

5. Turns for the Worse: 1998-2000

In retrospect, the tumultuous period from 1998 to early 2000 was a last ditch effort by donors to salvage a moderate land reform effort. President Mugabe, reacting from crisis to crisis and faced by opposition forces whose popularity was growing, instead exploited populist rhetoric and embraced a radical redistribution agenda.

A. DESPERATE TIMES

In late January 1998, rising food prices sparked major riots in Harare. Riot police used tear gas to disperse the demonstrators while the Home Ministry stated it would be more than willing to authorise live ammunition. Officials were quick to blame white farmers for the food price increases, although the financial crisis and plummeting exchange rates were the most obvious forces driving inflation. The government indicated that it would seek to roll-back increases in food prices, but it was under acute economic and political pressure from a variety of sources. This also marked the first time in post-independence Zimbabwe that the army had been mobilised.

Mugabe was increasingly caught between two poles. On the one hand, he wanted to reassure international financial institutions to secure desperately needed funding. In order to do so, he had to appear to take a reasonable course on the rule of law and land redistribution. On the other hand, he was eager to find any issues that he could employ to undercut labour opposition, appease the war veterans and neutralise commercial farmers. Radical land redistribution seemed useful to distract the public from increasingly serious and often self-inflicted domestic woes. Consequently, the government bounced back and forth between conciliatory and confrontational stances on land redistribution.

A January 1998 IMF mission made clear farmers would have to be compensated for land if the country was to expect further support, and Mugabe announced that the government would consult farmers and donors before proceeding with the acquisitions announced in late 1997. The shaky relationship with the IMF intensified currency speculation and drove the Zimbabwean dollar down further. In March 1998, Agriculture Minister Kumbirai Kangai said the government would not confiscate land without

adequate compensation, and all redistributions would be transparent and in accordance with the rule of law.¹³⁶ Large protests continued to erupt through May and June 1998, and students grew increasingly active in denouncing the government. The government responded by trying to make most strikes illegal, although the idea was dropped after it generated a hailstorm of protests.

In a further sign of increasing desperation and recklessness, President Mugabe deployed the army to the Democratic Republic of Congo (DRC) to help President Laurent Kabila against insurgencies backed by Uganda and Rwanda. Zimbabwe's parliament did not authorise the deployment. Mugabe justified the costly intervention on the grounds that Zimbabwe had to protect an ally in the Southern African Development Community (SADC) from external aggression. This fell on deaf ears at home with citizens unwilling to sacrifice to send more than 10,000 troops to fight in a brutal war in a distant country. The intervention was in part a regional power play and challenge to Nelson Mandela, South Africa's president, who opposed SADC military involvement. Ultimately Mugabe was motivated by the prospect of enormous material gain; the UN uncovered convincing proof the deployment was in direct exchange for allowing Zimbabwean military and business officials to obtain considerable resources, primarily diamond concessions. Zimbabwean and Congolese elites were reported to have transferred illegally \$5 billion of mining assets from the DRC state to private companies between 1999 and 2002.¹³⁷

Eventually, more than 10,000 Zimbabwean troops would be deployed in the Congo, despite disgruntlement by the rank-and-file. Rumours of a possible coup by disaffected troops in response to the unpopular intervention circulated in the press.¹³⁸ The government consistently tried to keep stories of the mounting Zimbabwean casualties in the Congo out of the media and increasingly relied on intimidation of journalists to do so. In the end, however, Zimbabwe's costly adventure, though devastating to the economy, allowed Mugabe to buy off the generals and thus guarantee their crucial support during the forthcoming parliamentary and presidential elections.

¹³⁶ *Financial Gazette* (Harare), 25 March 1998.

¹³⁷ United Nations Security Council, *Final Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo*, S/2002/1146, 16 October 2002, paragraph 22.

¹³⁸ Chan, *Robert Mugabe*, op. cit., p. 139

B. THE BEST LAID PLANS

In the summer of 1998, thousands of squatters settled on white commercial farms. Squatting had occurred periodically since independence but never at this level. There were several instances of violence against white farming families and frequent occurrences of war veterans leading the occupations. Many commentators suggested the government was directly encouraging the squatters, particularly with President Mugabe's on-again, off-again insistence that the government would not pay "a penny" for the land. Though some occupations may have been spontaneous and the government occasionally threatened and even carried out evictions, it was clear that the government and local ZANU-PF party officials tolerated and facilitated squatting to amplify pressure on farmers and donors before a UNDP conference.

