Africa Briefing

Harare/Brussels, 26 September 2000

international crisis group

Zimbabwe: Three Months after the Elections

Summary

In the immediate aftermath of Zimbabwe's 24-25 June 2000 Parliamentary elections, many Zimbabweans optimistically expected that their country would begin to return to normal—leaving behind the six months of violence, intimidation, farm invasions, racist political rhetoric, and erosion of the rule of law. Three months later, their hopes have been largely dashed. As of late September the prevailing mood is one of uncertainty, frustration and anger. There is no positive leadership: no one has a sense of where the country is headed except down. In the absence of some certainty or sense of direction as to where President Robert Mugabe and the country are headed, rumour and speculation are the kings of Harare.

While President Mugabe's new government includes several new, competent ministers in the economic area, there has been no discernible return to the rule of law and good governance. None of the matters identified in ICG's 10 July recommendations has been seriously addressed. The economy continues to spiral downwards. The Government has announced its intention to compulsorily acquire over three thousand commercial farms, has publicly identified over two thousand of them, and has begun a "fast track" resettlement program that would move settlers on to many hundreds of them before the rainy season begins in November. This is not land reform; it is a politically driven land grab which will devastate Zimbabwe's agriculturally based economy without immediately benefiting those being resettled.

As before, the culprit for Zimbabwe's continuing slide towards the abyss is President Robert Mugabe. He learned nothing positive from the June elections. He takes into account neither the emergence of a popular and credible opposition, nor the distaste and frustration evident throughout the country as a result of his intimidation and manipulation of the election results. If anything he has become more autocratic, determined to maintain personal control regardless of the costs to the nation. He ignores constructive advice from within Zimbabwe, from the leaders of important neighbouring countries, like President Thabo Mbeki of South Africa and President Joachim Chissano of Mozambique, and from the wider international community.

At the time this briefing was written, there was a widespread feeling in Harare among well informed Zimbabweans of all races that the current situation, politically and economically, is unsustainable beyond the end of this year. There is a sense that some event, some development will bring to a head the choices facing the country. There is a broad belief that Mugabe is the root of all Zimbabwe's problems and that it is time for him to go. And, there is a belief that if, and it is a big if, he goes, the country could begin a turnaround within a matter of days. Waiting for the constitutionally mandated presidential elections in 2002 is seen as too late by most observers, as by then the economy will be in a shambles.

In these grim circumstances, it is imperative that the international community and regional neighbours continue to provide wise counsel and bring whatever pressure they can to bear on President Mugabe and his regime, along the lines recommended in ICG's July report (reprinted below). At the same time encouragement should be given to the despairing rational elements in Zimbabwe, who are struggling to return their country to a positive course.

Political Developments

Zimbabweans, who hoped the results of the 24-25 June 2000 parliamentary elections would return their country to normalcy, have had their expectations dashed. President Robert Mugabe, who must read the election results as a humiliating rebuke by the electorate, has if anything become more autocratic and seemingly determined to drive his country to economic destruction. He has announced his intention to compulsorily acquire over 3000 of the 4500 commercial farms, and as of early September some 2100 have been formally designated for takeover. He has announced a “fast track” program to resettle 150,000 peasant farmers on the farms before the rainy season begins in November. He has refused to stop additional land invasions by the “war vets”, and enforce the rule of law. Members of the opposition Movement for Democratic Change (MDC) party continue to be victimised. Police carrying warrants to search for weapons raided the headquarters and other branch offices of the MDC in Harare on 13 September. In early August according to numerous sources, Mugabe rebuffed a suggestion by elements of the ZANU/PF Central Committee that he announce that he will not run in the 2002 Presidential election.

A broad spectrum of well-informed observers, including senior members of ZANU/PF, the MDC, and the private sector, currently describe the country as being in political “transition”. By this, they suggest that Mugabe is on his way out of power and he knows but does not like it. As to scenarios and timing, they point to a natural disaster, some unpredictable catalytic event such as an urban uprising/strike triggered by fuel shortages, or an open revolt at the ZANU/PF party congress scheduled for early December 2000. Others speculate that Mugabe is plotting an exit strategy that has him bowing out at the Party Congress after appointing two next generation Vice Presidents and ensuring that the land issue is on an irreversible course of his choosing.

