THE ZIMBABWE INSTITUTE

REPORT ECONOMIC CONFERENCE ON ZIMBABWE 'RESTART'

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CONTACT PERSON:

ISAAC MAPOSA

SECRETARY, BOARD OF TRUSTEES

Email : <u>imaposa@istar.ca</u>

: mafela5@mweb.co.za

Mobile : 00-27-8307302532 Tel/Fax : +27-21-447-1871

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1. PREAMBLE

The Zimbabwe economy has been in decline for nearly a decade, however, the past three years have seen this decline accelerate at unprecedented speed. It is a process that has been characterised by triple-digit inflation, high unemployment, a huge budget deficit and collapsing public services. The reason for the collapse is political. Bad governance and contempt for democracy and democratic institutions by the Zanu PF government have triggered the collapse. Until Zimbabwe's political crisis is resolved, the economic crisis will continue.

The MDC, Zimbabwe's main opposition party, conscious of its central role in tackling the political crisis is also conscious of the need to develop an alternative policy agenda to Zanu PF, around which the people can mobilise. Given the situation on the ground, the development of a comprehensive economic recovery programme was seen as fundamental. As a result the MDC have formulated an economic recovery programme called RESTART, (Reconstruction, Stabilisation, Recovery and Transformation). RESTART is the MDC blueprint on the reconstruction of the Zimbabwe economy. This policy document was unveiled at the Party's annual conference in December 2003 and officially launched by MDC President Morgan Tsvangirai on 29 January.

RESTART has been subjected to rigorous debate and analysis within Zimbabwe. In order to build regional and international support around the core policy prescriptions contained in RESTART, the MDC, in partnership with the Zimbabwe Institute (ZI) decided to host a conference in Johannesburg to debate RESTART and the broader policy challenges facing Zimbabwe. The conference brought together politicians, diplomats, researchers and policy experts drawn from Zimbabwe, the region, international community, business, labour and civil society.

2. CONFERENCE PARTICIPANTS

Seventy eight delegates attended the conference. From within Africa, participants came from Ghana, Senegal, Kenya, South Africa and, naturally, Zimbabwe. Other participants came from the UK, Netherlands, Norway, Sweden, Germany, USA, and Canada.

Keynote speakers were drawn from experts knowledgeable not only on Zimbabwean issues, but with experience in policy development and implementation. Notably amongst the participants were government ministers and parliamentarians who could relate to economic & social restructuring processes in the African context and internationally. (See Annex for speakers and Programme)

The focal point of discussion was the presentation of "RESTART" by the MDC Economics Committee led by Hon. Tendai Biti, MP. The main objective here was to articulate and promote the MDC's policies across all key sectors and subject these policy proposals to critical evaluation by an informed and objective audience. The conference essentially provided a platform for the clarification of the MDC's position on critical policy issues. In an attempt to provide a balance, in terms of differing perspectives, representatives of business and labour in Zimbabwe were invited to deliver keynote addresses.

PROCEEDINGS

3. PART 1: OVERVIEW OF THE POLITICAL & ECONOMIC ENVIRONMENT

An independent Economist, Dr. Theresa Moyo, chaired the opening session in which the MDC Vice President, Hon Gibson Sibanda, gave the opening remarks and Prof. Brian Raftopoulos, a Zimbabwean academic and Chairman of Zimbabwe Institute's Board of Trustees, presented an overview of the current political and economic situation prevailing in Zimbabwe.

3.1 MDC Vice-President Gibson Sibanda: Extracts From Speech

- ❖ Zimbabwe is still in the middle of an unprecedented socio-economic and political crisis that is rooted in bad governance, intolerance of dissent and the ruling elite's selfishness characterized by the subordination of the interests of the majority of people to their political survival
- * the MDC, as a party, is operating in a hostile political environment, where the culture of fear and violence has been firmly entrenched, giving it no space to advance its peaceful and progressive objectives on behalf of the people
- democratic space has been virtually eroded in Zimbabwe as evidenced by the ZANU PF government's attempts to ban the public launch of RESTART inside the country and stifle debate on the programme
- * as a social liberation movement, the MDC will keep on fighting to free the closed democratic space and also continue to work with the people to map out a path for a better future
- * RESTART, the MDC's blue-print for economic recovery and cornerstone of the Party's path to social justice, offers the people of Zimbabwe not only a real alternative to a better future but also solutions for a sustainable future
- * RESTART's five year economic programme of reconstruction, stabilization, recovery and transformation aims to address the fundamental needs of the ordinary Zimbabwean: jobs, food, housing and security
- * the MDC is not promising a quick fix to Zimbabwe's multi-faceted crisis, but is promising through RESTART, a policy programme that provides a realistic possibility for Zimbabwe being able to address and successfully overcome the existing political, social and economic decay, once a new democratic political dispensation is in place
- * RESTART has been well received by the people in Zimbabwe despite the ZANU PF government's efforts to prevent open debate on the programme
- * RESTART can only be successfully implemented in a free and democratic environment, making the issue of the establishment of a democratic and legitimate government through a free and fair election an essential pre-condition vis-à-vis the implementation of RESTART.

3.2 Prof Brian Raftopolous - Chairperson, Zimbabwe Institute

Before providing an analysis of the political and economic environment in Zimbabwe, Prof. Raftopoulos briefly outlined the thinking behind the creation of the Zimbabwe Institute, describing how the ZI evolved from two years of discussions with the MDC. The ZI, he pointed out, "was formed out of the Party's recognition/need to develop substantive and constructive policies to confront challenges in all sectors of Zimbabwe's development.... The convening of the international conference on RESTART reflects these efforts by both the Party and the Institute to develop policies for Zimbabwe."

Below are extracts from the presentation delivered by Prof. Raftopoulos

3.2.1 Breakdown of liberation consensus

Having been a militarised liberation movement which played a leading role in the struggle against colonialism, the ruling Zanu PF party has found it difficult to make the transition from a liberation war movement to a social democratic movement, spearheading the democratisation process and accountable to the nation. The party has also failed to make a break with the tradition of nationalist authoritarianism and guerrilla violence, and both its attitude and style of management of civil institutions and the state reflects this. Over the last 24 years, the country has seen a breakdown of the national consensus on the processes of democratisation and the pursuit of post-war liberation, resulting in an increase in dissent. The MDC is a manifestation of that growth in dissent, fuelled by the government's continued failure to deliver in the face of mounting social and economic problems.

