," said Wu Jiahua, a spokesperson for the Chinese embassy in Harare. On a recent trip to Africa, Chinese President Hu Jintao insisted that Beijing did not just want to milk the continent for its bountiful natural resources but rather, establish a two-way relationship which could benefit both sides. The funding of the institute is being held up as a proof that such talk is being translated into action.³²

China is also reported to be providing significant military aid to Zimbabwe.³³

Source: Proudlock, 2007.

The International community has increasingly looked towards the African Union, SADC and South Africa to voice African dismay at Zimbabwe's gradual unravelling. However, a recent SADC summit, called to discuss Zimbabwe's economic crisis and reports of arrests and beating of opposition leaders showed official support for Mugabe by calling for sanctions to be lifted and declared the presidential election of 2002 free and fair (Proudlock, 2007).

²⁹ Mail&Guardian Online, 16th of April.

http://www.mg.co.za/articlePage.aspx?articleid=304909&area=/breaking_news/breaking_news__africa/

³⁰ Financial times, 04 Jan 2007: <http://search.ft.com/>.

³¹ Al Jazeera News/Africa, 23 April 2007: *China Gives Mugabe \$25m in Aid* :<http://english.aljazeera.net/>

³² The Mail & Guardian, South African Press Association, 09 March 2007: *China Push into Africa Reaches Zim Lecture Hall*: <http://www.mg.co.za/>

³³ Carnegie Endowment, 12 December 2006: *China's Africa Strategy: A New Approach to Development and Diplomacy?*

Box 6: Zimbabwe's neighbours - negative spill-over effects

There have been gloomy predictions that there will be serious negative spill-over effects from Zimbabwe to South Africa and other neighbours. So far these have not really materialised. South Africa is receiving unprecedented numbers of illegal immigrants and this has triggered unrest in some poor urban neighbourhoods but so far, South Africa has managed to control the situation.

If Zimbabwe collapses, a significant influx of refugees could trigger social unrest and instability. This scenario needs to be factored into the plans being made by the International Community.

Zimbabwe's future

The future of Zimbabwe is, for better or worse, understood to be inextricably linked to the future of Mugabe. 'Zimbabwe: An End to the Stalemate', the latest report from the International Crisis Group (ICG) sees there as being a chance to resolve the situation through the retirement of President Mugabe when his term ends in 2008. This would enable the creation of a transitional government tasked with preparing a new constitution and holding general elections by 2010. However, the ICG suggests that for Zimbabwe to begin to recover, President Mugabe must give up efforts to extend his term, and the opposition must negotiate a compromise (ICG, 2007). However, Mugabe, far from planning to retire, has made several moves to extend his rule beyond 2008. Macro-economic instability is now so severe that it is threatening the key business interests of ruling party officials and it is this that has, reportedly, led to pressure on Mugabe to step down in 2008. Factions within ZANU-PF successfully blocked an attempt to amend the constitution to allow Mugabe to stay in power till 2010.

Despite Mugabe's determination to hold onto power, it is generally accepted that a transition of sorts has already begun but considerable doubts remain as to where the transition will lead, and what sorts of political and possibly military processes will occur within it.³⁴ Even if Zimbabwe eventually reaches the "tipping point"³⁵ and Mugabe steps down, several post-Mugabe scenarios are possible: the transition to a handpicked successor; the rise of a reformist faction within the governing party; a government of national unity, a military coup or even a descent into chaos.

...and the role of the International community

How and when Mugabe will move on is still uncertain. The International Crisis Group calls upon the International community to adopt a joint strategy with a clear sequence of benchmarks to support a genuinely democratic process. They suggest that the removal of sanctions and resumption of international aid to government institutions could be used as incentives at the appropriate time (ICG, 2007).

Before change takes place, the International community needs to identify how it will respond to the various possible scenarios: (1) a ZANU PF successor, chosen by Mugabe to continue pursuing his agenda; (2) a new government, led by a reformist faction of ZANU PF; (3) the emergence of a government of national unity; (4) a government led by the opposition; (5) a military coup or (6) a descent into chaos.

³⁴ Royal United Services Institute (RUSI), 2007: <http://www.rusi.org/>

³⁵ Hawkins, 2006

Options seem to include one or more of the following:

- Maintain diplomatic pressure
- Continue to provide limited humanitarian assistance
- Scale up humanitarian assistance
- Deliver limited development assistance
- Deliver substantial development assistance

Should Mugabe manage to extend his term or should any transition not lead to a more open, reformist government, providing humanitarian and limited development assistance might be the most feasible option for the International community. However, should current developments eventually lead to a move towards a more responsive government, the international community will need to be prepared to seize the window of opportunity and assist Zimbabwe in its transition.