No matter the scenario, it is increasingly clear that some senior ZANU/PF figures want Mugabe to step down from the 2002 presidential elections and are already repositioning themselves for a change of leadership. The weekly 'Financial Gazette', reported on 21 September that several ZANU-PF Politburo’s members, including parliamentarians, wanted

Mugabe to retire but could not agree on who should succeed him: "We are all in agreement that Mugabe must go. That is no longer an issue," a member of ZANU PF's Politburo — the party's highest policy-making body — told the newspaper. "The problem that we have at the moment is who should be Mugabe's successor. We cannot agree on a candidate," the official said. He added: "The biggest problem is to reach consensus on a successor who has the support of the party's membership countrywide and the capacity to win the 2002 election." According to multiple sources, this reflects a serious generational split in the party; the younger generation favours Mugabe going soon so that they can rebuild the party, with the "old guard" favouring Mugabe staying on or a successor from their ranks to protect their self interests including from personal prosecution.

Another notable example of this was reported in the Financial Gazette and the Independent on 14 and 15 September respectively. They covered a remarkable 12 September speech in Parliament by Edison Zvobgo, a long time ZANU/PF cabinet member and now a back bench MP. Zvobgo distanced himself from Mugabe saying among other things: "We have tainted what was a glorious revolution, reducing it to some agrarian racist enterprise"; "We have behaved over the last few years as if the world owes a living. It does not"; "We have blamed other people for each and every ill that befell us"; and "As every peasant, worker, businessman or woman now stares at the precipice of doom, let us wake up and draw back. We must clear the slate, bury everything that has divided us and begin again."

This in turn leads to further theorising about what is driving Mugabe's current, post-election behaviour. One knowledgeable and very credible source noted that it has been Mugabe's goal, since before independence, to nationalise all the land and then parcel it out as patronage much as a traditional chief would. Others speculate that the current drive to acquire and resettle farms by November is driven by Mugabe's understanding that his days in control are numbered and his desire to leave behind an irreversible revolutionary legacy—no matter what the cost to the country. Senior members of ZANU/PF acknowledge that Mugabe is angry at the whites and wants to "punish" them for supporting the MDC. They also say he is truly bitter about the British Government's "harsh and immature" public diplomacy on the land and rule of law issues.

Whatever the truth, there is a widespread understanding that Mugabe is at the root of all Zimbabwe's problems and must go. There is, however, no clear sense of how this will take place, and there is no indication that either his cabinet or the senior leaders of his party presently have the will to effectively challenge him. Fear, paralysis, and uncertainty best characterize the current political scene. For the moment, it appears that Mugabe retains the support of the security organs of the state and party, but several sources suggested that lower levels of the police and army are disenchanted and might not be counted on to support his continued rule in the event of civil unrest or a major strike in the urban areas.

On the positive side of the otherwise dismal political ledger is the change in Parliament resulting from the MDC's winning 57 seats in the June election. Parliament is no longer a one note cheering section for ZANU/PF. The opposition is giving harshly critical speeches and is asking tough questions, highlighting corruption, mismanagement, and Zimbabwe's misadventure in the Congo. Zimbabwe's independent press continues to focus on these same issues and calls for an end to Mugabe's rule.

Without the power to force change through Parliament, the MDC is focused on consolidating and extending its year old party structure, refining policies, and developing a legislative program. Depending on evolving events, the MDC has not ruled out mass action protests in the urban areas where it has strong support. Interestingly the leader of the MDC, Morgan Tsvangirai, has publicly endorsed a generous retirement package for Mugabe, including indemnity from future prosecution. Tsvangirai confirmed to ICG that this is a serious offer as Zimbabwe “can no longer afford” Mugabe’s rule. Meanwhile, the MDC is challenging the results of the June elections in 39 constituencies—without much hope of speedy action in the courts.

