Resilience Under Siege

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The Zimbabwean Economy, Politics and Society

Edited by

Ezra Chitando, Munyaradzi Nyakudya
and Government Phiri

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Dedicated to Government Christopher Phiri.
A scholar, teacher, labourer, political activist.
You fought the fight.

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INTRODUCTION

EZRA CHITANDO, MUNYARADZI NYAKUDYA AND GOVERNMENT PHIRI

Has the Great Zimbabwe disintegrated into the Zimbabwe Ruins? Has the breadbasket of Africa become a basket case? Has the country that Banana (Canaan) served as president become a banana republic? Has the country that many cried for become a place of tears? Zimbabwe remains an intriguing case study for appreciating post-colonial dynamics in Africa. Simplistic accounts will never do justice to the complex story of Zimbabwe since the turn of the new millennium. This volume seeks to further debate and analyse the Zimbabwean crisis and provide new insights into how the economy, politics and society could be reconstituted as the country seeks to reposition itself.

For many scholars, entrepreneurs, social scientists, and members of the public, to make reference to "the Zimbabwean crisis" is a tautology. "Zimbabwe" denotes "crisis" and, therefore, it is not necessary to put these two together. There is further debate on whether there were in fact "crises" (Chiumbu and Musemwa 2012), as well as the challenge of scholars developing careers from them, or it (Mlambo, Vambe and Zegeye 2010). With Zimbabwe receiving wide media coverage, including during the era of the Government of National Unity (GNU) (2009-2013), there is a deep-seated misperception that the full story of the Zimbabwean crisis has been told in full in the extant literature. Such a reading of the complexities and intricacies of the Zimbabwean story is as simplistic as it is misleading. Only a miniscule fraction has found its way into scholarly reflection. This volume, then, seeks to reflect on some of the neglected themes, as well as provide insights into "the way forward". Consequently, contributors to this volume seek to engage in both a dissection of the challenges that Zimbabwe has undergone as well as proffer suggestions on how they could be resolved as the country moves forward.

Zimbabwe's political, social and economic collapse during this decade has been of interest to a number of scholars. Examples here include Kanyenze (2004) and Kaulemu (2010). However, the available scholarly literature has not done justice to a number of themes, particularly those we selected for this volume. We have named the volume *Resilience under Siege* to acknowledge the serious challenges that Zimbabwe has sought to address. These include hyperinflation, the exodus of skilled personnel, a negative international image, economic sanctions and others. To this end, therefore, Zimbabwe has been under siege from a multiplicity of factors. On the other hand, the volume draws attention to the resilience that Zimbabwe has demonstrated. It has defied narratives of total collapse by demonstrating high levels of creativity and determination. This volume seeks to highlight this dimension by placing emphasis on solutions to the crisis.

The Zimbabwe Crisis and the Economy

As the Zimbabwe crisis escalated, the economy scaled new heights, not in terms of growth and performance, but rather decline and underperformance. The economy went through a massive freefall that severely impacted all sectors of the economy. As Robinson (2007:4) reveals, gross domestic product (GDP) per capita in 2006 was 47% lower than its 1980 levels and 53% lower than in 1991, when it had reached its peak. Overall, between 2000 and 2006, GDP fell by 40%, worsening by a staggering 14% in 2008 alone, as Chingarande demonstrates in her chapter in this volume. The vulnerability of the economy during this time can be appreciated from the fact that foreign currency reserves stood at a paltry US$6m against the backdrop of a staggering US$6bn foreign debt.

The ‘starvation wages’ did not help matters, with food prices soaring uncontrollably as hyperinflation scaled new heights, hitting the 231 million per cent mark by July 2008. Production of maize, the national staple food, and wheat experienced a downward trend in the wake of price controls meant to arrest food prices. This resulted in farmers opting to grow such crops as tobacco and cotton, which were exempt from the price controls. Particularly irksome were the stringent controls over maize and wheat, which could not be sold or moved without state authority. Consequently, as Phiri observes in his chapter herein, food insecurity became prevalent, with between 65 and 80% of the population dependent on food aid. In the urban areas, as the UNDP (2011) reported, 77% of households were poor and 57% “very poor”.

The overall performance of the national economy was seriously compromised by the imposition of sanctions by the United States of America (USA), the British and their allies, purportedly against Mugabe and members of his inner circle. However, as Nyakudya (2013:190-198) argues, the sanctions proved to be more encompassing, and not as targeted as suggested. Under The Zimbabwe Democracy and Economic Recovery Act (2001) (ZDERA), the USA government implored its officials in international financial institutions to oppose any requests for financial assistance by Zimbabwe, while the International Monetary Fund (IMF) declared a policy of "non-cooperation" with Zimbabwe and suspension of all technical assistance (ibid:190). With direct foreign investment almost negligible, industrial performance dropped to below 30% (Hamauswa, Gwiza and Manyeruke 2013:157) as the economy registered negative growth annually between 1998 and 2008, "shrinking by half over the whole period" until it had almost collapsed by the time of the Global Political Agreement (GPA) in 2008 (Bratton and Masunungure 2011:28). Worse still, professionals left the country in search of greener pastures, both abroad and in the region, in droves, depriving the country of much-needed skills to drive the economy (see, for example, Chikanda 2005; Mushonga 2005 and Tevera and Crush 2003 on the "brain drain").

