Inequality in Zimbabwe

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Introduction and Background

Introduction

Inequalities exhibited in Zimbabwe are largely attributed to the racial dominance of the white settlers in the colonial period (1890 - 1980) and the manner in which scarce resources are being distributed to and accessed by different groups in the post-colonial period. These inequalities mainly relate to access to land and the labour market as well as the provision of basic social services (health, education, housing and sanitation). Of the above, the land issue has throughout history remained central to racial, income and gender inequality discourse in the country.

The need to redress inequalities was part of the broader agitation for an end to colonialism, and indeed, the first decade of independence witnessed significant progress in this direction. However, the widening of inequality since the mid-1990s continued to occupy the agenda of opposition political parties and broader sections of civil society. Accordingly, this chapter explores the racial aspects of the colonial establishment and the key features of the colonial economy in order to build a case for analysing inequalities in present-day Zimbabwe.

Colonial Zimbabwe and the race factor

Zimbabwe was colonised in 1890 through the British South African Company (BSAC) led by Cecil John Rhodes and renamed Southern Rhodesia. The BSAC, on a mineral exploration expedition, discovered that the climate and the soils were suitable for agricultural production (Ranger, 1981). This led to agricultural prospects, and white people, mainly from England, were brought to settle in the colony.

In the late 1890’s, the indigenous inhabitants represented by the Shona and Ndebele ethnic groups, which accounted for 80% and 18% of the indigenous population respectively, fought the BSAC and the white settlers who had occupied the land. However, the black uprisings against colonial settlers were defeated during the first Chimurenga war owing to their opponents’ use of superior weapons (Peel and Ranger, 1981). The defeat of the blacks marked the beginning of extensive expropriation of land, massive displacement of the indigenous people from land, confiscation of their cattle and exploitation of their labour. Racist and oppressive
policies and laws were put in place to ensure total subjugation of the indigenous people. Further, race became the key determinant factor in many aspects of the colonial society and economy, bringing about glaring inequalities between blacks and whites. As a result, the whites who constituted 4% of the country’s population controlled over 90% of the economy in terms of owning the means of production. The blacks who accounted for 96% of the population only controlled 10% of the economy.

Having entrenched racial land inequalities, the white settlers dominated politics to an extent of denying the blacks the freedom of assembly, the freedom of association and the right to participate in politics. The black people had also limited access to basic social services such as education, health and other social amenities while the best services were accorded to the white settler communities. Asian and coloured communities accessed the medium-range services. Furthermore, the black people suffered discrimination at workplaces. In addition, development was also racially-driven in favour of the whites. For instance, basic infrastructural facilities such as tarred roads and piped water were found only in urban white residential areas or white commercial farms. In urban areas, blacks were confined to townships with limited infrastructural and recreational facilities, which were also non-existent in rural areas - home to the black majority. The above illustrate how black people were generally viewed as second class citizens. In particular, black women were subjected to double discrimination on account of colour and sex, both in the world of work and in society.

It is against this backdrop of racially-grounded inequalities, discrimination, unequal access to resources, and denial to basic freedoms that led the military wings of the Zimbabwe African National Union – Patriotic Front (ZANU-PF) and the Zimbabwe African Peoples’ Union (ZAPU) to fight the colonial regime between 1966 and 1979. The liberation war – the second Chimurenga - was protracted and ruthless on both sides. Eventually, Ian Douglas Smith, who in 1965 had unilaterally declared independence from the British Administration, gave in and negotiated a political settlement at Lancaster House in London, United Kingdom, in 1979, that culminated in the country’s political independence on 18 April 1980. However, this agreement gave the new regime limited constitutional options for redressing the “land question” since it was bound by the “willing buyer – willing seller” principle for the first 10 years of independence. The provisions effectively protected the interests of white settlers by maintaining not only the status quo on land, but also their grip on the economy.
Land and Inequalities

Central to the colonial inequalities was the issue of land which was forcibly taken from the indigenous people. The white settlers explicitly expressed unwillingness, throughout history, to share the land equally with the blacks, despite the fact that the majority of them had to live and subsist in communal areas, the Tribal Trust Lands (TTLs). The colonial regime, and indeed the white settlers, had established the TTLs as essentially reserves of black cheap labour. It is in light of this thinking that the 1925 Morris Carter Lands Commission recommended that:

“...However desirable it may be, the members of the two races should live together side by side with equal rights. As regards the holding of land, we are convinced that in practice, probably for generations to come, such a policy is not practicable or in the best interest of the two races, and that until the Native has advanced very much further on the path of civilization, it is better that the points of contact in this respect between the two races should be reduced...”.

The Commission’s recommendations were taken into account in the enactment of the Land Apportionment Act (LAA) of 1930 and the Land Tenure Act of 1969. These pieces of legislation provided a platform for land alienation. Under these laws, white settlers1 seized the best of the land, about 18 million hectares in prime and fertile arable land which is mostly in agro-ecological regions I, II and III, with good rainfall patterns. The worst, remote, low lying, in some cases tsetse fly-ridden poor soil, unreliable rainfall and less suitable for meaningful agricultural activities in agro-ecological regions2 IV and V, was left to black peasant farmers3 (Fink, 1981).

Stoneman (1988), Moyo (1987) and Riddell (1979) observe that the blacks accounting for up to 95.6 % of the population were allocated 6 hectares per household of six people, and in some cases, 4.5 hectares, implying that the areas were overpopulated. Riddell (ibid) notes that by 1980, the communal areas, with a carrying capacity of 275 000 families, were already overcrowded with 700 000 families. The few blacks who could afford to buy farms were allocated an average

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1 Throughout the nation, an estimated 6,000 white farmers held claim to 51% of the land outside urban areas. Their farms located in the country’s most fertile farmlands with suitable rainfall ranged between 500 and 2,000 hectares (Commercial Areas).

2 Zimbabwe’s agriculture is divided into 5 regions based on soil type and rainfall patterns. So, the white settlers distributed among themselves the best natural regions (1 and 2) leaving natural regions 3 to 4 to the black farmers.

3 An estimated 600,000 black peasant farmers are crowded into half of the country’s land (Communal Areas, formerly Tribal Trust Land) with poorer soils and limited infrastructural facilities such as roads and bridges.
of 125 hectares of land in African Purchase Areas, mainly in natural regions III-IV which were adjacent to Communal Areas.

The average large-scale commercial farm for whites was about 2,200 hectares. However, Jackson and Collier (1988) argue that an estimated 60% of white farming areas were either unused or under-utilised. This is supported by Mamdani (2008) who claims that settler commercial farmers had vast swatches of under-utilised land. The white farmers were supported by the Water Act of 1976, which gave them monopoly over water rights. As a result, individual white farmers and large company estates owned 85% and 23% of irrigation schemes compared to the communal farmers who had access to only 2.5% of the controlled irrigation infrastructure in the country by 1980.

This scenario points to the genesis of black poverty in Zimbabwe and to the source of racial inequality between the whites and the blacks.

Box 1: Colonial laws and inequalities

The blacks who had moved into the towns and mining communities were not supposed to compete with the whites in the labour market or to have the same social status with whites. A series of racist laws were promulgated to regulate the co-existence of blacks and whites at the workplaces and in urban setups. The Industrial Conciliation Act of 1934, as amended in 1959, promoted inequality by creating “a job colour bar” that restricted urban black workers to mainly menial jobs. The Urban Registration and Accommodation Act of 1954 created African townships (ghettos) for black workers in urban areas whose dwelling units were mostly “hostels”, which lacked proper sanitation. The notorious Pass Laws of 1902 regulated the movement of black people in the settler areas while the Native Land Husbandry Act of 1951 allowed white farmers and cattle rangers to breed an unlimited stock of cattle. Black communal farmers were restricted to breed only 6 heads of cattle per household.

The Economy and Inequalities

The economy which was inherited at independence in 1980 was relatively developed and diversified. The robust agro-based economy had flourishing mining and manufacturing sectors, largely due to the import substitution measures implemented by the Rhodesian regime under sanctions and the assistance from Apartheid South Africa. Despite the sanctions, the colonial economy was supported by Multinational Corporations such as the London-Rhodesia (Lonrho), Anglo American Corporation and the British American Tobacco which had massive investments in the mining, agriculture and manufacturing sectors. The economic

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4 Now known as small-scale commercial farming areas.
diversification provided a relatively broad export base in which agriculture, manufacturing and mining, respectively accounted for 41%, 32% and 22% of export earnings in 1984 (Kanyenze, 2007). It was with reference to this relative diversity and high level of industrialisation that the former President of Tanzania, Mwalimu Julius Nyerere congratulated the newly elected Prime Minister of Zimbabwe, Robert Mugabe, saying “you have inherited a jewel in Africa, you must preserve it”.

Kanyenze (ibid) argues that if Zimbabwe was indeed a jewel for Africa then it was a flawed one. The inherited economy had been moulded on a philosophy of white supremacy that resulted in the evolution of a relatively well-developed and modern formal sector, employing about 1 million people (a fifth of the labour force), which co-existed with an underdeveloped and backward rural economy, the home to 70% of the black population. Thus the “jewel” was the enclave part of the economy, which was developed on the basis of ruthless dispossession of indigenous sources of livelihood. The beneficiaries, therefore, of the robust colonial economy were the whites who systematically and deliberately exploited black people’s labour power or value. All this illustrated how development itself was lopsided in favour of whites’ interests.

**Income inequalities**

Racial bias towards inequitable distribution of resources created conditions of income inequalities. The black people, who at independence represented 97.6% of the population, received a disproportionate 60% share of wages and salaries while whites who represented only 2% of the population accounted for a disproportionate 37% of wages and salaries as shown on Table 1 below.

<table>
<thead>
<tr>
<th>Group</th>
<th>Proportion of population</th>
<th>Share of Wages &amp; Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>97.6</td>
<td>60.0</td>
</tr>
<tr>
<td>Europeans</td>
<td>2.0</td>
<td>37.0</td>
</tr>
<tr>
<td>Coloured</td>
<td>0.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Asians</td>
<td>0.2</td>
<td>1.0</td>
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</tbody>
</table>


In 1979, wages accounted for 60% of the gross national income (GNI), and its
distribution was highly skewed in terms of class, group, race and sex. The wage differentials between unskilled (largely Africans) and skilled (whites) ranged from 1 to 21 in agriculture; 1 to 7 in manufacturing; and an average 1 to 11 in all other branches of the economy. Karumbidza (2008) argues that African women earned about half of what their male counterparts were receiving. Thus, women in general, and black women, in particular, were excluded from a wide range of opportunities. Black women workers were not entitled to paid maternity leave and considered as minors who had to seek consent from a husband or other male relative to enter into a contract of employment. Yates (1980) observes that only 4% of workers in the manufacturing industry were women, a sizeable number were employed in the social service sectors such as health and education while about 65% were engaged in agriculture.

The origin and depth of income inequalities in the country are illustrated by Stoneman and Cliff (1980), who estimated that 3% of the population who were whites, controlled over two-thirds of the GNI. A World Bank study (1987) observes that at independence black incomes were one-tenth of that of whites. In the agriculture, manufacturing and financial sectors, whites earned 2.4, 7.3 and 3.5 times more than their black counterparts, respectively. Moyo and Yeros (2007) observe that black people were grossly underpaid, earning 11 times less than their white counterparts.

Investment in human capital also reflected a racial bias. This is supported by the National Manpower Survey (1981) which notes that blacks accounted for only 36% of all available professional and technical positions, while only 24% were in the managerial and administrative category. Race was a strong determinat factor for most apprenticeship programmes. This created an aristocracy of white males as income differentials in the labour market reflected racial and gender insensitivity.

Informal economy and Inequalities
At independence in 1980, the urban informal economy was relatively small, accounting for less than 10% of the labour force, mainly the urban poor. The majority of the players were women and since then, women continue to dominate in this sector (see also section 3). The colonial Government did not have policy measures and strategies to support the informal economy. It viewed it as a menace, notwithstanding that it provided livelihoods to blacks and structural inter-dependence with the formal sector (see also section 3). The dualistic nature of the urban informal sector and the formal economy was similar to that of the agricultural communal peasant farming and the white commercial farming. Development, therefore, was biased towards the formal economy and certainly
this arrangement entrenched inequalities.

Conclusion
The various inequalities inherited from the colonial era had to be dealt with on attaining independence in 1980 in order to create a democratic and egalitarian society. In any case, there were a lot of expectations among the black people who had contributed towards political independence in many ways. This was supported by the “Growth with Equity” policy and other policy pronouncements in the social services sector. It thus became fashionable to explicitly popularise or declare education and health for all by the year 2000. Issues of shelter, water and sanitation were also popularised in the same fashion. The implementation modalities of these policies are examined in section 2 in the context of post-independence economic policy frameworks while their outputs and outcomes are discussed in section 3.

The economy and post-independence socio-economic policies
The ushering in of a new political dispensation generated a lot of expectations, especially among the black population who were looking forward to the reversal of the colonial inequalities with respect to access to resources, social services and social amenities. The new regime, in particular, prioritised the provision of health, education and sanitation, targeting especially the previously disadvantaged groups in the country. This led to the crafting and implantation of appropriate regulations, legislation and social and macro-economic policies, and entailed internal and external mobilisation of both human and financial resources. Success in resource mobilisation, especially from the international donor community and friendly countries supported the new administration’s expressed desire to reach out to people who previously were excluded under the colonial rule. This section seeks to discuss the post-independence socio-economic development policies or paradigms, labour market policies and the land reform programme of the 1980s, taking into account attempts to redress various layers of inequalities in the country.

Economic development policies of the first decade of independence (1980–1990)

Growth with Equity
The first post-independence economic policy was the “Growth with Equity”, an economic Policy Statement of February 1981 that laid the foundation for the envisaged post-conflict reconstruction and development of the country. The Policy aimed “…to inform the people of Zimbabwe and to enlist their participation and active support in the development process…”.
The intention was to implement policies based on socialist, egalitarian and democratic principles under conditions of rapid economic growth, full employment, price stability, dynamic efficiency in the allocation of resources, and to ensure that the benefits are equitably distributed. In particular, the policy statement focused on the need to address the inherited inequalities, especially through land redistribution. To sustain this position, the Government was to embark on a land resettlement programme. The policy also emphasised fiscal discipline, as a prerequisite for mobilising resources from the international donor community. At any rate, the Government was to engage the donor community, with a view to getting external financial assistance in the implementation of the projects and programmes identified by the Growth with Equity policy statement.