That land policy conference, held in Zimbabwe in early September 1998, aimed to forge consensus among stakeholders. The conference was initially scheduled at an earlier date, but it was postponed after World Bank officials convinced the government it would be disastrous to hold a conference at which there were no pledges. A senior UN official described the conference and the UNDP's more prominent role as "a deliberate effort, at the request of the Secretary-General, to try to see if we could lay the groundwork for political dialogue via a technical discussion".¹³⁹ Representatives from more than twenty countries participated, along with emissaries from the IMF, the World Bank and the EU. A broad spectrum of local groups also attended. In its assessment, the UNDP acknowledged some shortcomings in previous land redistribution efforts. It said that the willing seller, willing buyer formula ensured that settlements were small and scattered and made it difficult to achieve economies of scale as well as to provide infrastructure. Only a fraction of needed roads had been built, and many schools were too far away from communities to be reached by foot.¹⁴⁰ Concerns were also raised by farmers and donors about land the government had acquired but had failed to redistribute.

Mugabe used the conference to unveil a remarkably ambitious land redistribution program that called for 150,000 families to be resettled on 5 million hectares during a Phase II Land Reform and Resettlement Program, at an estimated cost of \$1.9 billion, most of which he hoped donors would fund. (In official planning documents, the number of families targeted by Zimbabwe was 91,000 on the same amount of land.) This massive proposal rather blithely overlooked the country's major economic and political woes but correctly documented that severe

¹³⁹ ICG correspondence, 2 July 2004.

¹⁴⁰ UNDP Interim Mission Report.

inequities still plagued land ownership.¹⁴¹ More than 80 per cent of these poor households were in communal areas. Scaling back the extremist rhetoric in the run-up to the meeting, the Zimbabwean delegation agreed that white farmers would be compensated for their land.

Donors unanimously endorsed the need for land redistribution and resettlement for poverty reduction, economic growth and stability, but quickly dampened expectations. They adopted a new set of principles to govern a Phase II program and pushed to have redistribution decisions made by an independent land commission rather than Mugabe's cabinet. Key conditions intended to guide the program were respect for the rule of law, transparency, poverty reduction, affordability and consistency with Zimbabwe's wider economic interests. Donors were decidedly cool to Mugabe's grand vision, and their scepticism was fuelled in part by the ongoing Congo intervention, estimated to be costing more than \$1 million daily. With hard funding commitments of less than \$1 million, the conference established a 24-month pilot implementation, or "inception phase", and spelled out the following steps for moving forward:¹⁴²

- ❑ rapid acquisition of 118 farms that were for sale on a willing seller, willing buyer basis to allow for resettlement;
- ❑ employment of existing government resettlement models while testing alternative approaches, as proposed by the World Bank;
- ❑ exploration of alternative land distribution methods;
- ❑ integration of land redistribution plans into national macroeconomic policies and poverty alleviation strategies;
- ❑ equal access and ownership of land for men and women; and
- ❑ implementation of the program in a legal, transparent, fair manner with broad stakeholder participation.

A UNDP Technical Support Unit was to assist in carrying out the inception phase. After the rather inconclusive conference, however, the situation continued to erode. Less than two months later, in November 1998, two large union-led strikes shut down most of the industry in the country, and the government again moved forward with plans to seize farms. The agriculture minister issued notices for seizure of 841 commercial farms that were vague on compensation and timing, in clear violation of agreements made at the UNDP conference. Each seizure

¹⁴¹ With one of the most inequitable patterns of income distribution in the world, 46 per cent of households were below the food poverty line. *Financial Times* (London), 9 September 1998.