The poor performance of the economy, the poor wages and high unemployment levels gave rise to what Jones (2010) has termed the *kukiya-kiya* economy (shrinking of the formal sector/growth of the informal sector) as citizens resorted to *kumhanya mhanya* (running around), *kuguma guma* (extortion) and *kujingirisa* (joining different items together) in a bid to survive. Kadenge (2012:144) makes the telling observation that:

> It is also interesting to note that, while the general infrastructure of the country such as roads, buildings, public healthcare delivery systems and people's standards of living deteriorated during the crisis, Zimbabwean languages became richer as new words and expressions were created to name and discuss the new prevailing circumstances.

Politics and the Zimbabwean Economy

The Zimbabwean experience of the crisis and its aftermath demonstrates the intricate relationship between politics and economics in vivid fashion. Political decisions taken, decisions not taken, as well as those that were taken but not implemented had a massive bearing on Zimbabwe's economic fortunes. The adoption of the Economic Structural Adjustment Programme (ESAP) in 1991 and the abandonment of socialist pretensions had massive consequences on the economy. Similarly, the Fast Track Land Resettlement Programme (FTLRP) was the outcome of a political decision that had enduring ramifications for the economy. On a number of occasions, Gideon Gono, the Reserve Bank governor, bemoaned what he felt was the lack of political will to implement decisions that had a bearing on the economy. In his critique of Gono's rhetoric, Kangira (2007) highlights the extent to which Gono went in an effort to build consensus and get "buy-in" from citizens who occupied different social locations. In some ways, Gono's Monetary Policy Review Statements had the dimensions of a political rally, drama and religious ritual rolled into one. For all his failings, however, Gono had identified one fundamental truth: The Zimbabwean economy would not resurrect from its comatose state without the collaboration of opposing political players.

The interconnectedness of politics and economics became more obvious in Zimbabwe's interaction with Europe and North America. Due to Zimbabwe's aggressive nationalist and Pan-African rhetoric and sharp criticism of the West and its vicious economic policies (Brubaker and Mshana 2010), relations with these key players in the global economy suffered significantly. Mugabe projected Zimbabwe as the "Suffering Servant", the persecuted righteous one, victimised for daring to stand up against "the axis of evil", namely Britain and the USA. As Kanyenze (2004:132) rightly observes, "…the anti-Western rhetoric led to the relationship between Zimbabwe and the powerful Western economies reaching an unprecedented low level". While Zimbabwe did enjoy a measure of success in constructing itself as the "persecuted righteous one," the economy definitely did not win. If anything, the political battle cost the economy heavily.

Our emphasis on the role of politics in shaping Zimbabwe's economic fortunes is not meant to rehash the democracy-economic growth debate. China has shown that democracy is not a prerequisite for economic growth. Twineyo-Kamugisha (2012:46) rightly observes that, "China has achieved high levels of growth and realised more exports globally without Western- style democracy". However, the tragedy in Zimbabwe has been that a glorious revolution resulted in abysmal levels of poverty for the majority of her citizens while the elite scaled new heights in terms of economic prosperity. Discourses of "*ane tunhu twake*" (s/he has "things") at the height of the crisis period captured the envy that characterised the majority of the battered citizenry. As the rhetoric of belt-tightening gained momentum, it appeared the few rich ones were struggling to loosen theirs!

Visions of "Africa's third liberation" (Mills and Herbst 2012) and Africa's future (Clarke 2012), as well as the anticipated reform in Zimbabwe (Raftopoulos 2013), can only be fulfilled if political leaders make the right decisions. Political participation (Kaulemu 2010) is critical for Zimbabwe's future economic prosperity. The "crisis decade" offers some eloquent lessons regarding the need for politicians to invest in progressive decision-making and implementation. In particular, it laid bare the urgency for dialogue and building national consensus in order to ensure that citizens enjoy quality of life. Kwame Nkrumah was definitely right when formulating his dictum, “Seek ye first the political kingdom and all else shall be added unto you” (Biney 2008:133). However, the onus is on politicians and citizens to collaborate to promote decent lives for all. Writing in a highly polarised environment, Kanyenze (2004:145) prophesied thus: “It is clear that a political settlement between the major political parties is a prerequisite for the return to normalcy in Zimbabwe. Various attempts at resolving the crisis have hitherto failed.”