In line with this principle, the Zimbabwe Conference on Reconstruction and Development (ZIMCORD) was held in March 1981 and pledged US$2.2 billion to speed up the post-conflict reconstruction processes. The financial package prioritised repairing, rebuilding and reopening socio-economic infrastructure damaged during the protracted war such as schools, clinics, dip-tanks, roads and bridges.

In the agriculture sector, the resources were used to transform and develop the rural peasant sector as well as to resettle communal farmers on purchased commercial farms. Although only a fifth of the amount was disbursed by the end of 1984 (World Bank, 1985), significant progress was made in terms of redressing inherited social inequalities, decongesting the communal areas and infrastructural development that improved the viability of the rural economy.

Table 2: Economic Developments of the First Decade (1980 – 1990)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Orientation</th>
<th>Performance</th>
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<tr>
<td>Growth with Equity;</td>
<td>Socialist rhetoric combined with conservative policy on the ground, with welfarism and limited redistribution;</td>
<td>High growth of 11% and 10% in 1980 and 1981, respectively;</td>
</tr>
<tr>
<td>First Five-Year National</td>
<td>Emphasis on economic growth, employment creation and poverty reduction;</td>
<td>Real economic growth averaged 4.6% during the period 1986-1990;</td>
</tr>
<tr>
<td>development plan 1982-1990;</td>
<td></td>
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*Adopted from Kanyenze (2007)*
The Transitional National Development Plan and the First Five-Year National Development Plan

The new government viewed development planning as an instrument for achieving rapid socio-economic development and raising the living standards of the people. As a result, the Government launched, in 1982, the Transitional National Development Plan (TNDP) (1982-1985), which was followed by the First Five-Year National Development Plan (FFYNDP) (1986-1990), both of which emphasised economic growth, employment creation and poverty reduction, and in the process ameliorate inequalities across societies and within the country.

During this ten-year period, the economy registered an annual average growth rate of 3.2%. The productive sectors such as agriculture, mining and manufacturing grew by 3.1% over the same period (Government of Zimbabwe, 1991). However, under FFYNDP (1985-1990), the country registered a decline in the economic growth rate (3.0%) compared to the projected 4.3%. In particular, the above productive sectors registered a significantly subdued average growth of 1.7% over this period, mainly due to the shortage of foreign exchange and low levels of investment. The above planning framework created 209,000 new jobs in non-agricultural sectors of which forty six thousand were generated by the expansion in public administration, health and education sectors.

The planned policies improved the agriculture potential of both the communal and resettlement areas, which then accounted for most food supplied on the national market. Indeed, between 1982 and 1987, peasant farmers recorded a dramatic increase in the share of the marketed agricultural produce, especially maize and cotton. Mhishi (1995) observes that the communal farmers accounted for 65% of maize production in 1985. Under the FFYNDP, Zimbabwean farmers were able not only to feed the nation, but also enabled the country to become the breadbasket of Southern Africa.

Despite the above successes in the peasant sector, the Government admitted when it launched the Second Five-Year National Development Plan (SFYNDP) (1991-1995) that rural development and land reform, economic expansion and employment creation, which were the priorities in the development planning of the first decade of independence, had not achieved the desired potential mainly due to the low levels of economic growth. However, significant progress in redressing social inequalities, particularly in education and health was recorded during the first decade of independence (see section 2.1.5).
Labour market policies (1980 – 1990)
To the black working class, political independence meant an immediate redress of the workplace discrimination, disparities and the respect for workers to participate in industrial action. This also meant the end of the racist Industrial Conciliation Act of 1959 that was no longer acceptable to the new political dispensation. So, the freedom to mobilise workers and the subsequent wildcat strikes in April 1980 (soon after independence) forced the Government to issue a directive that all workplaces should have workers’ committees (comprised of shop floor worker representatives) which were to engage with management in works councils to discuss conditions of service, including remuneration. The introduction of workers committees was seen as a means of democratising the workplaces. Indeed, workers were to have a say in matters affecting them at the workplaces. The above was also supported by government’s legislation such as the Employment Act (1980) and the Minimum Wage Act (1980). For instance, the latter obligated the Government to come up with minimum wages for all sectors, and had to be announced during the Workers’ Day celebrations (1st May of every year).

Subsequently, the Industrial Conciliation Act of 1959 and the 1980 pieces of legislation were appealed in 1985 ushering in the Labour Relations Act (1985). The Government, however, continued with its role of fixing minimum wages up until 1990 when the labour market was deregulated with the advent of the Economic Structural Adjustment Programme (ESAP) in 1991. The Labour Relations Act of 1985 was applauded by the black workers as it accorded them labour rights and the space to take part in the affairs of the companies. This contrasts sharply with the colonial era in which workers were regarded as servants without rights to organise themselves in pursuit of better working conditions and a living remuneration. The Labour Relations Act also promoted the concepts of equal pay for work of equal value as enshrined in the International Labour Organisation (ILO) Convention No. 100 (Equal Remuneration) 1949 and non-discrimination at the workplace as propounded in the ILO Convention No. 111 (Employment Occupation) 1949. Both Conventions were ratified by Zimbabwe. Paid maternity leave was granted to black female workers. Indeed, the Labour Relations Act of 1985 is a significant piece of legislation promulgated in the first decade of independence which addressed the issue of colonial inequities (see section 2.1.6).

Land reform programme (1980s and 1990s)
One of the main objectives of the resettlement programme during the first decade of independence was to alleviate overcrowding and overgrazing in the communal areas. The above was attributable to the colonial land policies and successive land
commissions which not only entrenched the division of land between the whites and the blacks, but also created staggering differences in the size of land holdings between black subsistence smallholder farmers and the white commercial farmers. This is supported by Ndlela (1981), who notes that in 1980 about 5,600 white commercial farmers had access to 15.5 million hectares of productive farm land held under freehold tenure while 760,000 smallholders had to earn their livelihoods from 16.4 million hectares of communal land held under customary tenure. Much of the communal land was in arid areas with poor soils. This land inequality has structurally nurtured an impoverished backward communal sector for blacks and a prosperous modern agricultural sector for the whites.

According to Kinsey (1984), the Government, in 1982, resettled 162,000 families on 9 million hectares of underutilised commercial farmland over three years. By the end of 1985, about 40,000 families were resettled on nearly 3.3 million hectares of commercial land. However, after 1985, the resettlement progress slowed down considerably, such that by 1990 only 15,000 more families were settled. With the expiry of the Lancaster House Constitution, the Government decided to shelve the “willing buyer—willing seller” principle and opted for the compulsory acquisition of commercial farms as embodied in the Land Acquisition Act of 1992. Even so, the number of families resettled by 1997 had risen to only 71,000 (Mhishi, 1995).

It can be argued that against a back-drop of limited resources, declining economic growth, and competing areas requiring funding from the fiscus, limited external funding of resettlement programmes and the Lancaster House constitutional restrictions on land acquisition, resettling of about 40,000 families in the first decade of independence was an achievement. This demonstrated political will to address colonial land inequality in the country.

Social service delivery (1980-1990)
The new government’s economic policy of Growth with Equity of 1981 is credited for bringing about a remarkable public sector-led growth of social services during the first decade of independence. This was discernable mostly in the education and health sectors, against a background of less profound and often marginal change in the underlying economic base of wealth and income distribution in the economy. As such, developments that unfolded in education and health are discussed below.

Developments in the education sector: During the 1990s, policy makers emphasised that education was the birthright of every citizen and that the State would ensure, at all costs, equal educational opportunities for all. The massive expansion of both the formal and informal education system was to correct not
only the imbalances created during the colonial era, but also an education system that would address the socio-economic needs of the country. In this respect, the policy not only offered free primary education, but also expanded the number of primary and secondary schools by 80% from a total of 3,358 in 1980 to 6,042 in 1990. Subsequently, the total primary and secondary enrolment increased by 146% from 1.3 million in 1980 to more than 3.2 million pupils and students in 1990 (Government of Zimbabwe, 1991). The very high enrolment figures meant some schools had to adopt the double-shift system in order to cope with increased demand.

Although, gender-segregated data could not be found, Lowenson (1996) observed that in 1980 the number of males exceeded females in primary schools. By 1989, the above gender enrolment ratio was equal, providing evidence of equality in educational enrolment opportunities - a future proxy for reducing gender-related income inequalities in the country. Thus, this illustrated how female students over that period benefitted from increased access to educational facilities.

Teacher education, vocational and technical training facilities, as well as university education expanded in tandem with the growing needs of the economy. Public technical colleges rose from 2 to 8 while teacher training enrolment jumped from 18,483 to 60,886. Twenty-five vocational training centres were established throughout the country offering skills training to school dropouts, retrenched workers and other school leavers (Student Solidarity Trust, 2009). Employment in this sector, of mostly teachers, increased from 41,900 in 1980 to 107,900 persons in 1990.

The above reflects government’s determination to ensure that the hitherto disadvantaged blacks had access to the education system at all levels.

Developments in the health sector: In 1980, the Government adopted a policy of “Equity in Health”. The primary health care approach became the cornerstone of working towards the achievement of equity in health. This led to a quantitative expansion in the health care system, particularly in the rural areas between 1980 and 1989. During this period, 316 primary health care centres were built and 450 primary care clinics which were essentially curative were upgraded to function as rural health centres (Government of Zimbabwe, 1991). Ten District hospitals were constructed. In the area of immunisation, coverage increased from 25% in 1982 to 70% in 1988. Implementation of the primary health care policy not only required a rapid increase in the number of health personnel, but also an introduction of community health workers. Multi-disciplinary health training schools were constructed in four provincial capitals. The Medical School at the University of Zimbabwe was expanded to accommodate more students.
The free medical treatment in public hospitals and clinics was extended to the unemployed, the elderly and the low income groups thereby increasing access of many people in the country to the available health facilities. During the first decade of independence, the health status of Zimbabweans was fairly typical of other developing countries with similar per capita income. Life expectancy was 64 years, infant mortality was 53 per 1000 live births and maternal mortality was estimated at 90 per 100,000 deliveries (Government of Zimbabwe, 1991).

Redress of colonial inequalities which affected women (1980 – 1990)

Black women, in particular had been highly discriminated against during the colonial era. Therefore, during the first decade of independence, the Government promulgated legislation and put in place affirmative action programmes to redress gender disparities including: The Legal Age of Majority Act (1982), which gives women a majority status upon turning 18 years of age; the Labour Relations Act of (1985) that prohibited discrimination against women in employment and recruitment for employment; the Deceased Persons Family Maintenance Act (1987) that gave women inheritance rights; and the Maintenance Act (1983) that compelled financial support for children until they reached the legal age of adulthood.

These Acts promoted gender equality, and in the process, helped in the reduction of gender-based inequalities. Formulation of these laws was largely influenced by several regional and international declarations, conventions and protocols which seek to create an enabling environment for the attainment of equality\(^5\) between men and women. In this case, the Government’s affirmative action policy directly pursued the advancement of women in the service sector in the 1980s. This helped in promoting women in the middle and top strata of the civil service. In addition, the Ministry of Women’s Affairs and Community Development was established in 1983 to oversee the integration of women issues and concerns into national development programmes.

\(^5\) **CEDAW; the Convention on the Economic, Social and Cultural Rights; the Convention on the Minimum Age for Marriage and Registration and the Universal Declaration of Human Rights; the Convention on Civil and Political Rights.**
Economic development policies of 1990 to 2000 and beyond


The Economic Structural Adjustment Programme (ESAP), which coincided with the SFYNDP 1991-1995, was introduced on the advice of the World Bank (WB) and the International Monetary Fund (IMF) to pursue a free market-led economic development strategy. The economic reform reduced the role of the State in the economy; promoted the role of the private sector as an engine of economic growth; liberalised trade and the financial markets; deregulated the labour market in terms of hiring and firing workers; and encouraged domestic and foreign investment with the view to generate sustained economic growth and employment creation. The programme also abandoned price controls, subsidies and other regulations as the economic agents increasingly rely on market forces of demand and supply to allocate goods and services. However, the free market system undermined the socio-economic progress of the previous decade that resulted in significant achievements, particularly in the social sectors and land distribution. The Programme had a “Social Dimensions of Adjustment (SDA)” component that was meant to cushion the impact of structural changes on vulnerable groups in society. ESAP’s objectives are summarised in Box 2 below.

Box 2: ESAP Objectives

- Reduction of the central government deficit from 10% of GDP to 5% by the fiscal year 1994/1995;
- Reform of public enterprises in order to eliminate the large budgetary burden caused by subsidies;
- Civil service reform in order to reduce the number of civil servants in non-critical areas. This was expected to cut the size of the wage bill while improving the wages of the remaining civil servants deployed in key positions;
- Monetary policy and financial sector reform which sought to strengthen monetary management, slow credit creation to reduce inflationary pressures, and to liberalise the operations of the financial sector in order to encourage savings and improve efficiency of intermediation activities;
- Trade and exchange market liberalisation, which sought to create a market-based foreign exchange system and a shift to a tariff-based system of protection;
- Domestic deregulation and investment promotion, which sought to liberalise investment; deregulate prices and agricultural marketing; and equally important to abolish or modify bye-laws and regulations that hamper investment;
Implementation of SDA that sought to protect the poor and vulnerable groups from the negative transitional effects of economic reforms.

Source: Government of Zimbabwe (1991)

The performance of the economy under ESAP was largely unimpressive. Within two years of implementation, the economy experienced significant decline in real incomes and per capita levels of social expenditures (education, health and social welfare). Real economic growth fell from an average annual rate of 4% registered between 1985 and 1990 to 1.4% during the reform period. This was far less than the expected annual growth rate of 5% over this period.

Employment which had grown at a rate of 2.4% during the pre-ESAP period decelerated to an annual average of 0.8%, far below the 3% annual rate of growth of the labour force. Inflation rose by an average annual rate of 27.6% during the ESAP period compared to 11.4% registered between 1985 and 1990. The budget deficit rose from 10% of gross domestic product (GDP) at the beginning of economic reforms to 12.2% by 1995. The target of reducing the budget deficit to 5% of GDP by 1995 was not achieved (Government of Zimbabwe, 1998).