3.2.2 Nationalism as an exclusive ideology

At the political level, the Zimbabwe crisis has resulted from the manner in which the ruling ZANU PF government has sought to define nationhood. Over the past few years, ZANU PF has resorted to an increasingly authoritarian nationalism and selective interpretation to define nationhood in a way that has not only shut down the space for alternative perspectives, but has also marginalised other groups. In contemporary Zimbabwe, nationalist ideology has become exclusive to the ruling elite and its supporters, and those not subscribing to government political discourse have been subjected to violence and oppression.

3.2.3 Economy

The crisis also needs to be understood in the context of crises faced by many other post colonial states faced with the struggle to redress the inequalities of colonial rule. Initially, Zanu-PF made attempts to address these issues with a number of social programs but these were unsuccessful due to negative economic growth in the late 1980s. In the 1990s the state undertook the IMF sponsored 'Economic Structural Adjustment Plan (ESAP) which had serious economic and social consequences and provided the background to rising social and political discontent.

3.2.4 Democracy & Governance

Understanding the crisis in Zimbabwe, particularly the current repression and intolerance, also requires us to focus on how the post-colonial Zimbabwe state failed to deal with the legacy of colonial repression, when it found itself faced with post-colonial dissent. From the very beginning of independence, the Zimbabwe state, whenever it sought to deal with dissent it adopted many of the colonial repressive structures left by the Rhodesian state, with serious implications for democracy and human rights. This was whether it was dealing with labour, as was the case with the wild-cat strikes of the early 80s, or politically dissatisfied liberation war colleagues from ZAPU. The continued abuse of structures for accountability and abuse of

human rights by Zanu PF shows how the party has adopted the same, if not similar oppressive measures inherited from the colonialists to justify its legitimacy.

4 PART II: RESTART, ECONOMIC RECOVERY PLAN

4.1 Presentation of RESTART

4.1.1 Background

The MDC Secretary for Economic Affairs, and member of the MDC Economic Committee, Hon. Tendai Biti M.P, provided the key presentation of the conference. Biti explained that RESTART was launched in Zimbabwe on 29th January 2004, only after a judicial order from the High Court following the ZANU PF Government's attempts to ban the launch. He informed delegates that the government, by invoking draconian provisions contained under the notorious Public Order and Security Act (POSA), has continued to try to block the launch of RESTART in other parts of the country.

Outlining the thinking behind RESTART, Biti pointed out that by coming up with RESTART the MDC was being proactive in looking at ways and means to manage change when it finally occurs in Zimbabwe. He explained that the MDC economic programme was aptly called RESTART because there is need for a fresh start in Zimbabwe since everything has practically stopped functioning. The key word in the acronym RESTART is "Reconstruction", mainly because it captures the scope of the work that needs to be done to rebuild the Zimbabwean economy whose levels of unemployment, debt and poverty have the characteristics of nations that have been destabilized by war and are in need of complete reconstruction.

Hon. Biti explained that initially, the MDC had crafted a programme called BRIDGE which was to form the basis of the Party's economic stabilisation programme if the party had won the March 2002 Presidential Election. In the aftermath of the stolen election, the MDC decided to revisit the policy prescriptions contained within the BRIDGE framework, a policy revaluation process that was prompted by the following salient factors:

- a) The figures that had been used in the stabilisation programme were no longer realistic, owing to drastic changes that occurred on the economic scene following the controversy over the disputed elections. For example, in 2002 inflation was almost 90%, by the end of 2003 the inflation rate had spiralled to 600%.
- b) BRIDGE also had to be revisited to see if it was consistent with the core social democratic values of the MDC solidarity, justice, freedom, liberty, democracy, equity and equality.

Following a re-evaluation of BRIDGE, it was agreed that the Party needed to come out with a new economic programme in line with the Party's principles and core values, in particular:

- * the belief in participatory democracy and strengthening of institutions and processes that support and uphold democracy, such as a strong constitution, an independent judiciary, an independent electoral commission, etc.
- * the promotion of a strong social economy
- upholding the state's obligation to the poor
- ensuring that there is distribution of resources from performing to non-performing sectors of the economy

4.1.2 RESTART: Immediate Priorities

The critical short term issues that must be addressed in the first 100 days of an MDC government are:

- * Restoration of Law and Order
- Corruption- dealing with endemic corruption will require introducing tough measures, such as instituting an anti-corruption commission, as has been the case in countries like Kenya and Nigeria
- Strengthening the consultative process and ensuring that participatory democracy is statutorily entrenched in the structure of government. This will be done through the Zimbabwe Economic Development Council (ZEDC), a statutory body with advisory and negotiating functions, comprising representatives of labour, business and other stakeholders. The ZEDC will take an active role in the formulation of policy before it is implemented.
- Dealing with the humanitarian crisis caused by debilitating poverty and famine. Two million people had to be fed by international agencies in 2003. We estimate that the number will rise to 10 million in 2004. Other key humanitarian issues include the decline of standards in the public health, transport and education sectors.
- ❖ HIV/AIDS- coming out with a more transparent approach to the issue and appropriate strategies to combat the spread of the disease and deal with cases of those infected by the disease.
- ❖ *Job creation to deal with rampant unemployment.*
- * Revisiting the 'Land Question' to deal with inconsistencies and corruption in the whole redistribution exercise. There is need for construction of a transitional land policy that deals with the confusion and mess created by the current government. This will be the responsibility of an independent Land Commission that will conduct:
 - a) an audit to establish an accurate pattern of land settlement/distribution/ownership
 - b) a legal audit to determine the legal status of land occupied by different stakeholders, with the view of determining the legality of ownership and occupation.