The Chapters in this Volume

The chapters in this volume are organised thematically. They were conceptualised during the era of the government of national unity (GNU) of 2009-2013. The early chapters focus on contested themes in Zimbabwean culture and society. Zimbabwe’s land question has become the nation’s “political football”. Consequently, our opening chapter addresses this theme. However, it then shifts attention to the neglected theme of agricultural subsidies. Whereas most volumes tend to shunt chapters on gender to the end, we have followed a different trajectory. The challenges that followed land reform have had a direct impact on women’s experience of poverty. Our second chapter focuses on this theme. Since the massive problems associated with service delivery have not received due scholarly attention, the next two chapters address this theme, with special emphasis on developments in urban areas and education. Faced with ostracism by Western nations and development partners, Zimbabwe embraced a “Look East” policy. This volume carries a chapter interrogating this turn to the East. Most critics have overlooked the interface between religion and economics. We address this lacuna in the available scholarship by examining how churches experienced exponential growth as the economy was shrinking dramatically. When many citizens struggled to survive and found religious solutions untenable, they took the exit option. The concluding chapter in this volume addresses this theme. Below we summarise the specific chapters.

In their opening chapter, Manyeruke and Hamauswa analyse the impact of agricultural subsidies on economic growth in Zimbabwe between 1998 and 2008. They especially concentrate on the domestic support that was given to Zimbabwe’s farmers, mainly in the form of subsidies. They argue that this aid was not effective in saving the country’s economy. They list issues such as droughts, corruption, international isolation, hyper-inflation, lack of technical expertise, etc., as having contributed to the said ineffectiveness of the subsidies. However, they go on to argue that the coming of a new political dispensation in the form of the Government of National Unity (GNU) brought some hope of the agricultural support's ability to transform the economy. They point at political stability, use of multi currencies and the "return" of investor confidence as some of the variables whose positivity would complement agricultural support in boosting Zimbabwe's economy after the crisis.

In the second chapter entitled, "A Gender Analysis of Coping with Poverty in Zimbabwe: A Historical Perspective", Chingarande draws attention to the impact of poverty on women. She starts off by making very interesting observations in which she buttresses her claim of Zimbabwe's fall during the decade by quoting statistics. She asserts that GDP fell by a cumulative 40% between 2000 and 2007, and hit an all-time low of 14% in 2007. Another example she cites is that of inflation, which she claims peaked at a record 500 billion per cent in September 2008. Foreign currency reserves amounted to \$6m against a foreign debt of about \$6bn. She blames the following factors for the economic crisis: (a) the appeasement policy towards war veterans in 1997 when the government issued unbudgeted-for cash handouts to them. These handouts sparked off an inflationary spiral which Zimbabwe had great difficulty recovering from; (b) Zimbabwe's unbudgeted-for intervention in the Democratic Republic of the Congo (DRC) in 1998, which had serious consequences on the country's budgetary allocations and deficits; and (c) the 2000 FTLRP, which negatively impacted the mainstay of Zimbabwe's economy – agricultural production. To these she adds other causative factors or facilitators of political and economic malaise, including American and European Union (EU)-imposed sanctions, food shortages, chronic shortages of foreign currency, price controls, etc. According to Chingarande, these factors worsened the conditions of the poor, especially in the urban areas, a scenario which had adverse effects on gender relations, especially given the fact that much of the formal sector employment, which was heavily affected by the crisis, had historically been dominated by men while women dominated the informal sector. In 2003, the prevalence of poverty among female-headed households was 68%, compared to 60% for male-headed households.

Given the foregoing, Chingarande's chapter is a gender analysis of poverty and the coping mechanisms instituted during the crisis. She attempts to show how crises affect traditional gender roles and relations. There is a deliberate emphasis on labour migration and informal cross-border trade to illustrate this. She interrogates the nexus between gender and poverty, and concludes that over time, especially during the crisis, poverty "wore a woman's face!" After identifying this link, she uses extensive interviews to show how, then, women tried to cope with poverty. One of the ways the women tried to survive was by increasing their involvement in the informal sector, for example, through their enhanced participation in informal cross-border trade. Of interest is her claim that female informal cross-border traders sustained the Zimbabwean economy during the crisis by supplying both consumer and intermediate goods to industries and playing the critical financial mediation role.

Then, she turns to gender and labour migration as a poverty-coping mechanism. Again, through the use of interviews, she rightly points out that a number of people left Zimbabwe during the crisis, and amongst these were professional and non-professional, married, and single women. She also notes that there was a shift in the nature of labour migration in that, whilst historically it was the men who left as labour emigrants, this crisis forced women to join in. Lastly, she calls for support for women for their participation in the domestic and public arenas for personal, family and national development.

In chapter three, Phiri assesses the effects of the economic meltdown on service delivery in the country. His argument is that service delivery in terms of health, energy and water, food security, housing and waste management and sanitation, unemployment, and transport and communication infrastructure as well as education crumbled, and this was a reflection of a nation state that "was about to or had failed". In a forthright manner, Phiri situates the service delivery failure within the context of governance weaknesses by attributing the failure to lack of "good policies and institutions". His argument is that the government was both unwilling and unable to decisively deal with the challenges confronting the country; unwilling because the political leadership at the helm of the country was preoccupied with political survival, and unable because western countries withdrew aid "… and imposed sanctions on it".