The economic reform programme was surrounded by a number of fundamental issues, which contributed to its failure. These include lack of stakeholder consultations during the design of the programme; lack of national ownership; failure to factor in the likely impact of exogenous factors, particularly drought; a combination of frictional and structural vulnerability; and skewed access to resources (Kamidza et al, 1999). The implementation of ESAP was characterized by political rhetoric and less commitment. This is supported by Bond (2009) who blames government policy zigzagging between market liberalisation, crony capitalist corruption and State intervention. The Government’s failure to control public spending was also held responsible for the missing of economic reform targets. As a result, the disbursement of funds, under the Enhanced Structural Adjustment Facility, was suspended in September 1995, a development that put the country on a shadow programme for six months. Funding was eventually withdrawn in 1999 (Kanyenze, 2007).

ESAP’s failure to realize its goals frustrated many stakeholders, particularly the Zimbabwe Congress of Trade Union (ZCTU). As a result, the ZCTU’s quest for alternative people-driven policies gave birth to the economic blueprint in 1995 entitled: “Beyond ESAP: Framework for an Alternative Development Strategy in Zimbabwe.”
As the price increases became the order of the day during the reform period, the Government responded by re-introducing regulatory policies such as price controls on basic commodities like bread, maize meal and flour. This was contrary to the spirit of the policy architecture. The reforms failed to transform the productive and export sectors which remained dominated by unprocessed agricultural and mineral commodities, which were uncompetitive on the global market. Subsequently, some manufacturing firms either downsized or ceased producing goods forthwith, especially in the labour-intensive sub-sectors of textiles and clothing. This also marked the phase of de-industrialisation in the economy, a trend that deteriorated after 2000 following democratic, governance, rule of law and electoral questions.

The Labour Market under ESAP

The economic reforms demanded labour market deregulations in order to achieve labour market flexibility\(^6\), real wage flexibility\(^7\) and employment flexibility\(^8\). The expectation was to improve working conditions and real incomes. The deregulation of the labour market entailed repealing the Labour Relations Act of 1985, which was seen as the erosion of the gains that accrued to the workers during the first decade of independence.

Under the new economic order, wages and other conditions of employment were to be determined through collective bargaining carried out within the auspices of the National Employment Councils. These are sector-specific collective bargaining chambers formed by registered trade unions and employers’ organisations. Essentially, it meant that the Government stopped fixing minimum wages except for the agricultural and private domestic sectors as well as for those undertakings which were not classified. In the case of the agricultural sector, fixing of minimum wages was discontinued when a national employment council was formed during the reform period.

In the context of the reforms, companies started to restructure the work processes, and that resulted in massive retrenchments. Most casualties were unskilled workers, some of whom were only given a week’s salary as a severance package. The retrenched workers, including those who were being laid off from the civil service, were meant to benefit from the Social Dimension Fund (SDF). However, because of the sheer numbers involved and the limited funds available, not all of the retrenched workers were assisted in starting income-generating projects.

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6 Transfer decision-making to the enterprise level
7 Allow the price of labour to move in accordance with the dictates of the market
8 Achieve employment growth
Thus, the SDA could not ameliorate poverty or reduce inequalities in society. Meanwhile, there was an upsurge in entrants to the informal sector, especially after the deregulation of some of the formerly prohibitive municipal by-laws. The aspect of retrenched workers in the SDF and the informal economy are further discussed in section 3 since they provide a background to the inequalities in present-day Zimbabwe.


The Zimbabwe Programme for Economic and Social Transformation (ZIMPREST), the successor to ESAP, was expected to run from 1996 to 2000, but was only unveiled belatedly in 1998. This new programme was aimed at overcoming the constraints to economic growth, employment creation and poverty alleviation.

Though the programme looked impressive, it lacked inputs from other key strategic stakeholders, demonstrating the intransigent nature of the Government. Notwithstanding the lack of stakeholder participation in its formulation, ZIMPREST embraced the notion of socio-political stability through improving the quality of democratic institutions, pursuing a good governance system, and eliminating corruption in public offices. There was also a philosophical desire to revert to the ideals of socio-economic development of the first decade of independence.

**Box 3: The main economic themes of the ZIMPREST programme**

- Urgent restoration of macro-economic stability (low inflation and interest rates and stable exchange rate);
- Facilitating the public and private savings and investment needed to attain growth;
- Pursuing economic empowerment and poverty alleviation by generating opportunities for employment and encouraging entrepreneurial initiative;
- Investing in human resources development; and
- Providing a safety net for the disadvantaged.

The programme sought to achieve a target average annual growth rate of 6% and create 42 000 new jobs in the formal sector per annum. During this period, per capita income grew by 3.4% and consumption by 4.4%. In order to achieve minimum growth, government was expected to reduce its budget deficit from 10% in 1996 to less than 5% of GDP by 2000. The programme targeted to reduce inflation from over 20% to a single digit level over the same period. It also aimed to achieve higher levels of savings and investment, averaging at least 23% of GDP and export growth of at least 9% per annum.
Just like ESAP, ZIMPREST did not meet its targets. Instead, the economy further deteriorated, the poverty trap deepened, and the gap between the rich and the poor widened (see section 3 for the societal ramifications). Even before the launch of ZIMPREST, in 1998, signs of the worsening economic situation had emerged with the collapse of the Zimbabwe dollar by 74% of its value against major trading currencies on 14 November 1997. This was largely blamed on government’s approval of a hefty payment of the gratuity and pensions to about 50,000 ex-combatants (war veterans). However, this expenditure was not budgeted for, and over the plan period, real economic growth slumped from 9.7% in 1996 to −3.6% by 1999 (average real growth of −0.7% during the 1997-1999 period) leading to a budget deficit of 23.7% of GDP in 2000.

The call for key stakeholder participation in the manner in which the economy was being run, resulted in the formation of the Tripartite Negotiation Forum (TNF) in July 1998. The TNF brings together government, organised labour and business to discuss socio-economic problems with a view to finding solutions. However, the TNF has had no serious impact and that was largely attributed to the intransigence on the part of the Government, particularly its failure to implement agreements.

It is during this period that the civil society groups, in particular, labour started to agitate for government to take decisive action in addressing the economic ills in ways that involve key stakeholders in the process. In support of the above, the ZCTU spearheaded the ‘Job Stay Away’ protests which then characterised the labour market during the economic crisis. ZCTU, working with broader sections of civil society organisations (CSOs), used the ‘Job Stay Away’ to mobilise citizens against the ruling party’s policies and programmes, and in the process, facilitated the formation of the Movement for Democratic Change (MDC) in September 1999. Indeed, this opposition political party was born out of the frustrations about the manner in which the economy was been run by the ruling ZANU (PF) party. In 2000, the people under Chief Svosve in Marondera Mashonaland East province invaded the white commercial farms citing delays in the resettling of the land-hungry people. This marked the beginning of the second land reform programme which had several political intricacies and dimensions (see section 3).

The Millennium Economic Recovery Programme and the National Economic Revival Programme

The Millennium Economic Recovery Programme (MERP) (2000 – 2001) was a continuation of the commitments and targets of ZIMPREST. This eighteen-month programme was supposed to run concurrently with the Millennium Budget announced in October 1999. The target of MERP was to reduce the budget deficit
to 3.8% of GDP. MERP’s vision was to mobilise all stakeholders (Government, Business, Labour and Civil Society) to implement a set of measures that would restore macro-economic stability in the country.

**Box 4: MERP Principles**

- The prime responsibility for the implementation of the programme was with Government and stakeholders;
- Government committed itself to use market forces in the allocation of resources and pricing of goods and services, but with the possibility of limited government intervention in some cases;
- Where required, direct market interventions would be for a limited duration and confined to resolving the market distortions. Market institutions would be developed to efficiently allocate resources;
- Costs of adjustment would be equitably shared among the social groups;
- The programme would use balanced and flexible strategies to resolve macro-economic imbalances.

The successor to MERP was the National Economic Revival Programme (NERP) of 2003 that was underpinned by a desire to embark on an agriculture-led economic revival. The programme focused on the restoration of macro-economic stability, particularly reducing the unsustainably high inflation and increasing aggregate supply across all sectors of the economy, especially agriculture. The programme also targeted the improved supply of foreign currency by ensuring the viability of exporters.

During the period 2000 to 2003, real GDP further declined by an average of 6.2% and by the end of NERP, annual average inflation had reached 365% up from 5.8% in 1999. However, in 2004 through the implementation of a combination of policies contained in the National budget of that year and the Reserve Bank monetary policies, prices temporarily stabilized with the year-on-year inflation dropping from 622.8% in January 2004 to 251.5% by September 2004 (Government of Zimbabwe, 2005).

**Table 3: Summary of the Plans covering period 1990 to 2008**

<table>
<thead>
<tr>
<th>Economic Plan</th>
<th>Orientation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESAP (1991-1995);</td>
<td>Market-led economic reforms; Liberalisation of markets;</td>
<td>Economic growth of 1.4% against planned average annual growth of 5%;</td>
</tr>
</tbody>
</table>
The economy and post-independence socio-economic policies

Lucy Mazingi and Richard Kamidza

<table>
<thead>
<tr>
<th>Economic Plan</th>
<th>Orientation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZIMPREST (1996 – 2000);</td>
<td>Overcoming constraints to economic growth and poverty alleviation;</td>
<td>Real economic growth slumped from 9.7% in 1996 to 3.6% by 1999 (average real growth of -0.7% during 1997 to 1999); Budget deficit peaked at 23.7% of GDP in 2000;</td>
</tr>
<tr>
<td>MERP and NERP (2000-2003);</td>
<td>Restoration of macro-economic stability;</td>
<td>Real GDP growth further declined to an average 6.2% and a cumulative 28.8% during the period;</td>
</tr>
<tr>
<td>NEDPP (2006);</td>
<td>Mobilisation of foreign currency and restoration of production.</td>
<td>Real GDP growth averaged -4.1% during 2004-2005.</td>
</tr>
</tbody>
</table>

Source: Compiled from various sources


The Macro-Economic Policy Framework (MEPF) of the period 2005-2006 had no new policy issues except to serve as the over-arching, focal and reference point for all sectoral policy interventions and programmes over that period. Technically, it was a prolonged or extended NERP programme and period. This framework was underpinned by sector-specific objectives covering the following areas: Agricultural Development, Industrialisation, Infrastructure Development, Investment Promotion, Social Service Delivery, Poverty Reduction, Economic Empowerment, Youth Development and Gender Equality, Macro-economic Stabilisation and Strengthening Institutional Capacity.

These objectives were crafted to take into account the realisation of Zimbabwe’s Millennium Development Goals, which were targeted at reducing poverty and improving delivery in education and health services by 2015. During this period, real GDP growth averaged -4.1% and the budget deficit which had almost balanced at 0.3% of the GDP in 2003 rose to 24.9% of GDP in 2005.

The National Economic Development Priority Programme (NEDPP) - a short-term stabilisation programme was launched to restore economic stability through the implementation of quick-win strategies during the last half of 2006. It had a
specific mandate of mobilising foreign currency and reviving the industry which was on the verge of collapsing. In this programme, the Government officially brought business on board to assist in the mobilisation of foreign currency. However, nothing much was achieved under this programme. NEDPP was put in place at a time when the Government was working on a new five-year development strategy. The Zimbabwe Economic Development Strategy (ZEDS) expected to run from 2007 to 2011.

ZEDS contains no new issues and is made up of the same repackaged policies contained in previous policy pronouncements. According to the Ministry of Economic Development, the primary objective of the strategy over the five-year period was to achieve sustainable, balanced and robust economic growth and development that was oriented towards poverty reduction and the integration of previous marginalised groups of the population into the mainstream economy. ZEDS came into effect when the country’s economic woes had plunged into deep crisis.

Conclusions
Reducing inequality requires targeted economic policies that encourage job creation and investment in productive sectors, backed by clear empowerment programmes and well thought-out social protection strategies to protect vulnerable people. The economic policies which were implemented in the first decade of independence went a long way in addressing the inherited inequities. However, with the advent of the economic reforms of the 1990s, it became increasingly difficult for the Government to finance the social sector programmes. The agenda to redress inequalities suffered as a result, and consequently with the levels of poverty rising, inequities increased correspondingly.

Inequalities and attempts to address them

Introduction
The inequalities in present-day Zimbabwe can be best explained and analysed in three broad dimensions. The first is the historical colonial discrimination, whose effects on both the society and economy continued to be felt notwithstanding the various corrective policy measures implemented in the first decade of independence. The second is the dimension that largely relates to the social consequences of neo-liberal policies and subsequent macro-economic frameworks. The third is the broad dimension with respect to the second (fast track) land reform programme and the subsequent collapse of the economy. These broad areas of income, gender,
regional/ethnic inequalities, vulnerability and poverty are now discussed in detail.

The Implications of the Inherited Colonial Racial Factor

The remnants of racial inequalities identified in Chapter 1 remain an unresolved factor in Zimbabwe. This and other factors have created conditions that fuel capability deprivation and intergenerational poverty on the part of poor blacks. As a group, Whites, Asians and to some extent Coloureds continue to dominate in the economy, especially through their inheritance which includes factories, commercial farms, and houses in the upper-market suburbs as well as money in offshore accounts. Whites and Asians, in particular, have the financial resources for the education of their children thereby guaranteeing their dominance in the economic affairs of the country. They have also access to better medical facilities and hold influential positions, particularly in the private sector. It has always been an issue that the education received by many Blacks did not equip them to be in control of their own destiny rather they became workers and technocrats without control or ownership of the means of production. Black Zimbabweans endured blatant discriminatory practices and were mostly confined to providing cheap labour for the country’s factories, mines and commercial farms. Therefore, at independence, very few Blacks were ready to occupy influential positions in both the public and private sectors. They also had no control over the means of production, something that only began to change under the fast-track land reform programme.