4.1.3 State of the Economy: A Brief Overview

- ❖ The Zimbabwe economy is in a state of decline. There has been capital flight from the productive sector and this capital is being invested in the speculative sector. The formal economy has actually ceased to exist, and only a parallel/informal economy, which feeds on the plight of the people, is operating.
- ❖ The Zimbabwe dollar is over-valued whilst exchange rates differ markedly at the official and unofficial rates. There are currently three exchange rate regimes operating: the official exchange rate, now pegged at US\$1: Z\$824; the auction system exchange rate pegged at US\$1: Z\$5000 and the parallel market rate pegged at US\$1: Z\$5000. Exploiting this loophole, government officials buy foreign currency at the official rate and then sell it at the parallel market rate. The Reserve Bank has gone into the parallel market to buy its own currency.

4.1.4 *Options for the Future*

The exchange rate has got to be dealt with using a stabilisation programme which does the following:

- Unifies the exchange rate, as opposed to the 3 systems operating presently
- Allows 100% retention of export earnings. This will resuscitate the export market and reduce the incentive for externalisation of foreign currency.
- Allow for an independent Reserve Bank that monitors monetary policy but is not subject to the whims of the government.
- Encourage savings of 24% of GDP. Currently, domestic savings as a percentage of GDP are less than 4%. They have been eroded by hyperinflation and negative rates of interest. The budget is financed by borrowing and this has adversely affected pensions.

Domestic Investment- Generally, the MDC approach will be to introduce programmes that encourage Zimbabweans to invest in their economy. The MDC will also introduce measures that will retard speculation.

Taxation- As a social democratic party, the MDC's tax policies will be progressive. It will tax the productive sectors more than individuals. With an increased manufacturing base, the MDC will have an expanded tax base.

Social Services- Other fiscal issues the Party will have to deal with on its social democratic agenda are health, education, housing and transport which will be funded from the expanded tax base without having to increase the national debt. Primary school education should be free. Urban housing will not simply be dealt with as an issue of providing shelter to the homeless but a strategy to create jobs and stimulate economic activities.

International Financing- To finance some of its programmes, the MDC will need to engage the international donor community. The principles laid out in RESTART will serve as the platform from which the Party will negotiate and engage the donor community.

Debt- the national debt currently stands at US\$6 billion, and the MDC will negotiate for debt cancellation or reduction.

Regional Integration- the MDC aims to play an integral role in accelerating the process of real regional integration, a development that is a pre-requisite to sustainable development and to Africa reversing its increasing marginalisation within the global economy.

Privatisation- MDC will carry out an audit of privatisation of public assets in order to get a full picture of what has been happening to public assets and will consider reversing any privatisation that is not in the national interest.

4.2 Speaker: Nic Borain, Political Economist, HSBC

Borain opening by pointing out that over the last 5 years, a key issue for investment in South Africa and the SADC region had been the socio-economic and political situation of Zimbabwe. The concerns centred on the following issues:

- Spill-over effects of political and economic meltdown in Zimbabwe. The major fear driving financial markets and SA government strategists was that if the political situation deteriorates into

a total collapse of the state the security situation in the region will be threatened and refugees will spill into South Africa and other neighbouring countries, resulting in an increase in crime, unemployment, poverty and disease.

- Contagion effect of developments in Zimbabwe on South Africa and the region have tended to bolster foreign investors arguments that what ever happens in Zimbabwe will be predictive of South Africa's future.

In his analysis of RESTART, Borain provided the following critique:

- ❖ RESTART correctly portrays the depth and extent of Zimbabwe's problems. One of the main points emerging from RESTART is the acknowledgement of the intrinsic link between economics and politics, and the view that good governance is the hallmark of successful economies whilst the reverse is also true for bad governance.
- ❖ Another important aspect of successful economies highlighted by RESTART is the emphasis on the involvement of diverse groups in policy formulation and implementation.
- ❖ While RESTART is a good document, one of the major problems its authors have to deal with in the is the issue of "buy-in", especially from South Africa where the ruling ANC, while conceding that ZANU PF has failed the country, still sees the MDC as too young and inexperienced, and therefore unable to rule or to bridge the rural-urban divide in Zimbabwe.
- ❖ Whilst RESTART is a very sound document, it requires a strong government to implement it. This might be a problem if the ultimate political solution in Zimbabwe is a government of national unity in which a stronger and more experienced ZANU PF partner can bully the MDC, as a new and less experienced party.
- ❖ The prospects of RESTART helping to rebuild Zimbabwe in a post-democratic transition order are bright, given some of the advantages that Zimbabwe still has. It has a soft economy still in place, institutions like the Reserve Bank are still in place and the institutions for the enforcement of law and order are still in place.
- * Reservations could be expressed about how quickly the goals can be achieved; the goals could take 20 years instead of 5 years.
- ❖ There are also a lot of variables and intricacies RESTART has to deal with before and during implementation. These will require astonishing subtlety in regional politics and keeping Zimbabweans on board during the process. The process will require great skill and patience.

4.3 Speaker: Dr. Blade Nzimande, Secretary General, South African Communist Party (SACP)

Dr Nzimande presented a paper entitled "Towards an alternative Southern African developmental path: Notes for input to Policy Workshop on Zimbabwe." Before presenting his paper, Dr Nzimande expressed hope that the conference on RESTART would contribute to a more informed, sober and deeper debate on Zimbabwe and its future.