As a consequence of the service delivery breakdown, in terms of heath delivery, as the Tibaijuka Commission Report showed, Operation Murambatsvina left 700,000 people homeless and lacking access to basic services. Coupled with the dysfunctional facilities and a shortage of health personnel due to the brain drain, the inevitable happened. The entire population was exposed to a deadly cholera outbreak that affected 83,265 people and took 3,877 lives. The outbreak thrived in an environment of collapsed clean water supply systems.

As Jonga and Chirisa (2009) show, local councils had become undercapitalised, corrupt, and, therefore, not creditworthy, resulting in them ceding borrowing powers to an equally "financially hopeless government". Without reliable water supplies, people resorted to digging unhygienic shallow wells, further contributing to the cholera threat. The situation was compounded by the councils' failure to effectively manage the solid waste that accumulated daily in the cities. For example, Harare's sewage system became overloaded and developed leakages that caused overflows, but could not be replaced due to lack of funds. Worse still, the council had only 9 operational service trucks out of a total fleet of 90 vehicles. Between the 1990s and 2006, urban refuse collection fell from 80% to just about 30%, giving rise to the mushrooming of undesignated dumping sites that were not only an eyesore but also severely polluted the environment and threatened citizens' health. Under such unhygienic conditions, tuberculosis cases increased while HIV/AIDS and anthrax also played havoc on the population.

Phiri further shows how Operation Murambatsvina not only impacted on health delivery services by creating conditions that churned out more seekers of health services but also worsened the already dire housing situation in the urban centres. Due to hyperinflation, funding for housing was thoroughly inadequate, with the level of delivery a mere 14,000 housing units per year in Harare, for instance, out of a demand of 660,000 in 2000.

Besides the failure to provide housing, the chapter also demonstrates how the transport network faced collapse. With both the rail and road infrastructure becoming run-down, the World Economic Forum was forced to downgrade the country's road-rail rating to 2.7 in 2006 from 3.4 in 2002. Transport services for commuters were made even more unbearable by the incessant fuel and spare parts shortages that dogged the transport industry. Besides fuel, chronic electricity and coal shortages also took their toll on the performance of the national economy at large. The country could only generate a mere 1,300 megawatts of electricity at peak consumption to satisfy a national need of 2,200 megawatts (AFP 2012). The situation was compounded by severe foreign currency shortages, resulting in imports of as little as 25 megawatts.

The effects of the crisis on the employment levels in the country are also highlighted in this chapter, with Phiri pointing out that the number of formally employed people fell from 30% of the population in 2003 to a mere 6% in 2008. Such a state of affairs had ripple effects on the education system, which, Phiri argues, "had almost collapsed" by 2008. Examinations were a mess and the textbook situation in the schools was pathetic while the underpaid teachers left the country in droves and parents struggled to pay school fees for their children, resulting in completion rates dropping from 82.6% in 1996 to 68.2% in 2006.

Nyakudya examines the effects of the crisis on the education delivery system in the country in chapter four. He begins by analysing the state of the colonial education system and makes several interesting conclusions, notably that the colonial education system was racist as it favoured the white, at the expense of black, child. The nature of the education was to keep the African subservient to the colonialist. While education for women was even more limited, being basically “for domesticity”, in many instances, women utilised education to free themselves from both patriarchy and colonial oppression. While colonial education was meant to serve both missionary and colonial interests, it is ironic that it is the educated elite who spearheaded the struggle against colonial rule, with the failure to access education being one of the major motivations for participating in the liberation struggle. This struggle resulted in extensive school infrastructural damage and the displacement of more than half a million rural pupils between1973 and 1980.

On coming to power, the Zimbabwe African National Union-Patriotic Front (ZANU-PF) government therefore made the widespread provision of education to the general population its number one priority. Nyakudya has described the period from 1980 to 1990 as the years of “bliss” in education provision in Zimbabwe, showing the phenomenal growth that the sector experienced in terms of infrastructure, enrolment and teaching personnel, among others. There were, however, a few challenges of funding and quantitative rather than qualitative growth, and due to the *welfarist* approach to education provision, cracks began to emerge in the education delivery system from 1991 to 1998 after the adoption of the Economic Structural Adjustment Programme (ESAP), which entailed the implementation of austerity measures to cut down on government spending.

As the Zimbabwe economy buckled during the decade of crisis, Nyakudya demonstrates how government expenditure on education shrunk to very insignificant levels, yet at the same time, the same government tried to use education, particularly history, for political survival. Particularly bedevilling the education sector were poor funding, lack of resources, mass teacher exodus due to debilitating working conditions, and poor pupil attendance, among others. Without adequate funding for the education sector, teachers were so ill-paid that they devised several survival strategies, some dignified and others not so honourable. Some left the profession to pursue other jobs, mainly buying and selling all sorts of wares; others left for regional and international countries in search of all sorts of jobs. The resulting shortage of teachers in the country, however, was levelled out by the poor pupil attendance caused by failure to pay fees and acquire learning resources, which the schools now expected the pupils to provide. Relations between teachers and parents became strained as most of the former resorted to charging pupils for so-called “extra” lessons. Furthermore, parents were made to fork out more payments termed “incentives” to the teachers through their School Development Associations. Nyakudya argues that while these “incentives”, which have persisted to date, are generally reviled, they are actually responsible for keeping the education sector ticking.