To a large extent, race is still one of the factors that strongly influences inequalities in Zimbabwe. However, black Zimbabweans today are not a coherent group, in terms of socio-economic standing. Class division emerged over the past 30 years and there is a wealthy elite and a wealthy (although small) black middle class that can afford to send their children to good schools and access better medical facilities in and outside the country. There are groups of wealthy blacks from the business community, the political circles, and beneficiaries of the black economic empowerment deals.

The impact of Economic Structural Adjustment Programmes

The vision of building an egalitarian society in post-independent Zimbabwe did not only suffer from the remnants of colonial imbalances, but also from the broader consequences of ESAP and other subsequent neo-liberal economic policies. As mentioned in Chapter 2, the economic policies underpinning ESAP could not stimulate enough growth which is the basis for wealth creation and subsequent distribution. They also led to continued increase in fiscal deficits and slow
economic performance despite the argument that the private sector was dubbed the engine for economic growth and development. Meanwhile, the neo-liberal policies reversed gains made during the 1980s in the social sectors, particularly on education, health care, sanitation and public assistance. Life expectancy reached 64 years in the late 1980s (Government of Zimbabwe, 1991) and due to poverty and HIV and AIDS has declined to the lowest in the world: 34 years for women and 37 years for men by 2006 (UNDP, 2008). Literacy rates reached 89% in 2001 (PASS II, 2003) but then declined notwithstanding the lack of statistics.

ESAP’s onslaught on social services, through cutting back per capita spending on these services increased the structural causes of inequality, resulting in the widening gap between the class of the haves (both white and black) and the have-nots (mainly black). In addition, privatisation of the public services limited the access of poor families to basic services. This also undermined the capacity of children from the less-privileged families to acquire social skills, gain opportunities and capacity to compete on the job market and other economic arenas.

The SDA component of ESAP, which was meant to protect the vulnerable groups in society, failed to ameliorate poverty and reduce inequalities in society. SAPES (2001) notes that the collapse of the safety nets, coupled with a high rate of retrenchments led to wider income inequalities between the rich and the poor. The most affected were children who ended up dropping out of school. There was an increase in child labour, which according to the 1999 Child Labour Survey (Government of Zimbabwe, 2000) was estimated at 53% of children between the ages of 5 to 17 years which is the school going age. Given the cultural biases of the Zimbabwean society, the girl children and young women suffered the most from these fundamental causes and effects of inequality and poverty. For instance, as the economic hardships worsened and families were forced to cut spending on education, it was usually the girl child and not the boys who dropped out of school.

A report by the Student Solidarity Trust (2009) revealed the lack of financial support for students as government scaled down its financial obligations to students from a 50% subsistence grant and 50% loan at independence to a 25% grant and 75% loan (1995); 20% grant and 80% loan (1998); and 100% loan (2005). This also means poor welfare support in terms of accommodation, transport, food and books at various tertiary institutions. At the household levels, various cost-cutting measures were tried such as children were forced to drop out of school, visits to hospitals and clinics were reduced and the number of meals per day dropped from an average of three to two and in some cases to only one.

A study by the Central Statistical Office (CSO) (1998) suggests that the incidence of poverty in Zimbabwe increased from 40.4% in 1991 to 63.3% in
1996 and the incidence of extreme poverty (households that cannot meet basic food requirements) increased from 16.7% to 35.7% during the same period. These findings are similar to those found in PASS 1 (Government of Zimbabwe, 1995) which indicated that 61% of households lived in poverty and 45% in extreme poverty. Levels of poverty were higher in households of rural areas (75%) compared to urban areas (39%). The incidence of poverty was found to be higher in female-headed households than in male-headed households with levels of poverty of 72% and 58% respectively.

PASS II (2003) results revealed that poverty increased considerably between 1995 and 2003. The proportion of households below the Food Poverty Line (very poor) increased from 20% in 1995 to 48% in 2003, representing an increase of 148%. The proportion of households below the Total Consumption Poverty Line (extremely poor) increased from 42% in 1995 to 63% in 2003, representing a 51% increase. The poverty gap more than doubled between 1995 and 2003, increasing from 0.6 to 0.34, showing that the poor have become poorer as the poverty lines have become increasingly out of reach. Inequality, as measured by the Gini coefficient, increased from 0.57 in 1995 to 0.64 in 2003 showing that the income distribution worsened as the minorities became richer while the majority became poorer. Desegregation of the Gini Coefficient by gender has actually confirmed the continued feminization of poverty and the increasing inequality gap. Female-headed households had a higher incidence of poverty (68%) than male headed-households (60%).

In rural areas, a higher percentage (63%) of households was living below the TCPL (average monthly consumption pegged for a family of six) compared to households in urban areas (53%). However, in urban areas there was a higher percentage increase (65%) than in rural areas (42%) between 1995 and 2003. This shows that proportionally, households of urban areas were increasingly becoming poor due to the deteriorating macro-economic environment characterised by hyperinflation, negative GDP growth and shrinking formal job opportunities. In 2008, the ZCTU estimated that more than 80% of the population was living below the poverty datum line (PDL).

The changing dynamics in the labour market under ESAP

The deregulation of the labour market resulted in massive retrenchments in both private and public sectors. Between 1991 and 2001, about 140 000\(^9\) workers were retrenched (Ministry of Public Service, Labour and Social Welfare Retrenchment

\[^9\] The figure is derived from the retrenchment cases handled by the retrenchment board.
Committee, 2004). Some of the retrenched workers ventured into informal mining, peri-urban farming and flea market trading in urban areas while others either returned to their respective communal areas or opted for resettlement under the fast-track land reform programme. The Figure 2 below shows declining formal sector employment largely due to the effects of economic reform. In 1998, there were 1.2 million people employed in the formal sector, yet by 2004 the figure had declined to about 1 million.

**Figure 1: Formal Sector Employment, 1995-2004**

![Graph showing declining formal sector employment](image)

*Source: Central Statistics Office and unpublished LEDRIZ data*

In order to ameliorate the negative impact of ESAP, the SDA programme and its accompanying SDF were set up with a facility for assisting retrenched workers to set up small business ventures. The fund which was meant to be a revolving facility only saw very few beneficiaries repaying due to poor monitoring mechanisms of resource allocations and disbursements. It therefore failed to revolve and many deserving retrenchees ended up not getting the assistance. Due to lack of technical back-up, some of the ventures collapsed, resulting in most beneficiaries falling into the poverty trap. Real wages fell across all sectors. In order to supplement the meagre wages or to cushion themselves, workers, particularly women, in the public service joined the cross-boarder trading in large numbers, especially when on leave (using their leave days) and during the weekends.
The fast track land reform and inequalities
One of the most contentious issues in the economic history of Zimbabwe is the inextricable link between the land resource and inequality. In section 1, we noted that inequitable access to land exacerbated racial inequalities in Zimbabwean society. These related to the size and quality of land; access to capital to finance land development, technology and skills development; and access to markets for agricultural produce. The land question thus becomes intertwined with glaring inequalities between white commercial farmers and black peasants, in particular, and black Zimbabweans in general.

Land has not only been at the centre stage of development in Zimbabwe since the economy is agro-based, but also at the heart of Zimbabwean politics. The political contestations which started with the rejection of a proposed constitution during the February 2000 referendum, forced the Government to embark on the fast-track land reform programme. The programme was underpinned by the occupation of white commercial farms by peasants and war veterans backed by the ruling Zanu-PF party. The ruling party accused white commercial farmers of having sponsored and sided with the opposition party (MDC) and the National Constitutional Assembly (NCA) in campaigning against the proposed constitution. The proposed constitution had a clause on compulsory land acquisition. The fast-track land reform targeted racially-based land inequalities, which continue to haunt politicians and policy makers. Furthermore, this fast-track land reform changed the political landscape in Zimbabwe with ramifications on both the economy and society.

By the end of 2002, about 90% of white commercial farms had been seized and parcelled out to war veterans, ZANU PF parliamentarians, cabinet ministers, army generals, senior civil servants and some villagers. The idea to decongest the communal areas was abandoned. The Ministry of Lands, Land Reform and Resettlement (2005) reported that 6 482 white commercial farms, measuring 10 449 359 hectares were seized and allocated to new farmers under two models: A1 and A2 by 30 September 2005 - Model A1 being for smallholders with an average size of 6 hectares whilst Model A2 was for commercial farming areas whose sizes range from 30 to 5 000 hectares. A total of 140 866 families (drawn mainly from the communal areas and junior workers in government) were resettled under the A1 model by 2005 whilst 14 500 benefitted under the A2 model. The politically-

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connected beneficiaries of the land reform programme also benefitted from the farm mechanisation programme, at the expense of the communal farmers, who according to the Zimbabwe Food Digest (1998) accounted for 60% of the staple diet maize production.

With the fast-track land reform programme, it can be argued that the Government managed to reduce the historical colonial land inequalities between the black farmers and their white counterparts. This is regardless of the manner in which the programme was executed or who among the blacks benefitted. Table 4 shows that by 2003, women constituted 18% of the beneficiaries in the A1 model and 12% in the A2 model.

Table 4: Land Allocation Patterns by Gender per Province, 2003

<table>
<thead>
<tr>
<th>Province</th>
<th>Model A1</th>
<th></th>
<th>Model A2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Males</td>
<td>%</td>
<td>No. of Females</td>
<td>%</td>
</tr>
<tr>
<td>Midlands</td>
<td>14 800</td>
<td>82</td>
<td>3 198</td>
<td>18</td>
</tr>
<tr>
<td>Masvingo</td>
<td>19 026</td>
<td>84</td>
<td>3 644</td>
<td>16</td>
</tr>
<tr>
<td>Mashonaland Central</td>
<td>12 986</td>
<td>88</td>
<td>1 770</td>
<td>12</td>
</tr>
<tr>
<td>Mash West</td>
<td>21 782</td>
<td>81</td>
<td>5 270</td>
<td>19</td>
</tr>
<tr>
<td>Mashonaland East</td>
<td>12 967</td>
<td>76</td>
<td>3 992</td>
<td>24</td>
</tr>
<tr>
<td>Matebeleland South</td>
<td>7 754</td>
<td>87</td>
<td>1 169</td>
<td>13</td>
</tr>
<tr>
<td>Matebeleland North</td>
<td>7 919</td>
<td>84</td>
<td>1 490</td>
<td>16</td>
</tr>
<tr>
<td>Manicaland</td>
<td>9 572</td>
<td>82</td>
<td>2 190</td>
<td>18</td>
</tr>
<tr>
<td>TOTAL</td>
<td>106 986</td>
<td>82</td>
<td>22 723</td>
<td>18</td>
</tr>
</tbody>
</table>

Key: A1 Model (peasant farmers); A2 Model (commercial farmers); *Figures not available
In the agriculture sector, which accounts for about 1.3 million farmers (Moyo, 1987), women farmers continue to face difficulties in accessing credit facilities and essential services as shown in Table 5, a development that negatively impacts on their productive capacities. From the table, only 17% of women accessed credit compared to 68% of men in 2000.

Table 5: Access to credit facilities by Gender, 2000

<table>
<thead>
<tr>
<th>Access to credit facilities</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16.7</td>
<td>68.2</td>
</tr>
<tr>
<td>No</td>
<td>83.3</td>
<td>31.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


While many people agree that inequality of land ownership had to be addressed, it was the method used which raised concerns both internally and externally. The unplanned nature of the reform resulted in the displacement of farm workers. GAPWUZ pointed out that close to 300,000 farm workers were affected and that about 40% of the affected farm workers were not absorbed by the new farmers. The CSO Labour Statistics, (October 2004) estimated that about two hundred thousand farm workers lost their jobs between 2000 and 2003. Some of the affected farm workers went to their rural homes and those of foreign origin (from Malawi, Mozambique and Zambia) either stayed behind in the farm compounds, and in some cases, got involved in panning gold or moved into towns where they joined the informal sector. These are some of the people who fell victim to Operation Murambatsvina (“Clean Up”) when the Government ordered the destruction of all illegal dwelling units in urban centres in 2005.

Box 5: Nature and Consequences of the Fast-Track Land Reform Programme

The manner in which the fast-track land reform programme was executed resembles the expropriation of the land in the colonial era. First, state security structures were involved in the occupation of white commercial farms just like during the colonial era in which the British South

11 The Government has resettled 1,100,000 communal farmers, 72,000 old resettlement and 140,000 A1 farmers.
African Police (BSAP) was involved in taking land from the blacks. Second, violence characterized the process like what happened in the colonial era and some deaths were recorded. Third, the land reform action created a pool of cheap labour, mainly farm workers who ended up being exploited by the new farm owners by either not being paid or under-paid or working under poor working conditions. Given the very limited economic opportunities and widespread poverty in the country, this created optimum conditions for entrenching poverty and income inequalities. Fourth, the land reform programme destroyed the education and health infrastructure that existed on the commercial farms for the farm workers and their dependants. The Zimbabwe Human Development Report (ZHDR) (2003) reveals higher HIV and AIDS prevalence in the farming communities than in the general population, especially with the greater risk of infection being on the adolescent girls and young women than any other groups. Indeed, the children of the farm workers suffered the most from increasing deprivation and inequality in the post 2000 period. Fifth, the 2008 food shortages and hunger are largely attributed to the lack of production on these farms. Sixth, due to the brutal and violent12 nature of the process against opponents to ZANU (PF) and non-observance of the rule of law, Zimbabwe earned the tag of a political risk country.

Income inequalities
According to PASS II (2003), one of the most important indicators of poverty in Zimbabwe was the lack of income. Income inequalities can be explained by the collapsing formal economy, the growth of the informal sector as well as the emergence of new forms of income groups and the cash flows from the Diaspora. The people employed in the formal sector have been dwindling over the past 10 years largely due to poor economic performance. Many companies continue to downsize while others are closing down. Lack of viability amid rising costs of living worsened the plight of workers in the formal sector who are increasingly becoming very poor even when compared to those in the informal sector. The situation of the working class remains pathetic. The monthly incomes for those on minimum wages across the sectors are not sufficient to meet their basic needs. The average monthly wage was Z$150 000 (re-valued) as at 30 October 2008 (that is, US$1.50), using the parallel market rate. Figure 4 below demonstrates how the earnings have continued to decline in light of a deepening economic crisis.