Below are extracts from the paper

- the SACP welcomed the RESTART initiative as part of a larger project to advance and deepen policy discussion and debates on the socio-economic situation and transformation in Zimbabwe.
- the South African experience shows that it's essential to respond to a societal crisis in its overall dimension, with a multi-pronged attitude be it through negotiations, elections or alternative ways. And the SACP, in its engagements with Zimbabweans and other stakeholders, has always supported the idea of a bilateral, negotiated process to overcome the current political impasse in Zimbabwe. The SACP, at the same time, has always warned against the dangers of a negotiated settlement which is little more than "elite pacting."
- ❖ The SACP views the Zimbabwean crisis as being rooted in a complex process that is not just a result of social programs that were considered 'populist' and 'welfarist' which were initially successful but proved to be unsustainable, but also the disastrous ESAP programme embarked on in the 1990s. The crisis, and the related zig-zags of policy (evidenced by the adoption of a wide range of policies from structural adjustment to demagogic land grabbing), demonstrate both the "stunted and perverted" nature of Zimbabwe's national democratic revolution and the incapacity of the "parasitic, bureaucratic bourgeoisie" leadership of that country to lead an effective national democratic transformation.
- ❖ It is the SACP's view that countries like Zimbabwe and South Africa need to adopt alternative socio-economic programmes that link growth and development, taking into account the following:
 - A state led industrial policy which prioritises job creation, labour intensity and skills development.
 - A public and parastatal sector capable of playing a leading role in industrial policy and developmental interventions.
 - Strategic interventions aimed at building sustainable households and communities in marginalised areas.

Expressing his views on the subject of the 'National Question' and democracy, Dr Nzimande said:

- ❖ There is a close interrelatedness between policy matters and mass mobilisation as policy issues depend on popular mobilisation for implementation. Such popular mobilisation includes trade union mobilisation (for more labour intensive methods and greater worker control over management and investment decisions), consumer power mobilisation (against exploitation from private banks and retailers of basic needs) and community power mobilisation (aimed at fostering relative community self-sustainability). The ultimate objective of the popular mobilisation described above is to create a nation where mass power complements a progressive, developmental state and parastatal sector.
- ❖ The issue of building national unity and overcoming regionalist and ethnic fragmentation is a big challenge. National sovereignty is continuously challenged by the corporate north, through commodity market prices, manipulation of debt and unfair terms of trade. In this respect, south-south initiatives need to be strengthened to avoid the ill effects of globalisation.
- ❖ The SACP believes that the land question is central to consolidating the Zimbabwean independence struggle. The fact that up until 2000, the sector was controlled by 4,500 white farmers acted as a brake on transformation. However, a lawless, populist land grab by an

elite in the inner circles of government is not the type of reform that the rural poor of Zimbabwe need.

Propounding his views on what he described as a progressive southern African network, Dr. Nzimande expressed that:

- ❖ The RESTART initiative needs to be located within a broader regional and continental perspective, where SADC and AU policy initiatives are engaged. Also to be considered are coordinated campaigns, for instance building a stronger and democratic public sector, land/agrarian transformation and making affordable basic needs available to the masses.
- ❖ The issue of the role of South African capital in the region remains a contentious debate. This capital is known to have active sub-imperialist ambitions, and is exploiting the current Zimbabwe crisis, by buying up mining houses and merchant banks in order to make quick profits and extend their domination of the region.
- ❖ There should be a regional network where people share perspectives, ideas and build regional networks for social transformation.

4.4 Plenary Session

Following the presentation by the discussants, the discussion went into its plenary session where the following points were raised:

- Representatives of the MDC noted that the party was aware of the dangers of creating enclaves and had tried to address such problems in RESTART by focusing on creating conditions for growth in the formal economy, which was expected to lead to vertical growth. The social policies were designed to achieve horizontal development as well.
- ❖ Some delegates applauded the fact that RESTART focuses on rebuilding the economy through boosting domestic investment rather than through foreign direct investment. Others expressed the view that RESTART, to a degree, resembled post-apartheid South Africa's abandoned Reconstruction and Development Programme (RDP). It was therefore necessary for the authors of RESTART to look at the RDP.
- * RESTART has to reflect on how MDC plans to deal with the transformative process involved in changing roles in society, i.e., from being an opposition party to a governing party. It was deemed important for the MDC to take into account political variables of such a transition and how these could affect the implementation of RESTART.
- ❖ Delegates also wanted to know how the MDC planned to implement its RESTART programme when it was not in power. Hon. Biti explained that they had taken into account that there may be a negotiated settlement and the RESTART programme can still be incorporated into any compromise policy.
- ❖ A key consideration was that RESTART should focus more on scarce resources that a new government will require for its rebuilding programme, particularly where these resources would come from and where they would be deployed.
- * RESTART also needs to seriously address the issue of how the masses can be mobilised around the economic recovery programme.

- ❖ Although RESTART comments on foreign aid, it does not give much detail on how it intends to deal with the foreign context in which it will have to mobilize funding. Unless the Party begins to consider the global environment in the transition process it will find itself stuck. The issue of the regional and global dimension is important. Most important is the strong linkage between South Africa and Zimbabwe.
- ❖ Also missing from RESTART is the differentiation between vision and strategies or actual policy strategies.
- ❖ Issues relating to regional integration are seen as integral to the success of RESTART.

5. PART III: LABOUR AND BUSINESS PERSPECTIVES

5.1 Speaker: Lovemore Matombo, ZCTU¹ President

In his critique of RESTART, Matombo raised the following salient points:

- RESTART is a document based on qualitative information of which labour representatives were consulted in putting the document together.
- ❖ The introduction of the Zimbabwe Economic Development Council is a good indication of the commitment to participatory democracy. The ZEDC, however, excludes certain important groups in the society particularly those in the informal sector.
- ❖ The need to revisit the whole concept of intellectuals when approaching developmental issues in order to include the poor and uneducated in both urban and rural areas. They are the ones denied opportunities and space to air their views in society.
- ❖ In a country like Zimbabwe where 80% of the population are unemployed and the formal economy has virtually crumbled, the MDC, through RESTART, should find ways of incorporating the informal sector into the formal sectors. This will allow the informal economy to grow into small and medium enterprises.
- ❖ While RESTART currently does not have traces of a neo-liberal agenda, it is necessary for an MDC government to guard against the creeping in of neo-liberalism, given that it may not have the necessary budget to support its social agenda. External investors are known to come with conditions and will use the window of opportunity to push their agenda.
- * RESTART also needs to start seriously addressing the issue of the government's future relationship with the IMF and World Bank and how it intends to attract foreign investment.
- ❖ The ZCTU has taken the government to task on several occasions in terms of taxation. Whilst RESTART tackles the issue of corporate taxation, individual taxation has to be considered, since Zimbabwe falls in the category of countries with punitive individual taxes.
- ❖ Privatisation; the MDC was cautioned against pursuing the Zambian example, where the Chiluba government embarked on excessive privatisation in the hope that wealth would be abundant. Private and public assets should co-exist and are important in the development of any nation. For example, transportation such as the NRZ should remain a public entity. Meat processing industries and iron industries like Zisco Steel do not need to be parastatals. What is needed is to restructure certain industries for purposes of efficiency. To date there is no evidence that parastatals that have been privatised become profitable. There should be an opportunity for local ownership of industries and emphasis should be placed on domestic rather than foreign investment. Foreign investors can only give assistance if the local community is putting in a lot of effort.
- ❖ The MDC should not be arm twisted and manipulated by those who want to control what belongs to Zimbabwe.