The chapter demonstrates how standards of education fell during this decade of crisis; the pass rates in the schools hit an all-time low; the Zimbabwe School Examinations Council (ZIMSEC), the national examining board, was riddled with corruption and underfunding while the University of Zimbabwe’s ranking of number 1 in Africa fell to number 17 in 2007. In the final analysis, however, while education’s contribution to social development and poverty reduction became almost negligible as the sector nearly collapsed during the decade of crisis, Nyakudya’s central argument is that the education sector just fell short of total collapse due to the solid achievements registered in the first one-and-a-half decades of independence. The chapter rounds off with the argument that there is a need for a peaceful and secure political environment in which more resources are channelled towards the education sector.

In chapter five, Chimanikire analyses the country’s foreign policy, with special emphasis on its “Look East Policy”, and provides possible reasons as to why the Zimbabwe government resorted to this policy. Chimanikire embarks on the rather ambitious but scholarly journey of trying to link the government’s ultimate adoption of the policy to the demonization that it suffered over its policies towards land, especially the FTLRP, which, he says, triggered a lot of hostility. As a follow up, he states the IMF and World Bank (WB) ceased financial assistance to Zimbabwe and so did the country’s traditional trading allies like the EU, USA and others. They even imposed sanctions on Zimbabwe, leading to the freeze on aid that caused the economic crisis.

Chimanikire then goes on to contextualise this general background with what he calls, “The International Perspective”, which basically shows how the international community was divided over the country’s political and economic crisis. Western countries and institutions opposed the Robert Mugabe-led government’s methods of rule and started pressurising it to embark on reform, whilst others, especially, African, Asian and Latin American countries, were sympathetic to it. However, Chimanikire says that this situation has not remained static, with the countries shifting their positions, albeit slightly, due to new developments in the country. Such events include the coming into existence of the GNU. He then analyses, though briefly, the American, British and European policies towards Zimbabwe and, in general, the sanctions that were imposed on it before he discusses, again briefly, the whole debate around the lifting of sanctions.

After defining Zimbabwe's Look East Policy by pointing at its cordial relations with countries like Malaysia, Singapore, China, and India, Chimanikire then puts the Sino-Zimbabwe relations into historical perspective, starting with Chinese aid to the Zimbabwe National African Union (ZANU) during the country's struggle for liberation. He proceeds to analyse the relations today, with China pouring aid into education, mining and other fields, especially given Zimbabwe's estrangement from the West. China became Zimbabwe's source of technology, capital and trade. Chimanikire asserts that China filled the void left by the West as aid donors for Zimbabwe. He claims that, apart from helping Zimbabwe in education, trade and economics, China also supported the FTLRP and maintained strong military and diplomatic links with Zimbabwe. Looking into the future, Chimanikire foresees China maintaining and, indeed, strengthening ties with Zimbabwe, but cautions that the latter must tread carefully as this can easily be another form of neo-colonialism; this time a Chinese one.

Chitando analyses the interplay between religion and economics during the crisis period in chapter six. He argues that while the economy experienced a rapid and alarming decline, the religious sector actually scaled new heights in the literal sense of the term. His argument in this chapter is that the increased appeal of Pentecostal churches during the decade of crisis emanates from the Church's gospel of prosperity, which it popularised as it took advantage of the congregants' "existential insecurity". Chitando shows how religious contacts among cross-border traders became useful as the African initiated churches expanded their presence in the informal sector, which was flourishing as the mainstream economy failed to provide adequate employment. Particularly significant during this period was the increased mushrooming of "ministries" as more and more "pastors" started their own churches. This form of "investment" remained relatively cheap and a lot of retrenched professionals found it lucrative to form their own churches, which provided immediate returns at a minimal cost. It was not difficult to find congregational space as former banks, shops and cinemas were turned into church facilities, confirming, as Chitando argues, "the viability of the religious sector as churches were better placed to pay rentals, unlike players from other sectors of the economy".

The exquisite Celebration Church Conference Centre in Borrowdale, the impressive ZAOGA hospital in Prospect and the ZCC Mbungo Conference Centre, among other glamorous church buildings that sprouted during the crisis period, all lend testimony to the economic viability of religion at a time when the entire economy was tottering on the brink of collapse. The attraction was that the "returns" offered by religion were huge, especially in view of the astonishing levels of self-sacrifice that the majority of the economically deprived congregants demonstrated in their quest to "reap" from what they would have "sown". Tithes thus turned out to be very useful for the churches' viability. Most of these Pentecostal churches also made money from holding business conferences conducted on economic principles that placed emphasis on profit-making. This saw many prominent young business entrepreneurs frequenting these churches, thus attracting more adherents. Chitando shows that as universities and government ministries battled to host conferences, "churches were (actually) competing to run business conferences".