12 Moyo and Yeros (2007) associated land reform with brutal violence that was harsh not only to a few thousand white farmers, but most importantly also to millions of black peasants and urban workers now starving or unable to buy food as well as hundreds of thousands of farm workers.
According to Figure 4, real average earnings improved during the 1980s compared to the 1970s. However, starting in 1990, the earnings took a tumble until 1995 following the adoption of the economic reform. From 1995 to 1999, there were relative gains in the real average incomes even though the gains did not reach the 1975-1980 level. The year 2000 witnessed slight gains although these did not reach the 1980s level. Thereafter, real average earnings took a nose dive. The trends continued throughout the first decade of the 21st century. Hope for a reversal only came with the signing of the Global Political Agreement (GPA) on 15 September 2008 between Robert Mugabe of ZANU-PF and Morgan Tsvangirai and Arthur Mutambara of the two MDC formations, a process that led to the formation of the Government of National Unity (GNU) in February 2009.

**Box 6: Current Poverty and Inequality Determinants in Zimbabwe**

- Hyperinflation\(^{13}\) fuelled by continued printing of money;
- Huge budget deficit, fuelled by lack of financial discipline and a ballooning internal and external debt;

\(^{13}\) This was estimated at around 3 million\% by end of October 2008.
Policy inconsistency;
- Shortages of foreign currency in official channels and a thriving parallel market spearheaded by cash barons;
- Immense depreciation of the Zimbabwean Dollar and the partial dollarisation of the Zimbabwean economy;
- Severe food shortages and deepening poverty levels;
- Low capacity utilisation in industry (operating under 20%);
- Underutilisation and subsequent decline in productivity in all the farming communities;
- High unemployment levels of 80% and flight of human capital;
- Declining mining sector and leakages;
- Severe shortages of fuel, water, electricity, cash and other basic commodities;
- Collapse of health care system (clinics and hospitals closed) and the subsequent public health crisis with outbreaks of cholera and high rates of HIV and AIDS;
- Collapse of the education systems with schools, universities and other learning centres malfunctioning and the underpayment of staff; and
- Polarised society, high levels of corruption, and a disgruntled civil service.

The year 2008 was particularly bad for most Zimbabwean workers. The country experienced world record inflation, which eroded the incomes of workers and farmers. For workers not provided with transport, the monthly wage was only sufficient for bus fare to and from work for one day. In addition, most workers do not own property in urban areas and are required by the landlords to pay rentals in foreign currency while their earnings are in Zimbabwean dollars. How workers survive and fend for their families is everyone’s guess. Some employers resorted to bi-weekly instead of monthly wage reviews and others paid the workers in kind. Apart from being retrenched or dismissed, some employees are leaving employment on their own accord because of the erosion of the purchasing power of the wages. Indeed, life has become very difficult for many ordinary citizens. The impact is seen in every aspect of life as illustrated in Box 5.

**Box 7: Merciless inequality: the case of a patient**

“I was six months pregnant when I had a miscarriage two weeks ago. My husband took me to Harare Hospital, but the health staff were on strike. He then bribed a nurse who then attended to my situation. Although I was prescribed some medicines to buy at that hospital, I failed to do so due to the on-going strike. My husband could not afford to bribe again. On my return

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14 Before the fast-track land reforms, Zimbabwe was regarded as a “bread basket” of Southern Africa. Now the country is regarded as a basket case.

15 For example, maize meal, cooking oil and fuel coupons.
to Budiriro, my husband tried the local pharmacy, but the medicines were very expensive. He then saw a vendor who claimed to be knowledgeable about the medicines that he was looking for, and her prices were affordable. My husband then bought those medicines. But four (4) days after taking the medicines daily, there was no improvement. I can no longer stand and my legs are swollen. I am afraid that maybe my husband bought wrong or expired drugs. If he was rich, he could have afforded to take me to the private hospital or clinic as well as buy the right drugs from the pharmacy.”

The developments since 2000 distorted incomes and affected workers differently and disproportionately. This resulted in rising income gaps between the rich and the poor. The real average earnings index fell from 90 in 2000 to 10 by 2004. Although the majority of workers earn around Z$30 million per month (US$25), the middle managers and executives earn monthly incomes of Z$200 million (US$166), and have other non-monetary benefits including motor vehicles, fuel coupons, school fees and holiday allowances and housing loans. Some are even paid in foreign currency, especially in such sectors as mining, tourism and finance. Salaries in the civil society sector are pegged in US$, with the lowest paid, such as drivers, messengers and administrative assistants taking home between US$150 and US$600; and Programme Officers and Directors earning between US$1 000 to US$6 000 per month plus other perks like cars and fuel allowance. By October 2008, the most affected were public servants where the lowly paid took home Z$60 000 (US$0.67), followed by teachers, nurses, police officers and the equivalent grades who earn between Z$150 000 and Z$300 000 (US$1.67 and US$3.33). To cushion the impact, government subsidised transport16 for civil servants in urban areas, leaving out those in rural areas. This also illustrates various layers of income inequalities in the economy. The table below shows minimum wages and corresponding benefits.

Table 6: Minimum wages categories in the formal sector November 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum wages in Z$</th>
<th>Equivalent in US$ using the Old Mutual mid-rate</th>
<th>Other benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private domestic workers</td>
<td>80 000</td>
<td>6.0 cents;</td>
<td>Food provisions from the employers;</td>
</tr>
</tbody>
</table>

16 If there is no diesel for the subsidised buses the civil servants do not report for duty.
<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum wages in Z$</th>
<th>Equivalent in US$ using the Old Mutual mid-rate</th>
<th>Other benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural workers</td>
<td>90 000</td>
<td>7.5 cents;</td>
<td>Food provisions in some cases;</td>
</tr>
<tr>
<td>Civil servants (lower levels)</td>
<td>50 - 100 000</td>
<td>4.1 - 8.0 cents;</td>
<td>Transport allowance and housing allowance (on average 50 000 (US$0.04 cents per month);</td>
</tr>
<tr>
<td>Commerce, Mining and industry</td>
<td>300 000 - 200 000</td>
<td>16 - 24 cents;</td>
<td>Transport allowances and food hampers;</td>
</tr>
<tr>
<td>Teachers, Nurses, Police and equivalent grades;</td>
<td>100 000 - 200 000</td>
<td>8 - 16 cents;</td>
<td>Transport and housing allowances (on average 80 000 per month (US$0.06));</td>
</tr>
<tr>
<td>NGOs, Development Agencies and Embassies</td>
<td>US$150 – US$600</td>
<td>Subsidised fuel;</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Ministry of Public Service Labour and Social Welfare, November 2008*

The representatives of the trade unions staff associations of the Public Service, in particular the Progressive Teachers Union of Zimbabwe (PTUZ) and The Zimbabwe Teachers Association (ZIMTA), are up in arms with the Government over the pathetic salaries of the civil servants whom they say are worse off than those of operators in the informal sector. As a result, some of the civil servants have resorted to different means of supplementing their poor salaries.

**The Informal Economy and the Income Situation**

Studies by the ILO (2006) have revealed that 4 out of 5 people in Zimbabwe are now working in the informal economy. The sector’s participants (mainly women and youth), depending on the nature of their businesses, got monthly incomes far more than the take-home salaries of the various categories of workers as illustrated

17 There are those in the informal economy who cannot exploit the environment due to the real or perceived risks involved and they have remained relatively income poor (these include women in the traditional markets and vegetable vending).
in Table 7. Even flea market operators, selling clothing and household wares earn a profit of around 20 million (US$16) per month. These are among the few who have access to cash\textsuperscript{18} and could easily “spin” it (changing it to foreign currency on the parallel market). Thus, a new income group emerged, involved actively in financial engineering as dictated by the parallel market. These dealers’ monthly incomes have by far surpassed those in the formal employment.

However, in this sector, those who cannot exploit the environment due to the real or perceived risks, such as women in the traditional markets and vegetable vendors, have remained relatively poor in terms of income. Indeed, the incomes in the informal economy are higher than those for a minimum wage earned in the formal sector. This means that non-professionals were now earning higher incomes than professionals, indicating a shift in income inequalities as described in Box 6. The economic agents in this sector take advantage of the prevailing shortages of goods and services in the formal markets which are regulated. In this new income group, there are also illegal gold/diamond panners (the case of Chiyadzwa)\textsuperscript{19} and fuel dealers who are making huge sums of money both in Zimbabwean dollars and foreign currency. The majority of these new players in the informal economy, even though their wealth is not reinvested in the productive sector, are no longer in the poverty bracket. For instance, the rich minority group has managed to sink boreholes, have fuel, run electricity generators and import their food or buy their food from foreign currency shops. This means that they are not as vulnerable as the larger sections of the population.

The informal sector has now emerged as the real survival platform in the wake of the deepening economic crisis. According to Kanyenze (2007), it now accounts for 80% of the labour force, and as said before, the majority being women (See Figure 1 below). The support to this sector by the central Government and the local authorities is very minimal. All macro-economic policies and financial support are directed towards the formal sector, notwithstanding the fact that it is shrinking and that the greater percentage of the labour force is now in the informal sector. It is the sector which also includes the communal areas where the majority of the population survives on subsistence farming with limited support from the Government. This essentially means that the Government is supporting a minority, therefore, the dualistic structure of the economy should be addressed

\textsuperscript{18} Cash is scarce and daily withdrawals are limited and controlled by the Reserve Bank pegged at 50 000 per day in October 2008. This can be attributed to money-printing constraints and the purported desire to curb the parallel market.

\textsuperscript{19} Diamond fields in Manicaland that are not properly regulated.
since it continually increases the inequality gap. Financial and technical support to SMEs by the Government is more often than not done on a partisan basis. Instead, players in the informal economy are harassed by local authorities and in some cases their goods confiscated by the municipal polic.

Figure 3: An Illustration of the Dual and Enclave Structure of the Economy

Mhone (1999) argues that underlying the dual and enclave nature of the labour market is a triad of inefficiencies including allocative and distributive, which undermine sustainable growth and equitable development. The allocative inefficiencies entail the existence of under-utilised resources, with respect to unemployment and underemployment; and lack of an inclusive growth path capable of unlocking the structural bottlenecks in all markets in order to unleash a more dynamic and sustainable growth path. The informal and rural economies epitomise both allocative inefficiencies (as explained above) and distributive inefficiencies, which reveal pervasive economic and social inequities that result in preferential access to resources. This largely explains the entitlement of a few and the disentitlement of the majority.

The informal sector operations were affected in May 2005 by the Government’s Operation Murambatsvina (which literally means, drive out the rubbish). The Government described it as a programme to enforce by-laws to stop all forms of “illegal” activities in areas such as vending, illegal structures, and illegal foreign
currency dealings. The Operation saw the eviction of thousands of informal traders, demolition of “illegal” residential structures both in the informal settlements and formal high density suburbs, destruction of structures of Small and Medium Enterprises (SMEs) that operated in designated places such as home industries across Zimbabwe. Tibajuka, (2005) estimated that 700,000 people in cities across the country lost their homes and source of livelihood or both. The report further estimated that indirectly, about 2.4 million people were affected in varying degrees:

“Hundreds of thousands of women, men and children were made homeless, without access to food, water and sanitation, or health care. Education for thousands of school age children has been disrupted. Many of the sick, including those with HIV and AIDS, no longer have access to care. The vast majority of those directly and indirectly affected are the poor and disadvantaged segments of the population. They are, today, deeper in poverty, deprivation and destitution, and have been rendered more vulnerable.” (UN Special Envoy Report p. 7)

Kanyenze (2008) views Operation Murambatsvina as an exercise that resulted in limited sources of income to the urban poor who were already struggling, and this translated into rising “national income inequalities”.

**Box 8: Changing income dynamics**

The on-going crisis has succeeded in changing the structure of income and assets inequalities in the country. Inequalities are no longer characterised by race and social deprivation. The professionals who overcome racial-related deprivations are now extremely poor, both in terms of income and asset. They are failing to cope, hence they are always crying. On the contrary, non-professionals who are leading the “speculative sector” are on top of things; always ahead of any policy prescriptions, hence take advantage of it before it changes.

Salaries in Zimbabwe have become meaningless to professional workers in this hyperinflationary environment. The salary of most professionals including professors, lecturers, doctors, nurses and teachers is inadequate to cover transport and a loaf of bread. As a result, some public servants simply inform their superiors after showing them their salary slips that they are not coming to work. In this context, they express their “eagerness and preparedness to work” but only if “government provides transport”. They no longer need actual cash or salary increment, which becomes nothing as soon as they access it from the financial institutions. They are aware that even though foreign currencies are now permissible when doing transactions, the Government has no capacity to pay them in such currencies. Moonlighting and speculative activities or dealings have become the order of the day.

Meanwhile, those who were previously considered unsophisticated, uneducated, untrained and unfit to be employed in the formal economy, who became actively
involved in speculative activities or dealings, are now driving the survival agenda in the country. They are not ashamed to “run here and there selling and buying foreign currencies and buying scarce commodities to sell at exorbitant prices”. Some build their fortunes by simply acting as fronts for “the well-to-do” in society. Now, they have access to foreign currency and are big players in speculative economy. They are visible, driving posh cars and owning properties, including a fleet of cars and houses. They are always in business, trading scarce commodities. They are involved in cross-border trading activities including dealings in foreign currencies. They enjoy healthy lives and are always eating well. They openly talk of their prowess in speculative business, and more often, identify their business trends with the crisis. Often, they express eagerness to see continuity in the crisis.

Peasant Farmers’ Incomes

The annual incomes of communal and A1 model farmers who ordinarily depend on selling surplus produce or cash crops have been heavily affected by the uncompetitive prices offered at the market. For instance, maize as a controlled produce has to be sold to the Grain Marketing Board (GMB) where the prices have been uncompetitive for a decade. Even for cash crops such as cotton and tobacco, producer prices are quoted in the Zimbabwe dollar which is unstable and prone to hyperinflation. There was a deliberate mismatch between the cost of inputs (expenditure) and the prices offered by government. The Government pricing policy of farm produce, especially maize, failed to sustain the production – marketing value chain. As a result, farmers failed to purchase inputs on the market. What makes the position of the peasant farmers worse is the fact that inputs and everything else that they need are priced in hard currencies as illustrated in Box 7.