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¹ Zimbabwe Congress of Trade Unions

❖ Economic empowerment. Empowerment should focus on the masses rather than the elite who represent a tiny section of the population.

5.2 Speaker: Luckymore Zinyama, Business Executive "Future of Business in Zimbabwe."

Presenting a paper entitled, "Future of Business in Zimbabwe' Zinyama began by providing a very brief outline of the current state of the business environment.

He remarked that the current political crisis, characterized by high levels of intolerance, and a disregard and manipulation of the rule of law, has had a high cost on business. The net result of all this is that Zimbabwean business is currently:

- Poorly organised and fragmented and cannot effectively make any decisions in negotiations with the government. There are eight business associations which are only loosely organised.
- Business has no muscle to influence its environment. Because of fragmentation government can choose who it wants to work with and argue that it has consulted business.
- Zimbabwean business has become less competitive globally, in part because of the high cost structures.

In his evaluation and critique of RESTART, Zinyama argued that the positive elements contained within the RESTART framework included:

- the emphasis on the restoration of the rule of law and personal security which will provide a conducive environment for the growth of business.
- the Zimbabwe Economic Development Council which allows people from various sectors of society to participate in policy formulation and implementation.
- the idea of a binding social contract.
- the proposal to increase interest rates, as opposed to the current system where interest rates are kept artificially depressed when the exchange rate is continuously dropping.

Zinyama also highlighted areas of concern and ambiguity:

- the role of the Planning Commission is not clear, given the existence of other ministries tasked with the same responsibility.
- there is need for clarity on the unification of the Foreign Currency Exchange Market. Otherwise, if it is done abruptly it will cripple the market.
- the issue of a negotiated settlement needs to be seriously addressed. This is a priority for business as it presents the shorter route to stability. Experiences from other countries, such as South Africa, have shown that compromise politics tend to lead to successful solutions.

Suggesting a way forward, Mr Zinyama recommended that the political impasse needs be broken, and that this requires firm commitment from both ZANU PF and the MDC.

6. PART IV: LAND AND GENDER PERSPECTIVES IN ECONOMIC RECOVERY

6.1 Speaker: Joshua Nyoni, Consultant

Nyoni presented a paper entitled, *The Land Question and Its Impact On The Economy*.

Nyoni began by providing a succinct overview of the land question, in which he raised the following salient points:

- ❖ The land issue has been a dominant factor of the history of Zimbabwe ever since the colonial settlers established their power of conquest over one hundred years ago. Since independence in 1980 various attempts have been made to address the Land Question, with varied results.
- ❖ The willing- buyer and willing- seller principle then enshrined in the Lancaster House Constitution, protected the interests of white large scale commercial farmers. The arrangement did not release enough land fast enough to meet the needs of a growing population of poor and land-hungry peasants
- ❖ By its own actions, mainly the commissioning of the Land Audits by Minister Flora Buka (early 2003) and the later Utete Land Audit Commission, government is admitting that all is not well in the land reform programme despite public statements to the contrary.
- ❖ A Land Policy framework needs to be finalized as soon as possible in order to regularize land acquisition, land use and land management. The groundwork for this has been done in the past and contained in the Land Tenure Commission Report (1994) and the National Land Policy Framework (1998).
- ❖ The most important legal framework is to make the laws that govern land management enforceable at all levels of the Courts of Law
- ❖ A competent authority such as a Land Commission, set up by an Act of Parliament, and funded by central government, should be empowered to clean up the issues relating to rationalizing the management of lands already acquired and those to be acquired for resettlement and other purposes. The Land Commission should work with local authorities and civil society on professional and non-partisan basis. The Land Commission Act should be provided for in the new Constitution.

Commenting on the impact of the Fast Track Land Reform Programme (FTLRP) on the economy, Nyoni observed the following:

- ❖ Over and above the physical casualties that accompanied the violent occupation of farms, the economy suffered heavily from loss of investor confidence. Donor communities suspended almost all aid programmes save humanitarian assistance to the country and many moved out of the country altogether.
- ❖ There was significant contraction of the volume of agricultural produce from the Large Scale Commercial Farming Areas to the rest of the economy due to the disruption of normal production. Some of the output reduction in LSCFAs, recorded indicate drop in maize

production from 800 000 tonnes in 2000 to about 80 000 tonnes in 2003, wheat (from 225 000 tonnes in 2002 to 100 000 tonnes in 2003,)soya beans(from 145 000 tonnes in 2000 to 30 000 in 2003) and tobacco (from 230million kgs in 2000 to about 70 million kg in 2003). (CFU 2003).

- ❖ Generally the country's economy is agro-based and has been recently on the decline with the Gross Domestic Product falling by 1 per cent in 1999, by 5.1 per cent in 2000, by 7.4 per cent in 2001. In 2002 the drop was estimated to be above 11 per cent.
- ❖ The drop in Large Scale Commercial Production, coupled with the incidence of drought in 2001-2002 and in 2002-2003 season, plunged the country into a humanitarian crisis where in up to some 6.4 million people were threatened with starvation in the country. Food security was affected at both the household and national level. Foreign exchange earnings from tobacco sales were severely impacted as production fell to below a third of the normal levels.