He highlights several other initiatives that the churches adopted in order to thrive during the crisis period. These ranged from running viable institutions like universities and health delivery systems when government ones were collapsing. Some of them provided reliable transport services to ferry members to places of worship while others even promoted gospel musicians, working with their promoters, to vend their cassettes and videos, among other things. Chitando concludes by arguing that the churches became "networks of survival" as the economic crisis in Zimbabwe peaked, extending their influence well beyond the country's borders, and Christians could therefore triumphantly claim that theirs was/is a "wonder-working God".

In the concluding chapter, Muzondidya discusses the survival and organisational strategies adopted by Zimbabwean migrants in South Africa as they struggled to deal with life away from home during the decade of crisis. His argument is that the harshness of the situation produced new forms of life in Zimbabwe and South Africa, including both ingenuous and capricious survival strategies among these Zimbabweans. Muzondidya focuses primarily on unskilled and semi-skilled migrants, who have come to be termed *majoni-joni*/*amadouble-up* in Zimbabwean lingua franca. Arguing that these Zimbabweans were "self-aware actors in charge of their lives and destinies, rather than defenceless victims", Muzondidya discusses the various strategies, both legal and illegal, developed by the migrants to get into South Africa to procure employment and cope with their existence as well as regularise their stay. Besides risking their lives by illegally crossing the crocodile-infested Limpopo River, migrants also made use of *malumes* (uncles), an established group of people at the

Beitbridge border post who actually make a living by helping illegal migrants cross into South Africa.

Once in South Africa, the migrants had to devise means and ways of surviving, starting with learning at least one of South Africa's official languages and trying to acquire documents to regularise their stay. Among the legal or "positive" mechanisms adopted by these *majoni-joni* are entrepreneurial ventures, the revival and strengthening of kinship and extended family ties among migrants, and between them and those remaining home as individuals realised the significance of "collectiveness in dealing with the harsh economic and social conditions". An important argument made in this chapter is that these migrants played a pivotal role in alleviating poverty back home through their new culture of "resilience, innovation, self-dependency and group collectiveness".

However, despite these positive aspects associated with the *majoni-joni/amadouble-up*, a lot of illegal or negative influences also emerged. The harsh economic and social environment they found themselves in meant that many had to resort to corrupt and criminal survival strategies. There emerged a practice Muzondidya has termed, "the *gumaguma* culture" which is "a ruthless, cunning and extortionist way of living". Further to this, the migrants also succumbed to heavy drinking and womanising. Muzondidya argues that these unbecoming forms of behaviour had the negative effect of further straining the migrants' lives and those of their families.

The chapters in this volume confirm that, indeed, Zimbabwe has demonstrated "resilience under siege." Essentially, they seek to capture the challenges that the nation grappled with while at the same time providing insights into the way forward. The authors refuse to whitewash the past; at the same time, they refuse to remain trapped by the past. There is a real danger that researchers may conclude that the "crisis" has been overcome and that all that now needs to be done is to concentrate on the recent past and to plan for the future. This volume seeks to avoid such an approach. *Resilience under Siege*, therefore, serves to both document a tumultuous period in the history of Zimbabwe as well as proffer new insights regarding the need to "win the future".

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CHAPTER ONE

AGRICULTURAL SUBSIDIES: HOPE FOR THE ZIMBABWEAN ECONOMY?

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Introduction

The period 1998–2008 saw Zimbabwe's economy undergoing a lot of changes as a result of the implementation of the Fast Track Land Reform Programme (FTLRP) by the government. Historically, the issue of land was very contentious, as demonstrated by the many revolutions fought against the white minority in Zimbabwe. The First, Second and Third Chimurenga are clear examples of these wars. The historical imbalance of land ownership between blacks and whites was significantly addressed through the implementation of the FTLRP, also known as the Third Chimurenga. Before the FTLRP, approximately 4,500 white commercial farmers, mostly of European descent, controlled 28% of the country's land under freehold tenure, totalling 11.2 million ha. In contrast, the communal areas supported a farming population of over 1 million families, consisting of nearly 6 million people on 41% of the country's land area of 16.4 million ha. This translated into a population density of 31 persons per square kilometre (Moyo and Matondi 2008).

Unfortunately, the challenges involved in the process of empowering the black majority through the FTLRP resulted in the negative development of the social, economic and political life of Zimbabweans. Some of the stumbling blocks included lack of international support, sanctions from the West, corruption, drought, lack of technical expertise, unavailability of inputs, and hyper-inflation. These factors were setbacks to some of the government policies, such as providing subsidies to the newly resettled farmers. The new political dispensation ushered in by the Global Political Agreement (GPA) has provided a fairly economically stable environment, which should result in the successful implementation of a new agricultural subsidy regime. The multicurrency regime, retention of technical staff, ability to export to international markets, and stability of banks and monetary supply are some of the favourable factors under the GPA that could result in the implementation of an effective agricultural subsidy programme for farmers in Zimbabwe. In this paper, however, we focus mostly on the period before the implementation of the GPA.