Several farmers failed to benefit from the Government input-support scheme which had, since 2000, become highly politicised. In particular, this reduced the incomes of women who are dominant in the communal areas, leading to feminisation of poverty. Moreover, the peasant farmer’s production is dependent on the vagaries of the weather. The Southern African region has witnessed extreme weather conditions in the last couple of decades and predications are that the impact of global climate changes would worsen the flooding, drought and pest conditions.

20 During the time of hyperinflation and speculative currency dealing it was well-known that the Reserve Bank of Zimbabwe had agents on the street who bought foreign currency. These agents represented the Bank and senior members of the ZANU PF government.
Box 9: Partial Dollarisation: Villagers and inequalities

“All shops in rural areas are selling goods in foreign currency. In the Zvimba district, in the Mashonaland Province, very few villagers (Katsvamutima, Samukange, Gwenzi, Jenami and madzorera) have children who send them foreign currency (US$, Rand and Pula). But I am too old to know which one is US$, Rand and Pula. Sometimes you buy, but change becomes a problem. We are being exploited. Even though some parents are given foreign currency, they find it hard to use. We are afraid that some unscrupulous and callous young people will come and rob us of our foreign currency. We prefer groceries to money. But, the danger is that you cannot leave your home. There are rising reports of theft taking place in the villages, targeting chickens, cattle and other possessions due to hunger. There are only few villagers who have access to foreign currencies or even the local currency. The rest are starving. Poverty has increased and those who can afford are extremely few. In the Makonde district, last week, somebody came with two tonnes of maize to batter with cattle. Due to extreme food insecurity, the seller became the price setter. Villagers had no choice. He bought nine cattle of his choice. Another villager even announced his willingness to sell a beast for R500. But nobody in the village can afford that. Those with children with access to foreign currency are taking advantage of the prevailing poverty and food insecurity. The economic crisis has widened income inequality in this village amid rising food insecurity. It has also widened asset inequalities due to poverty and hunger.”

Inequalities and the New Elite

In Zimbabwe, a new elite class has emerged in the wake of the fast-track land reform, as well as the political and economic crisis. The majority of the beneficiaries of the A2 model are top ZANU-PF officials, war veterans, top civil servants and ruling party sympathisers. The top leadership got the prime land (A2 model) with some of them being multiple farm owners. The ordinary peasants were allocated land under the A1 model which is a replica of the inadequacies of the communal areas. The patriarchal nature of the land reform marginalises women who constitute only eight percent of those resettled (LEDRIZ 2006). The sum total of this scenario is that land allocation was not done in an equitable manner, hence the 2004 Report of the Utete Commission of Enquiry on land redistribution and the beneficiaries has never been made public.

The initial idea was to acquire land and to redistribute it to people in the overcrowded communal areas but the 2000 land allocation did not benefit the ordinary people. This is still an issue being contested in the political arena today.
Reference is made to a provision of a comprehensive land audit in the GPA\textsuperscript{21} for an inclusive government.

The same can be said of those who were awarded big contracts for government jobs. Most contracts were awarded to the black business people who are linked to the ZANU PF. It is argued that the mouthpiece of these black business people, the Affirmative Action Group (AAG) is an extension or an appendage of ZANU PF in many respects. For instance, the contract to construct the International Airport in the late 1990s was controversially awarded to a nephew of President Robert Mugabe. Even small contracts such as the removal of waste in local authorities are awarded to companies whose owners have connections with ZANU PF officials. It remains to be seen how the issue of contracts and indeed economic empowerment are going to be pursued within the realm of the Indigenisation and Economic Empowerment Act that was promulgated in March 2008. In the Act, empowerment is defined as the creation of an environment which enhances the performance of economic activities of individual Zimbabweans into which they would have been introduced and involved through indigenisation.

While indigenisation means a deliberate involvement of indigenous Zimbabweans in the economic activities of the country to which hitherto they had no access, so as to ensure the equitable ownership of the country’s resources, the irony is that this kind of legislation is coming after the critical resource (land) was already taken and parcelled out to well-connected black Zimbabweans. Some analysts argue that this is a ploy by ZANU PF to have its people and sympathisers take control in the mining and manufacturing sectors. This is in view of the provisions of section 3 (1) A of the said Act which states that at least 51\% of shares of every public company and any business shall be owned by indigenous Zimbabweans\textsuperscript{22}.

The same group of indigenous business people, most of whom are men, is linked to various scandalous activities in the name of black empowerment. Some are plundering the diamonds of the Chiyadzwa fields, in the Marange district, in the Manicaland province. The Governor, Gideon Gono of the Reserve Bank of

\textsuperscript{21} The Global Political Agreement created conditions for the all political party inclusive government, a transitional government paving the way for a new constitution and institutional reforms for a more democratic process, including among others, elections. The GPA and the inclusive government are an experiment and a harbinger for more democratic governance processes. It is very fragile, transitory and as such cannot be considered the ideal for democratic and good governance institutions.

\textsuperscript{22} This means any person who before 18th of April 1980 was disadvantaged by unfair discrimination on the grounds of his or her race and any descendant of such person and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest.
Zimbabwe (RBZ) was quoted in the Herald (25/10/08) as saying that US$1.2 billion per month can be raised in Zimbabwe if diamond fields are properly regulated. The proceeds from the Chiyadzwa diamonds are not being ploughed back into the local community which according to PASS II (1995) is one of the poorest districts in Zimbabwe. The politics of patronage which allows access to resources by the same people further entrenches the inequalities while the Government is doing very little to address the trend, if not creating the conditions for such imbalances.

Regional Imbalances

Another dimension of inequality relates to the regional development imbalances often highlighted by citizens outside Harare, the capital city, who feel that their regions are being marginalised. For instance, people from Bulawayo (the second largest city) and the surrounding provinces of Matabeleland South and Matabeleland North, mostly of the Ndebele ethnic group do not have adequate dams in their areas for irrigation purposes and supply of water to the city. Matabeleland provinces are dry areas, in addition to being prone to droughts. The Government constructed several huge dams in other provinces such as Masvingo (Kunzvi, Tokwe-Mkosi) and Manicaland (Osborne) while doing nothing about the Zambezi Water Project (ZWP) which is supposed to supply water to Bulawayo and several parts of Matabeleland provinces. The ZWP has been on the drawing board since the 1990’s. The regional imbalances also applied to the education sector, in respect of institutions of higher learning until the establishment of the National University of Science and Technology (NUST) in the late 1990’s. Subsequently, State Universities and technical/teacher training colleges were established in almost all provinces. Again, people from the Matebeleland regions complained about the lack of tarred roads in most of the districts in the Matebeleland South and North provinces.

Women and inequalities

The prevalence of patriarchal attitudes and dominance of institutions of governance by men explains the lack of political will, commitment and the resistance to gender mainstreaming and equality. This is fuelled largely by cultural norms and traditions, which reinforce the supremacy of men and women’s subordination. Thus, men are viewed as active agents in the public sphere while women are located in the household, care and informal economy. Even though substantial progress has been made in the advancement of women’s rights since independence, and the Beijing Platform of Action, African Union (AU) Protocol on women’s rights, the
recently signed 2008 Southern African Development Community (SADC) Gender Protocol, women are still marginalised in the economy, politics and decision-making. For instance, in the area of politics and decision-making, particularly in Parliament, the gender proportion is far below the SADC Gender Protocol and the AU benchmark of 50%. In the first two parliaments after independence, women constituted less than 10% of members of Parliament. There was an increase in the third parliament to 14% before falling to 10% in the 1996-2000 Parliament. But the proportion rose to 16% after the 2005 elections. The 2008 elections witnessed a decline of women’s total to 14% for both the Senate and House of Assembly. While the major political parties, ZANU (PF) and MDC applied a voluntary quota system in their lists in the last three elections, women were not in safe constituencies, and hence lost out.

The Ministry responsible for gender and women’s affairs continues to get one of the lowest budgetary allocations in the national fiscus ranging between 0.05% in 2000 to 0.07% in 2007. Government has exhibited legislative changes aimed at improving the status of women but lacks the drive to effectively translate these changes into substantive improvements in the status of women (Zimbabwe NGOs Shadow Report on CEDAW, 1997). As a result, violence against women continues in both private and public spaces as well as the persistent under-representation of women in decision-making bodies and the general discrimination in family laws and in employment.

Women are still dominant in the informal economy and communal farming areas as illustrated in previous sections. However, a lack of support has meant that women remain in the traditional low income forms of vending and are thereby left trapped in a vicious cycle of poverty. The reproductive and care work that women do in the homes is not counted and reflected in national accounts. The majority of the policies and budgets that are then made do not include women’s needs since they usually target the formal economy. Although there is legislation meant to ensure equal pay for equal work, women in the formal economy face huge income differentials compared to men. The skills gap and the “glass ceiling” are providing barriers to women’s advancement even in the private sector. In real terms, these factors contribute to the feminisation of poverty. Women constitute 52% of the population and bear the brunt of poverty that has been compounded by the prevailing socio-economic and political impasse. Poverty has been recorded to be higher among female-headed households (MPSLSW, 2003).

The economic crisis in Zimbabwe has also brought about untold suffering to women. Women have to fetch water and firewood from long distances in both the rural and urban areas. Instead of spending time doing other productive work,
women have to spend the greater part of their days fending for the family. Due to the patriarchal society that women live in, they have to make sure that the husband and children have adequate food.

There has been a growing number of women operating as cross-boarder traders as a coping strategy. Commercial sex work and child labour have been reported in the country, making women, especially young women, more vulnerable. However, many of the women involved in the informal economy, especially those involved in cross-border trading activities, selling scarce commodities, are economically doing much better than their male counterparts. The border traders had access to foreign currency long before the partial dollarisation. Women are now the main breadwinners in many households, displacing their husbands who are just hanging on to the jobs “in case normality returns”. This scenario is reflected in the box below.

**Box 10: Gender and Inequalities**

Zimbabweans have all along been known for hunting. In history, a hunter ensured that the family had a variety of meat, and in the process, redressed food inequalities at the household or community level. It was prestigious to be married to a hunter. Hunting was also gendered, only done by males in society who would spend days before returning home with their spoils. In the same fashion, the economic crisis has reversed the “hunting roles” in the country.

Women are now the hunters. They have immense informal economic activities and have acquired an unquestionable survival instinct. They travel anytime, crossing borders in search of scarce commodities, which they either sell to fellow countrymen or eat at home. They spend days and nights away from home and have become brave to the point of using any means of transport available. They are not afraid of hijackers, for what they bring significantly transforms the household. In the process, they generate more foreign currency which sustains their line of business as well as meeting other household requirements.

Meanwhile, the working professional husband, simply hangs on to his job even though the salary is inadequate to cover transport to and from work for the rest of the month. In this context, husbands are grateful for having enterprising wives. They sleep comfortably, knowing very well that the hunter will come with something for the household. The hunters also perform a strategic role. They know that their effort to reduce inequality and poverty will be complemented when the economic situation normalises, since those holding on to their employment will increasingly become better off. Currently, female cross-border traders are sustaining the households.
HIV and AIDS, and Gender Inequalities

Women are becoming increasingly vulnerable to poverty and HIV and AIDS, leading to feminisation of poverty. Out of a total adult population of 1.3 million infected with HIV and AIDS in Zimbabwe, about 60% are females (National AIDS Council). Young women in the 15-24 years category have the highest risk of infection. The HIV and AIDS epidemic has directly escalated mortality rates, reduced life expectancy at birth from 65 years in the 1990s to 35 years in 2008 thereby making Zimbabwe worse off among all the SADC countries.

Therefore, a combination of the above (HIV/AIDS and declining life expectancy rates) is tearing away the social fabric of the families and communities, and threatens to reverse any gains in social and economic systems that have been achieved since the end of colonialism (LEDRIZ, 2006). The pattern of the HIV transmission indicates the common spread from socially and economically powerful adult males to the poor and economically insecure and vulnerable females, particularly those in the adolescent stages. Although there has been a scaling up of anti-retroviral therapy and drugs, it had reached only 23% of those requiring them in 2006-2008. Out of the 1.3 million infected, 135,229 are on the Government treatment programme whilst approximately 10,000 are on a private scheme. The poor, who are still on the Government waiting list, who cannot afford to buy their own ARVs, will not survive for much longer whilst the rich and those who have access to government schemes through their political affiliation live longer. Drug resistant TB and its re-emergence makes it difficult to treat conditions that are threatening the lives of many, particularly females, who have little access to financial resources and less power to control the use of domestic incomes.

Women also shoulder the burden of caring for sick members of the family who are infected with HIV. The health care system has termed this home-based care but it is literally women-based care. UNIFEM estimates that one needs 20 buckets of water per day to be able to take care of a person with full blown AIDS at home. This care work has burdened women to the extent that some girls have to drop out or miss school in order to take care of the sick or other orphaned siblings.

Inequality in Zimbabwe
been dry throughout the 2008 fiscal year just like all other budget lines under social protection. This severely affected people living with disabilities who constitute 10% of the population (Choruma, 2007). As a result, the members of the Disability Board of Zimbabwe are on the forefront in advocating the renewal of the African Decade of the Disabled persons from 2010 to 2019 given that nothing much has been done for them at national level.

Given the HIV and AIDS pandemic, there is an orphan crisis in the country. It is estimated that there are 1.8 million orphans and vulnerable children in the country. The lack of resources in the Department of Social Welfare has placed the burden of care on poorly-resourced families and the extended family system. But who bears the burden of care are women, particularly in the rural areas. Therefore, the crisis within the socially vulnerable groups must be understood in the context of increasing poverty and inequalities in the country and decreasing family and individual capacities to cope.

Box 11: Cholera outbreaks

The collapse of the public health system has given rise to the outbreak of cholera. Water and sanitation systems have crumbled as evidenced by flowing sewage in urban areas and the lack of running water. In 2008, there were sporadic outbreaks of cholera starting in high population density areas such as the low income suburbs of Budiriro, Glen Norah, Mabvuku and Tafara in Harare, and in smaller towns such as Chinhoyi and Chegutu where there is incessant shortage of clean water. Cholera has spread to rural and outlying areas such as Mudzi, and virtually all provinces and all urban areas. By the end of 2008, it was estimated that if no solution is found by January 2009, about 4 500 people would die from cholera countrywide. The most poignant factor about cholera is that it affected areas with poor sanitation and hygiene facilities and inadequate clean water. No cholera reports were recorded in the “low density” (affluent) suburbs of the major cities, hence the majority of the cholera victims were the poor.