Nyoni argued that the major elements to be taken care of in order to encourage better economic performance of land and agriculture in the country will hinge on the following:

- ❖ Low inflation, which promotes long-term investment. The current hyper inflation relate of over 500% is obviously something to be addressed straight on, if the rest of the economy is to get right
- Good macro economic fundamentals to promote both local and export markets
- ❖ Flexible resettlement models to allow for creativity in production and marketing
- ❖ The need for a vibrant land market in the long run through ease of sub-division and consolidation, access to capital and effective support institutions as accompaniment to the whole agrarian reform thrust.
- An efficient land registry will be a requisite of an orderly land market as will be effective sub-division laws.
- ❖ Appropriate land taxes should be collected by local authorities rather than Central Treasury in order to secure funding for maintaining of existing public infrastructure like rural roads network, etc.
- Long-term work and investment, including rural infrastructure, agro-industry, particularly the seed and fertilizer industries
- ❖ In this regard banking policies that promote land and agricultural development should be encouraged.
- ❖ A concerted effort at revamping the high value horticulture and eco-tourism industry

6.2 Speaker: Professor Sam Moyo - Director, African Institute for Agrarian Studies

In his critique of the RESTART land reform policy, Prof. Moyo raised the following points:

- ❖ RESTART as a policy is a major improvement on the quality of the MDC's economic and social policy positions since 2000, even if it tends to be neoliberal in philosophy and optimistic on the external environment. It is a more coherent communication instrument which clearly defines its political philosophy, which is a hybrid form of a 'market' dominated social democracy.
- ❖ The fact that MDC in RESTART had expressed commitment to land reform and suggested that the pre-2000 scenario would not be returned to, is in itself a major development in the Zimbabwe land debate. This is critical to moving the dialogue on the economy and politics forward. However, there are various contentious ambiguities that characterise the party's land reform policy, in particular the statement that an MDC government would rationalise the post-2000 landholding structure.
- The document is however not clear particularly on the specific issues of the MDC's audit procedures and its preferred land allocation patterns, on land acquisition and on the land use/agricultural policy. The policy needs to clarify the specific procedures and envisaged outcomes of the rationalization process, since this appears to be the integral part of its land reform policy. Since many events have taken place with regards to land reform, the MDC policy needs to be grounded upon clearer analysis of the facts on the ground in relation to existing government land policy, the existing land allocation pattern and the impacts of this on production, in relation to the performance of the macro-economy. Moreover the specific modalities of the MDC's policy proposals on land acquisition, land allocation, land use and post-settlement support, including the agricultural policy, are too vaguely stated to demonstrate their difference from existing government land policies. In some cases the specific MDC policy principles and objectives are quite similar to government policy, such that providing indications of how to improve upon them would be more useful for progressive policy dialogue.
- To illustrate, some of the specific areas of ambiguity in the policy and its weaknesses are as follows:
 - Land Expropriation: While the policy recognises the right of the state to expropriate land it does not provide a clear position on what should happen to the land that is currently being acquired compulsorily, including how it is intended to resolve the litigation and compensation issues that have arisen. Nor does the policy specify how the issue of 'colonial responsibility' to compensate for land acquired be addressed, given that the MDC policy espouses the principle of compensation for both land and improvements. How, for instance, will land and improvements be valued in their historical context?, and in terms of the fiscal capacity of the state?

Moreover given that over 1,000 former white farmers remain on the land and some still seek to retain downsized holdings, while others are contesting the acquisition, the policy would need to indicate how it could reconcile these differences over acquisition and access. It would also need to outline what extent does the policy encourage landowners to pursue negotiated downsizing, co-existence and 'equitable' compensation, so as to complete the fast track land redistribution process? Resolving these issues is critical to

addressing the MDC's call to restore the 'rule of law' in a land reform process, which has been tied to a peculiar legacy of property rights.

- Land Allocation: The MDC policy on beneficiaries defines the intended beneficiaries in a similar manner to the existing government policy on the beneficiaries of the A1 and A2 schemes, with a slight semantic difference from the language in government policy. It is unclear how the policy would improve upon, if at all, the current pattern of access to redistributed land among the poorer. What types of farm sizes, and therefore land concentration, would be promoted, in contradistinction to existing policy. The social and class content of the MDC policy is thus not clarified enough, while it appears that the MDC policy is more oriented towards promoting larger scale commercial farming than the needs of the poor, given the tendency of its policy language to emphasise 'commercial' and 'viable' farming, and to denigrate 'subsistence' farming.
- Land Tenure: The MDC land policy proposes to maintain freehold 'where it exists' and to implement leasehold tenure regimes, in resettled areas, in a manner similar to the existing government tenure policy for former LSCF and resettlement areas. Could the MDC policy not clarify how, where and when freehold tenure would be retained, given the current scale of land redistribution. It would be useful here to specify how this tenure policy would improve upon existing policy.

There is also need to clarify the proposed principle of transferability of land in the communal areas, especially the time frame and conditions under which the transfers would be applied, as well as the regulation of potential land losses by the poor.

- Land Distribution Structure: The current redistribution of land has had a significant impact on general equity in terms of access to land, especially along class and race grounds. The equity in gender access is contentious. Some sections such as farm workers did not benefit enough. The MDC policy does not provide clear guidelines on gender access, nor does it offer anything to other excluded vulnerable groups. Moreover since about 38% of the redistributed land has been given to a broadly 'middle class' of farmers, with a tendency towards strengthening the elite in farming, the MDC policy could have taken a clearer stand on its class, race and gender perspective of the commercial farming sector.
- Land Use and its Regulation: There is need for more details on the MDC's land use policies, including measures such as land taxation, land use regulation and 'targeted' agricultural production incentives and other support to ensure effective and nationally beneficial land use. This is largely missing in the document, but can be read implicitly from the MDC's agricultural policy statements.

The MDC's agricultural policy statements in RESTART combined with elements of the stated macro-economic policy approach (on exchange rates and, on subsidies and other support for small farmer markets, inputs and infrastructure) need to be clearly linked with the Party's land and agrarian reform policy. The MDC policy tends to emphasize immediate stabilisation, an uncontrolled capital account (e.g. forex retentions) and to limit state intervention in general, but critically in agriculture, where it is most needed after land reform. A rethink of the macro-economic policy package in a manner which envisions practical state interventions which can improve land use and production among the broad based farming communities, at least during a transitional two year period, is essential.