The Economy

The gloomy economic picture painted in our 10 July 2000 report has not changed—except for the worse. The key indicators cited in that report—unemployment, inflation, and interest rates—all remain well over 50 per cent. The projected drop in year 2000 GDP is still over 10 per cent and the budget deficit could be as high as 20 per cent. Government’s domestic debt has risen to about Z$118 billion as of early September. Tourism is off 80 per cent for the year to date, and there is no new domestic or foreign investment. Post election, international buyers returned to the tobacco auction floors to buy the 1999-2000 crop. By the time the floors close at the end of October, Zimbabwe Tobacco Association (ZTA) estimates the crop (after value added processing) will earn Zimbabwe about US$400 million in export value (equivalent to 30 per cent of total exports). Projections for the 2000-2001 tobacco crop are for a drop of at least 15-20 per cent based on seed and fertiliser sales. The drop could be much more severe depending on how many tobacco farms are taken over by the government for resettlement. In the meantime, banks are not providing crop finance to owners of farms, which have been designated for acquisition. The result, to cite the example of one large scale tobacco grower, follows: farm designated, no bank finance, no crop planted, 1300 farm workers to be laid off, and US$4 million in exports to be lost. Zimbabwe's foreign exchange bureau has warned that the country’s hard currency crisis will worsen after the end of the tobacco selling season in November.

The fuel and electricity situations have become truly dire since the election. Petrol, diesel, and paraffin (principal cooking fuel) are desperately short. Kilometre long fuel lines are the daily norm—when a shipment arrives. Zimbabwe’s foreign suppliers (to whom Zimbabwe is US$89 million in arrears) are now demanding cash before delivery. Compounding the problem have been two government mandated full price increases; 25 per cent at the end of July and another 40-50 per cent on 1 September. This has added to inflationary pressures throughout the economy and angered urban commuters who are bearing the full brunt of the increases. This could well lead to civil unrest in the weeks and months ahead. Several knowledgeable observers predict that foreign exchange to buy fuel will run out absolutely by early November, in the absence of new credit arrangements or highly unlikely IMF balance of payments support.

The picture for electricity is much the same. Zimbabwe is dependent on South Africa, Mozambique, and the DRC for 45 per cent of its electricity because its own generating capacity is in disrepair for reasons of poor maintenance and a lack of foreign exchange for essential spare parts. Zimbabwe, which has very large overdue bills to all three suppliers, has increased rates for consumers and suffers from both scheduled and unscheduled load shedding. The result is devastating across the whole economy.

Looking ahead, most economists believe Zimbabwe will not face a food security crisis over the next twelve months because of a bumper maize harvest for the 1999-2000 season. Luxury foods such as wheat for bread and rice, however, will run way short of demand. And it is an open question what the food situation will be a year from now. Much will depend on whether government proceeds as announced with its land acquisitions, the effects of farm invasions, and just how much is planted in November when the rains begin.

On the positive side, President Mugabe appointed to his new cabinet in July two, new, capable technocrats as Ministers of Finance and Commerce and Industry. Whether he will allow them the authority to do their jobs professionally remains to be seen. Dr Simba Makoni, the new Finance Minister, did announce on 3 August a long anticipated and necessary devaluation of the Zimbabwe dollar from 38 to 50 to the U.S. dollar and pledged to bring discipline to the budget. Meanwhile the "street" price for a U.S. dollar is in the 60-70 range and no evidence has yet emerged that the budget deficit has been brought under control.

Our consultant's visit at the end of August 2000 coincided with that of an August-September IMF mission. The Government sought balance of payments support, but by all accounts was unable to meet the IMF's conditions, which are understood to have included action on the budget deficit, rule of law, and land reform. The MDC and private sector groups, which the IMF mission also met with, argued for very strict conditionality particularly on the rule of law and land reform issues. Indeed, the MDC was blunt in saying "no bailout", but be prepared to help a successor government that pursues sound economic and social policies.