An example of efforts by the Government to address poverty

The Basic Education Assistance Module (BEAM) is one of the existing operational policies in the area of poverty reduction. However, like all other operations of the Government, it is heavily underfunded. BEAM targets vulnerable children and provides tuition fees, school levies, examination fees at primary and secondary schools in both rural and urban areas, with a specific provision of 50% of the beneficiaries being females. If properly implemented, the policy will go a long way in assisting vulnerable children (especially girls) from dropping-out of school, and militate against intergenerational poverty.
Redressing the inequalities by non-state-actors

Against the backdrop of deepening poverty and inequalities, non-state actors are playing a critical role in a difficult environment in which their initiatives are sometimes perceived to be political by government.

The women’s organisation drew up a Women’s Charter in 2000, a document that contains Zimbabwean women’s constitutional, legislative, and policy demands. The aim of the Women’s Charter is to lobby all the relevant structures in the country, like government and parliament, and to take action on the issues contained in the Charter with the aim of improving women’s lives and guaranteeing gender equality. In 2008, CSOs came together and adopted a People’s Charter, where they articulated their concerns and agreed that if there is going to be any meaningful socio-economic, political and constitutional reforms in Zimbabwe, they should be led by the people.

Other NGOs have been involved in humanitarian assistance, distributing food and seeds in communities, in the light of food shortages caused partly by drought but largely by government’s inability to import both food and farm inputs. Most of the NGOs and churches working in the humanitarian areas had their field operations suspended by government in May 2008, being accused of using food aid (except those working on HIV and AIDS) to campaign for the opposition parties. The suspension was, however, lifted in August 2008 but at that time the food situation had seriously deteriorated.

Box 12: Redressing inequalities through projects

CAMPFIRE (Communal Areas Management Programme For Indigenous Resources) was initiated in the 1980s as one of the good examples of poverty alleviation and reducing inequality in communal areas that are adjacent to national game reserves. The rationale of the project is to ensure that communities benefit from the wild life either through culling for the sale of meat and fees paid by professional hunters. The proceeds are ploughed back into the community. CAMPFIRE projects are being implemented in areas such as Guruve, Kariba, Chiredzi and Hwange. The project is technically backstopped by the Parks and Wildlife Authority. This is a typical initiative by the communities in which local resources are used to benefit the communities in question.

Organisations like the Farm Community Trust, Red Cross, and International Organisation for Migration (IOM) have been on the forefront in supporting displaced ex-farm workers with food packs and seeds to reduce their vulnerability. The ZCTU has been working towards the redress of workplace inequalities by engaging both government and business within the context of the TNF. The three parties in the TNF are attempting to address the macro-economic
fundamentals through the conclusion of a social contract. The envisaged social contract encompasses both the wage and price aspects which are seen as central to inflation. The ZCTU, in partnership with the Commonwealth Trade Union Council (CTUC) has been assisting players in the informal economy before and after “operation clean-up”. The initiative resulted in the formation of the Zimbabwe Chamber of Informal Economy Associations (ZCIEA), which is now interfacing with the local authorities on issues relating to sector membership’s interests and concerns.

Conclusions
The strides taken by the Government in addressing inequities and imbalances in the first decade of independence, especially in the health and education sectors could not be maintained in the wake of the economic reforms which were characterised by negative economic growth. The political contestations interwoven with the land issue also worsened the situation. Poverty and inequalities increased as the economy deteriorated. The majority of people turned to the informal sector for survival. A reversal of the gains of the first decade of independence in the social sectors became more and more pronounced.

Alternative policy options

Introduction
In 1980, Zimbabwe inherited a dual economy, characterised by a relatively well-developed modern sector and a largely poor rural sector that employed about 80% of the labour force. The new Government sought to address some of the historical imbalances using the “Growth with Equity” Strategy (1981) as well as the Zimbabwe Transitional Development Plan (1982-1985) and the Zimbabwe first five-year National Development Plan (1986-90). Under these plans priority was given to poverty reduction, and government spending was geared towards increased social sector expenditures, expansion of rural infrastructure and redressing the social and economic inequalities, including land reform. As a result of these efforts, during the first decade of independence, Zimbabwe’s social indicators were positive and impressive.

In the health sector, immunisation programmes were expanded to cover most children; primary health care services were subsidised; in 1990, under-five mortality stood at 59.9 per 1000 live births; and maternal mortality was 283 per 100 000 live births. In the education sector, primary school enrolment became
almost universal and by 1995, Zimbabwe’s net primary education enrolment rate was 81.9% and that of adult literacy was 86%.

The second decade (the 1990s) generally witnessed a decline in economic growth and a persistence of structural poverty and inequality. This can be attributed to the erratic economic growth of the 1980s, especially during the recurring period of droughts, which contributed to the subdued average growth rates of 3-4%. As discussed before, inconsistence in the manner in which the neo-liberal policies were implemented also contributed to the subdued economic performance. In particular, the non-delivery of the economic reform policies impacted negatively on the social sectors, plunging more people into poverty and vulnerability, and at the same time increasing the inequality gap between the rich and the poor. Some of the key social indicators, like the human development index, pointed to a deterioration of the situation. Indeed, Zimbabwe’s human development index (HDI) declined from 0.621 in 1985 to 0.551 by 2000 (HDR, 2000). The life expectancy had dropped from 61 years in 1990 to 43 years in 2003.

Under ESAP, there were rising poverty levels and PASS I noted that 45% of the households were living below the food poverty line in 1995. The trend was the same under ZIMPREST as they could not be transformed while its noble goals of generating economic growth in the context of social equity were not met. MERP (2001) was rendered ineffective mainly due to the withdrawal of support from Zimbabwe by foreign governments as well as donors (domestic and foreign). NERP (2003) failed to stimulate the export sector to the extent of generating the much-needed foreign currency to revive the economy.

The cumulative outcome was severe macro-economic instability. Some of the manifestations are deepened poverty, food shortages and unprecedented levels of informalisation of economic activities as the vulnerable population tries to devise survival strategies. A large proportion of the structurally unemployed people, estimated to be around 75% of the population, are earning a living from generally insecure informal sector activities.

Nature of the economic system
The “scientific socialism” adopted at independence in Zimbabwe did not bring to an end the neo-liberal economic systems and its accompanying economic dualism and enclaves. While the neo-liberal policies exposed the economy to regional and global competition, the means of production23 remained largely in the hands of a minority class (bankers, industrialists and Asian merchants). Only land, as a means

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23 Such as commercial farmland, factories, mining and commercial enterprises.
of production, was transferred from the erstwhile white owners and placed in the hands of black elites. However, there was no genuine economic paradigm shift since land was hastily taken over and private property rights wrecked overnight. The chaotic land reform programme had a domino effect on the rest of the economy: manufacturing and mining collapsed; banking and finance tumbled; and tourism and other services followed suit. Destruction in the productive sectors meant no resources for supporting social services, a development that worsened the social conditions of the people, poverty and inequalities. As a new class of black elites emerged (based on their political affiliation) and acquired immense wealth, while maintaining the neo-liberal structure of the economy, the majority of blacks remained stuck in marginal economic activity such as communal farming and informal activities in the rural and urban areas.

At the political and governance levels, power has increasingly become entrenched in the hands of ruling elites who are increasingly controlling the means of production. Their consolidation of political and economic power is fuelling the widening of the inequality gap between the rich and the poor in Zimbabwe. As the economic and social situations worsened, the State responded by developing a “laager mentality”, cordoning itself off from the reach of the people. The State’s coldness towards the broader sections of the population started with the rise of neo-liberalism and the death of a semblance of ‘a nationalist-led developmental state’. Indeed, the way in which democratic and governance changes and socio-economic progress in Africa has been undermined by neo-liberalism has been observed by the Ghanaian economist, George Ayittey:

After independence, African nationalist leaders did not dismantle the authoritarian colonial state. Rather they strengthened and expanded its scope. Subsequently, they abused and misused the powers of the state to achieve their own selfish ends. Gradually a ‘Mafia State’ evolved, - a state that has been hijacked by vampire elites, hustlers and gangsters, who operate in their own notorious ethic of personal aggrandizement and self-perpetuation in power. The institutions of government were debauched, the country became the personal property of the ruling elites and the meaning of such terms as “development” as perverted. The centralisation of power transformed the state into a prized asset, which all sorts of groups compete for. This competition can be ferocious and it often degenerates into civil war, because in Africa, political power is the passport to great personal fortune. The richest persons in Africa are the heads of State and ministers.

Accordingly, policy options to deal with the inequalities and poverty exhibited in a country whose economy has totally collapsed and governance institutions rendered
useless by a group of people that monopolises power must be contextualised in a holistic fashion, allowing the broad participation of the people, civil society groups, other political parties, the private sector and other state actors. This requires three interrelated sets of policies namely: (i) alternative governance and democratic reforms; (ii) alternative economic policies and practices; and (iii) alternative social welfare policies and practices.

Alternative Governance and Democratic Reforms
The GPA provides a partial framework of the necessary political and social reforms and processes to achieve them. Such reforms juxtaposed with meaningful and people-centered economic reforms provide a solid base for refocusing on addressing inequalities and poverty reduction. The starting point as implied in the GPA is to come up with a people-driven constitution that enshrines and protects fundamental political, social, economic and environmental rights and principles of all people. The institutions of governance which were politicised over the years should be reformed so as to serve all citizens without fear or favour. The idea is to create a just political system with pillars such as good governance, observance of the rule of law and protection of human rights.

A culture of political tolerance is also required in the process of democratising the political landscape in readiness for elections which should be held in an environment conforming with the dictates of a democratic society in which divergence of political opinions is tolerated, political competition is not stifled and freedom of association and expression is allowed. But Zimbabwe, despite being a member of the AU and SADC with robust electoral principles of conducting elections, has since 2000 failed to abide by those statutes.

In creating a democratic society, ANSA suggests principles that promote the full participation of a wide social spectrum, particularly marginalised groups, such as women, youths, and people living with disabilities as well as those residing in rural areas. ANSA also suggests that the democratisation processes and strategies must be people-centered and people-driven. It is critical to drive home the point that politicians must serve the people, the people must be able to hold office bearers accountable as well as participate in the governance of the country. It is thus critical for civil society to demand space and create a niche in the governance processes as they play a critical role in poverty reduction and addressing inequalities.

Alternative Economic Policies and Practices
Economic policy options to be considered for cases like Zimbabwe are indeed available. LEDRIZ (2006) provides a good framework for the search of alternative
economic policy options in Southern Africa. In addition, the UNDP (2008) provided a good base in the discussion of specific alternative economic policy options in pursuit of development paths that effectively address poverty and inequality in the country. The report also argues for a more interventionist role in support of a development state. But Parsons (2007) and Hawkins (2008) believe that constraining the power of the Zimbabwean Government would aid the country's economic recovery. Hanke (2008) argues that a more radical, unorthodox approach would enhance the growth potential of the Zimbabwean economy.

Kanyenze et al. (2007) suggest the idea of revisiting the current production models, sector linkages and redefine the roles of the State and the markets. In addition, it argues for the removal of the inherited formal sector biases that entrench economic dualism and enclaves, and redefine the relationship between the citizens and the natural resources or endowments such as the CAMPFIRE approach, the beneficiation of raw materials (value addition) in the mining and agriculture sectors and the promotion of small-scale mining. The gradual formalisation of informal economy activities provides a starting point in the recognition of the contribution of the sector thereby acknowledging the contribution of women to GDP. ANSA recognises the implementation of clear-cut and non-partisan policies of empowerment in critical sectors, such as agriculture, mining, manufacturing and tourism as critical for economic and social recovery.

Accordingly, the approach being advocated to deal with inequality and poverty issues should be rights-based, people-centred, pro-poor, and people-driven. The ANSA approach is persuasive and thus recommended. It is different from the classic approach which puts more emphasis on the markets, support by the State to the formal sector at the expense of the informal economy, role of Foreign Direct Investment (FDI), and the emphasis on foreign exports and consumption by outside markets. The argument is that the State should neither leave development to the mercy of the markets nor should it be in total control of the commanding heights of the economy. In between these extremes of neo-liberalism and state socialism, there are possibilities for an interventionist developmental state to ignite sustainable economic and social recovery and the eradication of poverty and inequality. Zimbabwe needs to place emphasis on broad stakeholder participation in economic and social governance, and allow working people to set and determine their own priorities.
**Short-Term Intervention Measures**

**Hunger and food shortages:** By the beginning of 2008, an estimated nine million people were facing severe hunger in Zimbabwe. The national granary was empty due to a collapsed agricultural system. Although basic goods were available on the market, they were sold in foreign currency. The gradual dollarisation of the Zimbabwean economy is stabilising the prices of goods and services. However, the majority of the working population in the formal sector, including the civil servants, has no access to foreign currency, hence inequalities are still entrenched. The immediate task for the recovery programme should be a strong focus on food security through food aid, the restoration of the productive capacity of agriculture, industry and mining. Priority must, therefore, be given to policy interventions that encourage aid agencies to operate freely, easing the accessibility of agricultural inputs, agricultural institutions and restocking the national herd (livestock), particularly targeting communal farmers most of whom are women. This will create a stable macro-economic environment that provides opportunities to both the informal and formal sectors so as to raise the incomes of working people.

**Establishment of an independent Land Commission:** An immediate task in the agricultural sector should be the establishment of a land commission by parliament to determine, among other things, the allocation of farms, farm sizes, and productivity on the farms. Within the ambit of the Commission, a land audit must be carried out to deal with the issue of multiple farm ownership, among other aspects. The land commission should also work out modalities of providing a title to all land holders. Title deeds apart from being a prerequisite for farmers to access loans and other finances from the banks also guarantee security of tenure for the farmer. There is also an urgent need for an asset audit given the widespread looting of assets during the commercial farm occupations (2000-2005) and the corruption, misuse and abuse associated with the agricultural equipment bought by the RBZ when it expanded its mandate to include a quasi-fiscal allocation of resources to government institutions and individuals.