In light of the aforesaid, in this chapter we analyse the impact of agricultural subsidies on economic development in Zimbabwe during the period 1998–2008. We further outline the socio-economic, political and environmental factors that have made domestic support ineffective in the agricultural sector. Recommendations of factors and policies that can complement subsidies on economic growth are also provided. Information for this study was obtained through documentary research. Relevant literature from books, academic papers, journals, newspapers and the Internet were used. Statistical figures, graphs and tables were also used to interpret and further explain the facts under study.

Literature Review and Conceptual Framework

Agricultural subsidies are defined as financial assistance given to farmers through government-sponsored price support programmes. Subsidies are provided to reduce the volatility of prices for farm products and to increase farm income (Healy et al. 1998). This definition concurs with the practice in the European Union for agricultural subsidies under the Common Agricultural Policy (CAP), even though more types of subsidies have been given under this programme. According to White (2012), farm subsidies are payments and other support extended by the United States (US) federal government to certain farmers and agri-businesses. Farm subsidies are also known as agricultural subsidies. The original intent of US farm subsidies was to provide economic stability to farmers during the Great Depression to ensure a steady domestic food supply for Americans. The US government presently pays about $20 billion in cash annually to farmers and owners of farmland. Between 1995 and 2005, it paid about $250 billion in farm subsidies. In 2008, the United Kingdom received €3,755 million in European Union (EU) farm subsidies, or approximately €12,517 per farm. Among the top recipients of the EU farm subsidies are Tate and Lyle Europe, Nestle UK Ltd, Meadow Foods Ltd, Czarnikow Group Ltd and Philpot Dairy Products Ltd (www.farmsubsidy.org, Retrieved 2012).

Support for agricultural subsidies has been on the decline due to a number of factors such as economic depression and a call for reforms in this area from the World Trade Organisation (WTO). Government support for agriculture in the mostly rich countries of the Organisation for Economic Cooperation and Development (OECD) fell to 18% of total farm receipts in 2010, a record low since the OECD began measuring in 1986. High commodity prices reduced the need to prop up domestic prices and reinforced the declining trend of support to agriculture. But support has increased in some emerging markets. As a share of total farm receipts, subsidies in China rose from 6% in 1995 to 17% in 2010 because of the government's efforts to develop its rural economy. The global financial crisis and drought in Russia resulted in large exceptional assistance being given to farmers in 2009 and 2010: a fifth of their gross income came from government support (*The Economist* 2011).

It is important to analyse the issues surrounding agricultural subsidies since they affect food security, sustainable development and fair trade. Fair trade is defined as:

> ... a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers especially in the South. (Lumina 2012:7)

Large agricultural subsidies in the developed countries impede the ability of agricultural producers in poor countries to exercise much of their comparative advantage in agricultural production (Lumina 2012:7). The biggest problem with agricultural subsidies is the ability to provide them. Most developing countries cannot afford to provide their farmers with subsidies; hence, they are always calling for a reduction of subsidies by developed countries and for an increase in support for farmers from poor countries. This is why in most international conferences developing countries request support to address supply-side constraints and Aid for Trade (AfT) packages.

Presidents Hoover and Roosevelt of America argued that as a result of the Great Depression in the US, other sectors had to be taxed so that some farmers could be subsidised. Hoover's programme was the Farm Board, which fixed price floors for wheat and cotton only. If market prices fell below 80 cents a bushel for wheat and 20 cents a pound for cotton, the federal government would step in to buy the crop, pay to store it, and hope to resell it later for a decent price. However, there were unintended disastrous consequences for almost everyone. For example, many farmers who typically grew other crops shifted to wheat or cotton because they were protected and now provided a secure income. The resulting overproduction forced the prices of both crops below the price floors, so the government had to buy over 250 million bushels of wheat and 10 million bales of cotton. The cost of buying and storing these crops quickly used up the programme's allotted $500 million. After about two years of buying surpluses, the government finally just gave them away or sold them on the world market at huge losses.

When Roosevelt became president, he also intervened in the farm business but in a different way. He supported the Agricultural Adjustment Act (AAA), which dealt with the problem of oversupply by paying farmers not to produce. As for farm prices, they would be pegged to the purchasing power of farm prices in 1910; millers and processors would pay for much of the cost of the programme, which of course meant an increase for consumers in the price of everything from bread to shirts. Since then, the US provides its farmers with subsidies, mostly through the Farm Bill, despite the call by developing countries to institute proposed reforms that would remove trade distorting subsidies.

In terms of international trade, tariffs were originally used to make imported foreign goods artificially expensive, but these are now largely considered to be distasteful and WTO members are banned from using them against each other. The WTO permits governments to provide subsidies in a manner that does not distort fair trading between and among its member states, thus categorising subsidies into three different boxes, namely, green, amber and blue.

Under the green box, subsidies must not distort trade and, at most, they can only be permitted when they cause minimal distortion. They have to be government funded (not by charging consumers higher prices) and must not involve price support. They tend to be programmes that are not targeted at particular products, and include direct income support for farmers that is not related to current production levels or prices. The green box also includes environmental protection and regional development programmes (WTO 2012). Most of the 2000–2008 Zimbabwe domestic support falls under the green box.