The Land Issue

Post-election, as already indicated previously in this report, the land issue has escalated dramatically. The government has announced its intention to compulsorily acquire 3041 commercial farms. As of 8 September, 2102 had been formally gazetted. In July, the government announced a "fast track" resettlement program with the intent of placing 150,000 families on the designated farms before the planting season begins in November. No serious plans have been made to support those being resettled nor does the already broke government have the resources to do so even if it had a well thought out plan. The conclusion is inescapable that what is underway is a Mugabe-driven politically motivated land grab, not an economically or socially viable land reform program. As two extremely well informed sources told ICG, Mugabe is "determined and can't be stopped" on land, a subject on which he listens to "no one".

Meanwhile the number of farms invaded or occupied by the so-called "war vets" continues to rise. Farming operations are being impeded, trees are being cut and game is being poached on a large scale. There is a spirit of lawlessness in the commercial farming areas where the police are being ordered not to enforce the law. Several good sources say that police, at the working level, are increasingly unhappy about being politically impeded from doing their job.

Sadly, as Mugabe pursues his land obsession, no thought is being given by the Government to the hundreds of thousands of farm workers and their families who will be displaced as new settlers are moved onto the acquired farms. All told, according to CFU figures, there are 350,000-400,000 workers on commercial farms who together with their dependents make up well over 10 per cent of Zimbabwe's population. It appears that government favours ZANU/PF party members in allocating land and feels it owes nothing to the farm workers who are regarded as MDC supporters. Many farm workers are also seen as "foreigners", of Zambian, Malawian or Mozambique ancestry, and therefore undeserving. The disastrous economic consequences of a helter-skelter resettlement program are also being ignored. In an economy that is directly and indirectly 60 per cent based on agriculture, this is, in the words of the MDC leader, sheer madness.

On the other side of the issue, the Commercial Farmers Union (CFU) is severely embattled and under strain after nine months of continuous crisis. They have continuing daily concerns about the physical security of their members. They have tried to no avail to negotiate a reasonable land reform package with the government. For much of July and August, the CFU leadership vacillated over filing a constitutional suit against the government over the land acquisition issue. Whether to file or whether to continue fruitless negotiations deeply divided the membership. In early September it was finally decided to file suit while leaving the door open to further negotiation. As a constitutional issue it will go to the Supreme Court for decision. Given Mugabe's apparent legacy-driven motivation on the land issue and his previously demonstrated willingness to ignore court orders against the land invaders, many observers question whether Mugabe would abide by an adverse Supreme Court finding. A major constitutional crisis is a real possibility, and could be the catalytic event those favouring a change of leadership are waiting for.

Clearly, the next few months are likely to be decisive as far as the land issue is concerned. There is much at stake for all concerned. It's not just about 3000 commercial farmers, or 350,000 farm workers and their families, or the ancillary businesses around the country that are dependent on servicing the farms and receiving their output; it's about the viability of the whole country and the consequences of an economic failure of Zimbabwe on all of Southern Africa.

Zimbabwe and the DRC

In August 1998, President Mugabe sent a Zimbabwe army expeditionary force to the Democratic Republic of the Congo (DRC) to support the faltering regime of President Kabila. This was done with little or no consultation with Parliament, the cabinet or his party's central committee or with Zimbabwe's regional partners, and until August 2000, the Zimbabwe public was provided little information about the engagement—including what it cost and casualties incurred. There was, of course, much speculation about lucrative mineral deals but no hard facts. One long-time observer claims plausibly that Mugabe engaged out of ego, that the shift of the limelight from him to Mandela-Mbeki led him to look north to the Congo to prove that he remained a player on the wider African scene.

There is no discernible public support for the DRC engagement, and an unusually well-informed source indicated to ICG that many in the army itself, which is one of the most professional in Africa, are unhappy about the engagement and want to come home. There is also a wide spread belief that the DRC misadventure is a major contributor to Zimbabwe's current economic woes.