**Fiscal and monetary discipline:** Macro-economic stability is a precondition for economic recovery. Monetary and fiscal policies need to be drastically altered to correct the distortions which constrain savings, investment and production. Quasi-fiscal activities by the RBZ should be discontinued. Indeed, a reconstituted RBZ should confine itself to its traditional mandate of monetary regulations. In addition, measures must be taken to bring back sanity and the culture of fiscal discipline to the State. While the need to address poverty and inequality are critical, in the process, priority should also be given to the productive sectors of the economy, which have the potential to trigger economic recovery. A recovered economy usually creates the basis of mobilizing resources to fight poverty and inequality. Again, the recovery agenda can be
faster if the GNU, the offshoot of the GPA, is not bloated to the extent of frustrating collective responsibilities and efforts of other key stakeholders.

**Harnessing a culture of working and not begging:** Preliminary projections indicate that the new administration needs between US$5 and US$10 billion to jump-start the economy. While the new administration has no choice but to mobilise financial support from within the region and beyond, including the multilateral financial institutions, the proceeds should prioritise restoration of production in the agriculture, mining and manufacturing sectors. The support should ensure medium to long-term export production and competitiveness. This calls for the authorities to develop a strategic approach towards the mining sector, (particularly gold and diamonds), with a view to harness the opportunities for foreign currency earnings, employment creation and linkages with the rest of the economy through processing. Reports from the RBZ indicate that diamonds alone have the potential of generating over US$1.2 million per month in foreign currency. Untapped reserves of methane gas, lithium and platinum can also boost the economy if exploited strategically. There is a great need for the new administration, though it is a transitional arrangement, to adopt open and transparent ways of utilising and exploiting national resources, whose outcome should ameliorate poverty and inequalities in the country.

**Incomes and services:** There is a need for the conclusion of a social contract within the auspices of the TNF to come up with a clear-cut wage policy. The wage policy should guide the 48 employment councils and other collective bargaining chambers in negotiating minimum wages.

The health and education sectors need urgent attention. The inability of the Government to control the cholera outbreak in some parts of the urban centres has shown the extent to which the collapsed health sector has exposed the entire population to curable and otherwise preventable diseases. Education is the central driver of inequality and should not be viewed only as a foundation of the skills base needed to recover the economy but as a tool to fight intergenerational poverty. But, the chaotic manner in which the 2008 school examinations were conducted signalled the collapse of the education system. Pupils and students, mostly those in public schools, spent the greater part of 2008 without class sessions due to the unavailability of teachers who either were on strike or had left for greener pastures outside the country. Similarly, restoration of the electricity, water and transport system is among the key issues which should be tackled in the short-term.
Medium and Long-Term Intervention Measures

**Public Works Programmes:** The State should design and implement, in consultation with the affected groups (mainly women and youth), public works programmes which not only bring about infrastructural development, but are also a source of income to the urban and rural poor. It is envisaged that the public works programmes will reduce poverty and inequality by way of providing essential services, generating job opportunities and creating an enabling environment for sustained economic growth and development. Linked to this is peri-urban farming for the poor working communities.

**The informal economy:** It is imperative that the informal economy be reorganised and supported in a much more meaningful manner. It has been a survival platform for the majority of the population during a difficult period and it cannot be ignored. Earlier discussions suggest that the dualistic structures in the economy need to be addressed. The SMEs players have great potential to graduate into big economic players. The re-organisation of the informal economy should also reform the regulatory framework in order to promote rather than threaten the existence of informal economy activities.

**Agricultural production:** To enhance agricultural output, it is imperative to rehabilitate and/or construct dams, especially in dry areas for drought mitigation purposes leading to increased food production. In addition, the State should also recapitalise the District Development Fund’s tillage division to enable it to support small-farm holders in land preparations. There is also the need to revitalise agricultural technical institutions and the extension service provided the Government and farmers organisations such as the Commercial Farmers Union (CFU), Zimbabwe Commercial Farmers Union (ZCFU), Zimbabwe Farmers Union (ZFU), women’s groups, and the Women Farmers’ Associations that have been established recently.

**Alternative Social Welfare Policies and Practices**

The economic policy options discussed in the preceding section can address poverty issues in the context of a comprehensive social protection policy which is an integral part of the macro-economic framework. The social protection system being advocated should have a provision of safety nets which are motivated by both equity and efficiency concerns. In part, the safety nets programmes should arise from a desire to assist the worst-off members of society. In this regard, proper

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24 Social safety nets can take many forms: transfer of cash through welfare payment, child allowance or pension, in kind transfer such as food aid or school feeding programmes, subsidies on goods purchased by the poor, unemployment insurance, public works and workforce scheme.
targeting becomes central. The process should involve, among other stakeholders, the communities themselves and those with resources (both local and external) who ordinarily partner with government in providing humanitarian assistance.

There is a need for the implementation of a comprehensive social protection system. In this respect, it is imperative to deliberately prioritise the resuscitation of social services, particularly health care, education, water and sanitation as well as the provision of electricity. Failure to do so will perpetuate intergenerational poverty and the persistence of preventable diseases such as cholera. In addition, such programmes need to offset credit and insurance market failures, which leave poor households unable to make investments that would raise their future incomes and protect them from adverse events (such as droughts, floods and political turmoil). The programmes, apart from creating a fairer society, have an instrumental function in promoting growth. According to the International Food Policy Research Institute 2020 Focus Brief (October 2007), this growth is promoted through five channels, which are:

• Social safety nets help individuals create household and community assets;
• They help households protect assets when shocks occur (such as climate change shocks);
• By helping households cope with risk, they permit households to use their existing resources more effectively;
• They facilitate structural reforms to the economy; and
• By reducing inequality, they directly raise growth rates.

What is needed is to have a social protection system which is an integral part of the macro-economic policy framework. Its planning, execution, and evaluation should not be done outside the said macro-economic policy framework. Therefore, a comprehensive social policy framework, combining economic dynamism (including pro-poor growth policy), social integration, that is, a society that is inclusive, stable, just and based on promotion and protection of all human rights, non-discrimination, respect for diversity and participation of all people and an active role of government in the basic social services at local and national levels, is needed.

**Box 13: The guiding principles of social protection**

The Zimbabwean social policy framework which is being envisaged should have the following guiding principles:

• Social policies must encapsulate the principles of human rights, development imperatives and be embedded in the Zimbabwean culture of solidarity, starting from the nuclear to extended family levels;
• It must be closely linked to economic and political policies aimed at advancing the Zimbabwean society’s well-being. Formulation of poverty reduction strategies should be integral to a social policy framework;
• Policy for social development, as a broader goal, should be coordinated with but not subordinate to economic growth and political development;
• The social policy formulation must include bottom-up approaches to allow the participation of beneficiaries and recipients in decision making and there should be a deliberate policy of mainstreaming the marginalized groups such as women, youth and people living with disability;
• Social policy should have a long-term developmental perspective; and
• The different stakeholders should work together in well-coordinated partnerships that enable them to complement and compete with one another.

(Adopted from the draft social policy framework for Africa (October 2008)

In addition, legislation on social protection should include benchmarks as well as targets for the delivery of social provision, especially for those currently excluded such as women, youths, the aged and people with disabilities. Financing social protection should not be a matter of resource constraints but rather of political choice. An effective way for government and multilateral institutions to promote a comprehensive approach to a basic package of social protection will be to increase their support for essential health, education and social transfers.

Summary and Conclusions
The notion of economic inequality in Zimbabwe has throughout history been associated with the unequal distribution of wealth, economic assets, incomes and opportunities among individuals and groups in society. In the colonial era, inequalities were largely associated with the structural character of the dual economy. This was moulded by a philosophy of white supremacy presiding over the evolution of a relatively well-developed formal sector employing about a million people and co-existing with an under-developed rural economy that housed over 70% of the black population. In addition, racist policies and laws were promulgated not only to dispossess black people from their only source of livelihood - the land - but also to transform land into a major unit of production. In the process, a large reservoir of labour, ready to work in the whites’ commercial interests was created, resulting in country-wide racially and gender-based income and asset inequalities.

The post-independence Government, however, made strides, especially during the first decade, in reducing racial inequalities through access to social services.
(education, health and sanitation), countrywide infrastructural development and rural development. Development planning was a key strategy pursued, aimed at achieving economic growth, job creation and poverty reductions. There was significant growth and development of the peasant economy buttressed by decentralised opportunities in the growth points, leading to an equally significant reduction in income, asset and gender inequalities. However, the 10-year constitutional “willing-buyer – willing-seller” clause frustrated efforts to redress inequalities related to racial land ownership patterns but also protected whites and foreign commercial interests.

Despite the economic growth experienced and the successful extension and improvements of social services after independence, significant inequalities, in terms of economic assets, incomes and opportunities remained. Welfarist measures on their own, such as free education and health as well as subsidies to smallholder farmers could not ameliorate deep-seated inequalities.

The adoption of neo-liberal policies in the form of ESAPs in the early 1990s undermined the achievements of the first decade of independence and widened inequalities in the country. Firstly, with the advent of economic liberalisation, the Government withdrew its welfarist policies and abandoned price controls, subsidies and other regulations in favour of market forces. Secondly, the policies protected whites’ commercial interests by advocating the “unique role and character of the private sector” in driving the economic agenda of the country. Thirdly, the policies emphasised privatisation of state-owned enterprises, despite the fact that the national ownership of the economy was very low, while three-quarters of invested capital was foreign-owned. As a result, few black people benefitted from this process, further entrenching the racially-induced inequalities. Fourthly, the neo-liberal programme resulted in de-industrialisation, downsizing, massive retrenchments and informal sector growth. Increasingly, the economy remained narrow because the indigenous population continued to face difficulties in securing loans from white and foreign-owned financiers and banks. Lastly, the SDA meant to provide a safety net to mitigate the adverse impacts of economic structural adjustments failed, largely due to a poor resource-base and failure to target the deserving people.

The only decisive steps to reduce resource-based racial inequalities were taken after 2000 when government embarked on the fast-track land reform. However, the exercise created complex, politically-motivated and huge inequalities across various groups in society. About 90% of white farms were seized by 2002 and distributed to smallholders and new elite farmers. About 141 000 families were resettled as small holders, but due to the unplanned nature of the reforms, about
200,000 farm workers were displaced. Although the State supported the new farmers through input schemes such as tillage, seeds, and fertilisers, the outcome of land reform has been mixed. Women farmers still face far greater hurdles in accessing credit and other services than their male counterparts.

The “fast-track” land reform triggered a loss of confidence in the economy, particularly by the donors and investors (both foreign and domestic), resulting in eight consecutive years of contraction in economic activities. Formal sector incomes were rendered meaningless by hyperinflation and monthly salaries could not cater for even the most basic needs. Subsequently, the informal sector activities expanded tremendously and the sector now accommodates about 80% of Zimbabweans.

Poor planning and support structures failed several of the new farmers, some of whom ended up drifting to urban areas. The continued political intolerance in the countryside fuelled urban migration, and in the process, swelled the informal sector. Conversely, the politically motivated “Operation Murambatsvina”, which destroyed the livelihoods of about 700,000 people impacted negatively on the vulnerable groups such as women, youths, and the elderly. This introduced new forms of inequalities, premised on suppressed wages and poor working conditions in a hyperinflationary environment, restrictive urban by-laws and regulations as well as difficulties in accessing social services and resources. For instance, variation in accessing education created unequal conditions for wealth acquisition for individuals and groups in society. In this respect, gender-insensitive, traditional, cultural, and religious beliefs not only enforced gender-based inequality in education, but also determined gender-based opportunities for wealth creation.

Since 2000, the Zimbabwean population has experienced “wealth condensation” - a process in which newly-created wealth concentrates in the hands of a small group of politically well-connected individuals. Although the land reform benefitted a number of black Zimbabweans, there are reports of multiple ownership, especially by the ruling elites. Recently a law has been enacted to ensure that 51% of shareholding of foreign companies will be held by black Zimbabweans, a development that is likely to benefit only those with resources and connections to the ruling elite. The laws governing mineral resources have been reviewed, resulting in few people now owning the mines in the country. All this will increase “wealth condensation” in the hands of a small minority who treats the country’s resources as their personal property. This will worsen levels of inequality and have a negative impact on the life chances of future generations.

Many gains recorded during the first decade of independence have been completely reversed, especially in education and health. In education, for example, the hyper-inflationary environment has forced schools to institute monthly increases
in fees and levies thereby directly impacting on learner participation, some of whom experienced social disruptions and dislocation of communities due to government programmes such as the fast-track land reform and “Operation Murambasvina”. Equally significant is the fact that many economic planning frameworks have failed to translate into sustainable economic growth, employment creation and reduction in poverty and inequality. Thus, Zimbabwe experienced a failure by most policy interventions (political and macro-economic) to seriously redress poverty and inequality in society.

Households devised various coping mechanisms to deal with the hyperinflationary pressures. For instance, the study notes that the majority of those involved in informal sector activities are emerging as better off than their professional counterparts in the formal sector. Most households have seen women actively involved in informal activities, including trading in scarce commodities and foreign currency thereby becoming the main breadwinners in terms of meeting household needs while the men hold on to lowly paid jobs, hoping that this will change in future.

Inequality as measured by the Gini Coefficient increased in Zimbabwe from 0.57 in 1995 to 0.64 in 2003. Disaggregation of the Gini Coefficient by gender confirmed the continued feminisation of poverty. Women are also hit by higher HIV infection rates, discriminatory cultural norms and practices and gross under-representation in the public sphere. The collapse of the public health care system, as shown during the cholera outbreak, has meant that the burden of care for the sick and elderly falls on women.

Price distortions and speculative activities associated with corrupt practices and poor corporate governance have significantly contributed to the worsening of inequalities and poverty in Zimbabwe. The country thus needs a complete political and economic transformation as neither a return to the colonial enclave economy nor a continuation of economic liberalisation and crony capitalism hold any promises for the majority. Social, economic and political rights can only be restored in the context of a participatory democracy, with accountability of the leadership towards the base and with a form of ownership and management of the country’s resources that will ensure benefits for the majority. The ANSA proposals point to possible solutions in this regard.
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