Delivering humanitarian assistance

Implementing humanitarian assistance to a very high proportion of a country of 12 million people is never going to be easy. The poor relationship between the International community and the Mugabe regime makes it all the more difficult, and the fear that even NGO administered distribution systems will be distorted to benefit 'friends' of the State makes it more difficult still. It is impossible to prevent humanitarian assistance being captured by the regime, but such capture can be minimised through careful negotiations with central and local government actors and through working with neutral and respected intermediaries

Tension between the Zimbabwean government and the International community is exacerbated by the government's, not inaccurate, assessment that the West wants regime change. If humanitarian support is to be expanded, so that it reaches all of those in need, it may be necessary to identify an unconventional approach. For example:

- explore whether China or South Africa could lead the coordination and delivery of humanitarian support.
- identify whether all aid can be routed through a neutral partner (e.g. Sida, UNDP, UNHCR, UNICEF) and delivered by a mix of UN agencies, Churches and NGOs.
- explore the possibility of routing international aid through an international trust fund (see Moss and Patrick's recommendations below)

Resources then need to be got to communities, households and individuals all over the country. There are inevitably concerns about targeting. Identifying those in need is complex as the target group shifts and expands as the situation worsens. With tight targeting there is a danger that some very poor people will be excluded and there is always the risk that non-target groups will ensure that they also benefit. It is important that targeting is approached neutrally (i.e. poor and food insecure people who have settled former commercial farms should not be excluded) (McIvor, 2003). Designs that encourage self targeting (distribution of small quantities of 'inferior' foods, queuing) may exclude the non-poor but will not necessarily ensure that the most vulnerable are reached and the involvement of local government and communities in participatory targeting can be vulnerable to political capture.

Delivering development assistance

If a robust approach can be developed to scale up the delivery of humanitarian assistance, it is possible that development assistance can be delivered through similar routes. Aid will need to be projectised in the medium term, with implementing partners likely to include the full range of possible actors, including: UN agencies, international and local NGOs, trade unions, faith-based organisations, community based organisations (e.g. burial societies) and the private sector. It is likely that some parts of government could be drawn into partnerships fairly early on (e.g.

government schools and clinics, AREX³⁶, some local governments), while others will take longer to bring on board.

What should be the focus of development assistance? Zimbabwe shows many of the characteristics of a society in violent conflict (political violence, economic and institutional collapse, erosion of livelihoods and internal displacement) (Moss & Patrick, 2006). This suggests that the International community could usefully apply a post-conflict approach when supporting Zimbabwe's recovery. Post-conflict interventions in fragile states provide useful lessons for defining priority tasks such as promoting economic recovery *whilst* meeting essential humanitarian needs, establishing security and the rule of law and rebuilding institutional capacities of the state (ibid).

Until policy direction changes it is unlikely that macro-economic management will improve. Major institutions are likely to remain shaky, with substantial market failures and the unpredictable implementation of the rule of law. This suggests a very constrained environment for development. However, there are some useful things that can be done. Box 7 provides a limited list of examples.

Box 7: Possible development interventions

- Support livelihood diversification (e.g. agro-processing, carpentry, trading)
- Support smallholder agricultural production and the development of kitchen gardens (through the provision of 'starter packs' and technical assistance)
- Reduce morbidity and mortality by training large numbers of community based 'barefoot doctors' and providing them with a basic drugs kit
- Work to reduce maternal and infant mortality by training tradition birth attendants and providing them with the necessary equipment
- Support small-scale (small and large) livestock breeding programmes to restock areas damaged by distress sales
- Support links between insurance companies and burial societies, to extend benefits
- Provide bursaries, school uniforms and equipment to keep children in school
- Support non-formal education, for school drop-outs
- Support HIV/AIDS treatment and prevention (increase the availability of ARVs, HIV prevention awareness campaigns, widespread distribution of free condoms, free counselling and testing)
- Support programmes targeted at 'youth', particularly in urban and peri-urban areas, where unemployment is driving up crime and 'risk-seeking' behaviour

Supporting the rebuilding of Zimbabwe.

Should events lead to a move towards democracy and reform, transition should be seized to support Zimbabwe's recovery. Arguably, this transition is not going to be easy. Years of economic and social damage are not easily reversed, and the economy and key economic institutions have now declined to such a point that recovery will be impossible without significant external assistance (Hawkins, 2006).

Moss & Patrick propose a framework for international support to Zimbabwe's recovery:

- a.) Provide political support to smooth the political transition, through (i.) giving political support to a transitional government; (ii.) assuming a temporary third party management as in Bosnia, or (iii.) establishing an observer group led by SADC
- b.) Help to reform the security sector, to restructure the former repressive 'power' institutions
- c.) Promote justice and reconciliation, either through a truth and reconciliation commission or a crimes tribunal. The international community could provide legal and technical assistance

³⁶ Agricultural extension.

- d.) Meet humanitarian needs by providing food, shelter and protection for internally displaced people, whilst seeking more durable solutions that provide livelihoods
- e.) Facilitate an orderly return of migrants
- f.) Help formulate and implement a multidimensional economic recovery strategy. This should involve the joint assessment of priority needs and help with the development of a National Reconstruction and Development plan
- g.) Provide coordinated assistance, by helping to establish a strong national coordinating body to manage inflows and projects. Donors would provide funds managed through a Trust Fund (following the example of the Afghan Reconstruction Trust Fund)
- h.) Quickly normalise Bretton-Woods relations
- i.) Convene an investment conference to promote public and private investment in infrastructure
- j.) Promote a new approach to land use

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