Finally, on 30 August 2000 in response to an opposition question in parliament, the new Minister of Finance, Dr Simba Makoni, conceded that between August 1998 and June 2000 the engagement had cost 10 billion Zimbabwe dollars (roughly US$200 million). He also said "our economy cannot sustain expenditure of this magnitude for an extended period, and that this is why government is committed to bring our troops back home at the earliest opportunity". This disclosure was welcome, but few observers believe that Makoni's cost figure was accurate, with most educated guesses putting the true figure at well over US $500 million. Mugabe has called several times for more regional and international support for the Lusaka agreement, which foresees the withdrawal of foreign troops from the DRC. But as of yet there has been no movement on the return of the 13,000 Zimbabwean forces from the DRC.

Conclusion

Three months after the June elections, Zimbabwe is a dispirited country. Nothing is going right, everyone knows what the problems are and who is responsible, and people feel powerless to bring about the change that is so desperately needed. The mood is glum. That said, underneath the current despair there seems to be growing consensus that the current downward economic and political drift is unsustainable, that something will happen that will allow the country to regain its footing and get back on course. Zimbabwe is arguably the best-educated country in sub-Saharan Africa; its people have seen better times and have high expectations that their country can turn around.

Visiting Zimbabwe today is a bit like watching warning puffs of smoke coming out of a volcano—it's going to blow, but how and when no one knows. In the meantime, the international community should remain focused on Zimbabwe, pushing the agenda of recommendations contained in ICG's 10 July report and reprinted below. On good authority, it is known that Zimbabwe's neighbours, particularly South African and Mozambiquean Presidents Mbeki and Chissano, have privately offered wise counsel to President Mugabe. That they have been brushed off so far does not mean they should cease their efforts. Indeed, they and the rest of the concerned international community should increase their efforts to make it clear to Mugabe that his present policies are pushing Zimbabwe toward an abyss and even greater isolation. At the same time the international community needs to continually signal privately and publicly that it cares about Zimbabwe, and that, when Zimbabwe returns to the rule of law, pursues sensible policies and good governance, and observes broadly accepted international norms of behaviour, then the world will be willing to help on the road back.

Recommendations[1]

For the government of Zimbabwe

1. Restore the rule of law. This would include enforcement of outstanding court orders with respect to the farm invasions by the so-called war veterans, and the arrest and prosecution of those responsible for the pre-election violence that claimed the lives of over 30 Zimbabweans of all races.

2. Do not victimise the MDC opposition, and work cooperatively with it.

3. Address immediately the ballooning budget deficit on the current account.

4. Re-engage immediately with the World Bank, the IMF, and other potential sources of outside assistance.

5. Take serious steps to establish a partnership with the private sector to address the most serious economic and social issues facing the country.

6. Address the land reform issue in a transparent, non political manner that takes into account interests of all those involved, perhaps through the establishment of an independent land commission.

7. Withdraw the Zimbabwe armed forces deployed in the Democratic Republic of the Congo (DRC).

For the international community

8. Continue programs that promote democracy and human rights and those that respond to genuine humanitarian needs.

9. If the new government takes concrete steps to address the agenda of recommendations described above, re-engage with it on a carefully calibrated basis, responding to performance, not promises.

10. If the government continues along previous lines, continuing to flout acceptable international norms and ignoring the demonstrated will of the people as reflected in the election results:

    a) Limit or downgrade diplomatic relations: in the case of the Commonwealth, by moving to suspend membership, and in the case of the EU, by considering suspension of Zimbabwe's privileged trade access.

[1] These recommendations were part of ICG Africa Report No 22,"Zimbabwe:At the Crossroads", 10 July 2000.They all remain applicable.

b) Isolate senior government and ZANU (PF) leaders by declining to receive them abroad; stop visa issuance to senior officials.

c) Continue the near universal suspension of foreign assistance programs.

d) Make it clear, both publicly and privately, that until such time as Zimbabwe measures up to acceptable international standards on the rule of law, human rights, and general good governance there will be no return to “business as usual”.

Harare/Brussels, 26 September 2000