• Land Institutions: The proposal to establish a land commission is a good idea, but the task proposed for this institution is limited to addressing the short term problems of land 'audit' and 'rationalisation', rather than the long term institutional requirements of land management, during and after land reform. To what extent does this improve upon the National Land Board proposed by the Utete Report and previous government land proposals? There is need for better coordination of the various institutions dealing with land and agrarian issues and, this should entail some form of rural governance and land management institutional reforms, including capacity building, as the Utete report proposed. A more thorough analysis of the problems of central and local land management institutions is thus required. Moreover the question of developing a comprehensive land act and a revised land policy, to under-gird these institutions and to reflect the post land reform demands, as has been mooted by government, should be addressed.

6.3 Speaker: Thoko Matshe, Director Akina Mama Wa Africa

Below are some of the salient points contained in the speech provided by Thoko Matshe:

- ❖ The differences with regards to policy and implementation will be on how MDC articulates its delivery, going beyond what is written down on the policy document.
- ❖ The focus should be on women's substantive rights. The policy framework should address the implementation mechanisms and the enforcement commitment.
- ❖ The issue of using traditional structures to review land issues raises serious concerns for women, in particular, the dual law system in Zimbabwe [customary and civil]. The customary law negates the gains women have achieved in civil law. For instance, under customary law women's fathers or husbands are regarded as their custodians and their access to land is as appendages to these people. Women, as equal human beings, should be given land in their own right.
- Putting women and children together shows a lack of commitment to gender equity, women should be recognised as adults, equal partners in development and not appendages.
- ❖ Statistics show that women are the main workers on farms, yet they account for less than 10% of permanent farm labour. They are usually employed as temporary workers and often remunerated less than their male colleagues. This is an issue that remains to be addressed and the MDC should start looking at ways of solving this.

6.4 Plenary Session

❖ The MDC Economics Committee explained that RESTART touches every policy of the MDC. But each one of those policies has its own independent document that further explains that policy. In this regard, the MDC would be issuing a land policy document soon. The same document would address some of the questions on land and agrarian reform emanating from the deliberations.

- ❖ The MDC upholds and respects property rights, however, it also upholds the state's right of eminent domain, subject to compensation. The MDC also recognises that the state does not have enough money to meet compensation needs, and therefore the international community would be engaged in that process, together with the use of punitive taxation for unproductive land ownership.
- ❖ The question of land and land distribution is inextricably tied to food security. Therefore, food security should be at the heart of any land policy.
- ❖ There should be an acknowledgement that gender equity is an issue that is to be mainstreamed in all policy development.
- ❖ The issue of African customary law is a difficult problem to address as there are societies that are matrilineal on the one hand, and patrilineal on the other.
- ❖ The issue of productivity is a critical one when linking industry and agriculture. In southern Africa it is necessary that some farms be kept large depending on the kind of crops cultivated. This is an issue for consideration in policy as it impacts on farm size, regional distribution and subsidies.

7. SOLIDARITY MESSAGE FROM SENEGAL

Dr. Mamadou Lamine Ba, Minister Advisor in the Cabinet of the President & General Secretary for Foreign Affairs of the PDS-Democratic Party

Delivering his message of solidarity to the people of Zimbabwe, Dr Mamadou Lamine Ba made the following remarks:

- ❖ The Democratic Party of Senegal (PDS) has strong bi-lateral and multi-lateral relations with the MDC.
- ❖ Following the meeting between the MDC and the PDS at the 52nd congress of the Liberal International in Dakar, President Abdoulaye Wade had made a commitment to support the MDC and its leaders in their efforts to establish democracy in their country.
- ❖ President Wade and the PDS clearly understand the difficulties and challenges faced by the MDC, and opposition parties in Africa in general, mainly because the PDS fought for a quarter of a century to restore democracy in a country ruled by corrupt, incompetent and dictatorial regimes.
- ❖ Zimbabwe is definitely in a very difficult situation at the moment and this is why people like President Wade, a democrat, pan-Africanist and fighter for human rights, are very much concerned about developments in that country.
- Also, it is with the common goal of struggling for liberty, democracy and social justice that President Wade openly condemned the irregularities of the 2000 parliamentary elections and 2002 presidential election. Since then, President Wade has remained very much on the side of Zimbabwean people struggling for liberty, democracy and social justice in Zimbabwe.
- ❖ While the Senegalese government does support the imposition of sanctions by the international community on the current regime, these sanctions should not be allowed to affect the general population. From this viewpoint, there should be a continuation of economic co-operation and of development aid through independent community organisations and institutions to turn away the suffering from the people.
- ❖ The Senegalese government is also in support of the initiatives/role of NEPAD in regional development.

8. CLOSING REMARKS

Prof. Welshman Ncube, Secretary General MDC

In his closing remarks the Secretary General began by outlining the political situation in Zimbabwe from the MDC's perspective. Professor Ncube concurred with the analysis provided by Professor Brian Raftopoulos at the beginning of the conference that Zimbabwe was being governed by a liberation war party unable to transform itself into a democratic political organisation and continued to organise itself like a military organisation. Ncube went further by adding that not only does Zanu PF still act in a militarised fashion it also runs the country in a militarised manner.

At the heart of the political crisis in Zimbabwe, Professor Ncube argued, is a perverted, vulgar, 'nationalistic' ideology which is inherently racist, intolerant, undemocratic, and entertains no doubts about its validity. Any one challenging it becomes a mortal enemy. For the proponents of this insidious ideology there can be no dissent. Ncube informed delegates that when one try's to engage proponents of this ideology it is disturbing to realise that they believe that what they are doing is justified. They see their actions as a defence of their distorted notions of sovereignty and nationalism.

One of the mistakes made by the MDC, Ncube added, was to interpret the Zanu PF 'nationalist' rhetoric as simply propaganda. It is not, Zanu PF actually believes what it is saying.