The amber box constitutes all domestic support measures considered to distort production and trade (with some exceptions), which is defined in Article 6 of the Agreement on Agriculture (AoA) as all domestic support except for that in the blue and green boxes. This includes measures to support prices or subsidies directly related to production quantities. The blue box comprises conditions designed to reduce distortion. It also includes all support that would normally be in the amber box but is placed in the blue box if the support also requires farmers to limit production (WTO 2012).

Background of Agricultural Subsidies in Zimbabwe

In Zimbabwe, agricultural subsidies date back to colonial times and have continued in the post-colonial era. During the colonial times, the Land Bank issued loans that did not exceed 60% of the value of the land and permanent improvements. The loans given were payable in a period not exceeding 10 years, with a repayment exemption in the first two years (Chaminuka 2012). It should be noted that, during the colonial times, the subsidies were designed for the white minority at the expense of the black farmers. Historical policies were segregatory – the black smallholder farmer never enjoyed the privileges given to the white farmers. The beneficiaries of these Land Bank loans (white settlers) were under-resourced, just like the beneficiaries of the FTLRP in 2000. Colonial administrators, therefore, created a dual system of managing agriculture, developing a plethora of laws to destroy indigenous agricultural development. Laws such as the 1930 Land Apportionment Act (LAA) and the 1951 Land Tenure Act (LTA) were meant to drive the blacks to inaccessible and poorly drained lands that received the least rainfall so that the white people could remain in the fertile lands, where they practised commercial farming. Loans from the Land Bank were used to develop dams, build storage facilities and mechanise the farms by purchasing tractors, harvesters and irrigation equipment.

In 1980, the Government of Zimbabwe (GoZ) adopted a five-year plan, “Growth with Equity”. The Commercial Farmers Union (CFU) lobbied for support from the government whilst the latter also developed communal areas through the establishment of growth and irrigation projects and the provision of other agricultural inputs at subsidised prices. The GoZ sought to redress the colonial legacy in favour of the black majority communal farmers. Land reform in Zimbabwe began after the signing of the Lancaster House Agreement in 1979; its “willing seller-willing buyer” clause could not be changed for ten years. Thence, the 1985 Land Acquisition Act gave the government the first right to purchase excess land for redistribution to the landless. This land reform framework was not effective because the government did not have the money to compensate landowners, and most white farmers were opposed to the Act. As a result, between 1980 and 1990, the government acquired 40% of the targeted 8 million hectares (19.77 million acres) of land, and 71,000 out of a target of 162,000 families were resettled (www.cfuzim.org). The 1992 Land Acquisition Act, which was meant to speed up the land reform process, failed to bring any meaningful results to the poor black people.

The adoption of the liberalisation policies of the IMF’s Structural Adjustment Programmes (SAPs) in the late 1990s erased government support towards farmers in Zimbabwe. The effects of liberalisation policies on the masses, coupled by the non-realisation of economic gains of the liberation struggle, pressured the government into launching the FTLRP in 2000 so as to redress the economic imbalances of the past. The land reform programme had mixed results as some viewed it as a campaigning strategy by Zimbabwe African National Union-Patriotic Front (ZANU-PF). The international community, in particular the US and the EU, condemned the haphazard manner in which land was taken and slammed the country with sanctions. These factors, among others discussed in this paper, effectively made domestic support in the agriculture sector ineffective.

Political Environment

The effects of the SAPs on the majority of the already impoverished black people, coupled by the un-called for costly intervention of Zimbabwe in the 1998 Democratic Republic of Congo (DRC) war and the unbudgeted for compensation of the war veterans in 1997, resulted in the downturn of the economy. Such bad policies, buttressed by the chaotic FTLRP in 2000, heralded the economic dark age for the country (Makochekanwa and Kwaramba 2012). One of the measures adopted by the government under ESAP was to reduce subsidies to parastatal institutions (Mushunje 2012), but more importantly, the above policies had a negative bearing towards investment in the agriculture sector.

Following the bad publicity, the FTLRP attracted, the country's relations with the European community turned sour and this had a negative impact on the agricultural and other sectors of the economy. The formation of the Movement for Democratic Change (MDC), led by Morgan Tsvangirai, a renowned trade unionist, sent shock waves through ZANU-PF, which had won elections since 1980, resulting in a de facto one-party state. The 2000, 2002, 2005 and 2008 elections were characterised by political violence, which saw Zimbabwe being slammed with sanctions by the EU and US in particular. The latter enacted the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) in 2001. Zimbabwe also pulled out of the Commonwealth on 8 December 2003. Emphasising the need to respect the rule of law, elections from 2000 were condemned by the international community as unfair. Apparently, application of the rule of law in Zimbabwe during the 2000–2008 period was problematic and inconsistent as a result of the political crisis. ZANU-PF claimed intrusion in Zimbabwe's domestic affairs, mostly by the US and EU, whilst the MDC argued that their failure to gain power was the result of intimidation