The manifestation of this commitment to a warped ideology, and the level of self-righteousness that it provokes, has been the closure of the democratic space in every arena in public life. Zanu PF has no problem with the suffering that it has caused. To them, unleashing violence against opponents is a continuation of the liberation struggle whereas to the majority of Zimbabwe the quest for freedom and democracy represents the continuation of the liberation struggle.

The challenge that faces the MDC today, as an opposition party, is how to re-open the democratic space. In political terms, the question facing the MDC is how do you achieve peaceful democratic change against a dictatorship which knows no bounds and has no scruples about what it cannot do.

Prof Ncube explained to delegates how difficult organising mass action is in Zimbabwe given the almost complete closure of the democratic space. The guiding philosophy of the Mugabe regime, he said was to not give an inch of space to anyone to organise against them. The assiduous commitment to this cynical philosophy makes it extremely difficult for the democratic forces in Zimbabwe to manoeuvre.

On the issue of political dialogue, Professor Ncube explained that the aim of the MDC was to engage Zanu PF on two broad issues:

1. How to restore the democratic space that has been stolen

To restore the democratic space, as a basic minimum condition for political progress, the following issues will need to be addressed:

a) The repeal or amendment of the following pieces of legislation so that they conform with basic democratic standards pertaining to fundamental rights and freedoms: the Public Order and Security Act (POSA), the Access to Information and Protection of Privacy Act (AIPPA), the Miscellaneous Offences Act and the Electoral Act.

- b) The ending of political violence and the disbanding of the youth militias and the Border Gezi Training Centres that have been used to perpetuate violence.
- c) The lifting of restrictions on the media, in particular:
 - i. To allow the private media to operate
 - ii. To develop some consensus on how the public media should operate in a pluralist and multi-party democracy
- d) The establishment of minimum conditions for elections, including the creation of an independent electoral commission and an up-to-date and accurate voters' roll.

2. How to progress once agreement has been reached on the need to reconstitute the democratic space

Professor Ncube briefed delegates on the complexities that are likely to arise once/if agreement has been reached with Zanu PF on the need to reconstitute the democratic space. The key issue that will no doubt arise is "what do we do with the 'wrongs' (and any 'rights') that defined the old dispensation'. In particular, how do you tackle the 'outcomes' of the old dispensation such as the disputed March 2002 presidential election.

In the context of this section of his speech, Professor Ncube said even though during informal talks Zanu PF had demonstrated little resistance to the principle of reconstituting the democratic space at some point in the future, they were vehemently against applying this principle retrospectively i.e. what happened in the past remains; rights that were accrued remained. On the basis of this argument, in an election context, any new democratic consensus has nothing to do with Mugabe's current term of office. This to the MDC is unacceptable and presents a major obstacle to reaching a political settlement should formal dialogue ever get under way.

In terms of what steps the MDC has taken, and is taking, to bring pressure to bear on the Mugabe regime to enter into dialogue and end the crisis in Zimbabwe, Ncube explained that the MDC has pursued a two-pronged strategy in this regard:

- 1. To mobilise internal resistance in Zimbabwe by building a strong coalition of all the democratic forces. The aim of the internal resistance is to deny the regime internal legitimacy, drain its financial resources and sap morale by sowing a constant fear that the people are organising against them.
- 2. To mobilise international solidarity throughout the world together with democratic forces in Zimbabwe and civic society. International pressure has a key role to play in leveraging pressure on the Mugabe regime to restore the democratic space.

Those who view international pressure as counter-productive are wrong. With Mugabe appearement will never work, it simply strengthens his grip on power.

The final issue raised by Professor Ncube concerned the determination of Mugabe and Zanu PF to weaken their enemies by classic 'divide and rule tactics'. These tactics, Ncube explained, have been deployed both internally and externally. They have been used in an attempt to divide the international community on the issue of the Zimbabwe crisis. In particular they have been deployed to divide Africa from the rest of the international community by masquerading the crisis as one that

goes to the heart of the advancement of pan-africanism and the broader struggle for justice on the continent.

The same strategy has been used to try to divide the MDC from civic society and to divide the MDC leadership. The ultimate objective is that by the time Zanu PF is forced to open the democratic space, the MDC would have disintegrated. By this logic, Zanu PF believes that any reasonable free and fair election that would take place in the event of the democratic space being opened up, would witness the emasculation of the MDC as a political force

This strategy, Ncube argued, will not work, "The harder they [Zanu PF] try to divide and weaken us, the stronger the international and national consensus against the crimes and wrongs of the Mugabe regime."

Professor Ncube finished by reminding delegates of a paradigm shift over the past twelve months, "A year ago Zanu PF was so confident that they rejected the notion of dialogue. Today, all objective indicators reveal that they now accept the inevitability of dialogue, despite occasional public statements to the contrary. However, their objective now is to keep delaying the dialogue process until such a time that they believe the MDC has been sufficiently weakened."

9. CONCLUSION

The 'RESTART' conference was the first conference to be hosted by the Zimbabwe Institute. Feedback from delegates was encouraging. Delegates found the event to be informative and constructive, providing a good platform for critical evaluation of the MDC's RESTART document and to debate the broader policy challenges facing Zimbabwe. RESTART will become an even stronger document as a result of the evaluation process it went through.

The conference also enabled delegates to focus and reflect on the gravity of the situation in Zimbabwe. Whatever their political persuasion, delegates will have been left in no doubt that urgent steps need to be taken to tackle the crisis in Zimbabwe and restore democracy and the rule of law.

Encouragingly, the conference provided the MDC with an opportunity to demonstrate to an influential audience that it does possess credible solutions to Zimbabwe's many ills and, as a political party, is ready to govern. Much of the criticism directed at the MDC in the past has been based on the fact that the party was perceived to lack a credible policy agenda. RESTART, and the subsequent policy papers that it will spawn over the coming months, will go some way to tackling such criticism. The conference has put RESTART on the regional and international map and demonstrated that there is an alternative policy agenda to the one currently being pursued by the incumbent administration in Zimbabwe.

END