¹⁴² Centre on Housing Rights and Evictions, *Land, Housing and Property Rights in Zimbabwe* (Geneva, Switzerland: COHRE, 2001).

notice was to be confirmed by the courts within 60 days, an eventuality that seemed administratively remote and added further confusion. The announcement prompted the IMF to suspend \$55 million in earmarked assistance.¹⁴³ Yet, quick action by the donors proved insufficient to change the government's course. Some twenty farms were occupied during November 1998, and the violence and intimidation appeared to be increasingly coordinated.¹⁴⁴ Amid the uncertainty, President Mugabe departed for three weeks of foreign travel, including a shopping trip to London with his new wife.

C. AN EMERGING OPPOSITION; MORE LAND NEGOTIATIONS

In early January 1999, the Zimbabwean *Standard* detailed the arrest of 23 military officers for allegedly planning a coup against President Mugabe. The government arrested the editor and the author of the newspaper account, and both men were tortured while in military police custody. The Supreme Court soon intervened on behalf of the journalists, requesting an account of their status from the government and, in February, ordering their release. Several justices wrote to Mugabe warning that by ignoring the rule of law, the government could trigger a "descent into anarchy".¹⁴⁵ This presaged a long series of skirmishes between government and judiciary and, although the journalists were eventually released, the government soon widened its crackdown on the media.

It was clear that land policy would be central to the ongoing social upheaval. Mike Auret, the national director of the Catholic Commission for Justice and Peace, warned, "Race and land are the two arrows left in the ZANU-PF quiver. They have nothing else left to offer the people. 'We are going to take the white land' – it's the only thing left".¹⁴⁶ President Mugabe's rhetorical attacks on the 70,000 remaining whites mounted. In a spontaneous address to the nation on 6 February, Mugabe squarely blamed whites for the growing crisis: "Some white people of British extraction have been planted in our midst to undertake acts of sabotage aimed at affecting the loyalty of not just our people in general, but also that of the vital arms of government, like the army, so these can turn against the legitimate government of this country".¹⁴⁷

By early 1999, it became clear that the government had done little or no follow-up on the September 1998 Donor Conference. While a World

¹⁴³ *The New York Times*, 1 December 1998.

¹⁴⁴ *The Times* (London), 16 November 1998.

¹⁴⁵ *The Times* (London), 8 February 1999.

¹⁴⁶ *Financial Times* (London), 31 March 1999.

¹⁴⁷ *The Guardian* (London), 21 March 1999.

Bank team had appraised a project to support the conclusions of the conference, which would pilot alternative approaches, the government did not revise its policy framework to reflect the 1998 conference agreements. In February 1999, a team from the National Economic Consultative Forum, a public-private partnership funded by the World Bank, was appointed to design a new policy framework to guide the inception phase. It was approved by the cabinet in April 1999. In the last session of parliament that same month, payment for the counterpart contribution to the Bank project was approved: the purchase cost of land. Ironically, in the same session, the constitution was amended so the government was no longer required to pay for the land. Instead, Zimbabwe wanted the UK to provide for such payments.

In April 1999, the U.S. suspended its aid program, and its annual State Department *Human Rights Report* cited serious concerns, particularly for the deteriorating respect for the rule of law:

The Government's overall human rights record worsened significantly and there were serious problems in a growing number of areas. There were incidents of police killings. Security forces tortured, beat and otherwise abused persons. Prison conditions remained harsh, and arbitrary arrest and detention and lengthy pre-trial detention remained problems. Executive branch officials repeatedly refused to implement court decisions; after three Supreme Court judges called on the President to require executive branch officials to obey the law, the President publicly suggested that they resign.¹⁴⁸

President Mugabe also continued to wrestle with international financial institutions. He announced that he had severed ties with the IMF in April 1999 and then reversed himself less than two weeks later. That same month, Mugabe announced the formation of a constitutional commission, eager to amend the constitution to strengthen his control over land acquisition, the media and the judiciary. Like the government as a whole, the 400-person commission was heavily stacked in ZANU-PF's favour, including all the ruling party's parliamentarians.

As opposition groups became increasingly well-organised, a rival constitutional push emerged. An array of groups had met under the umbrella of the National Constitutional Assembly (NCA), and they were eager to weaken the grip of ZANU-PF on the levers of state. As early as March 1999, the Zimbabwe Congress of Trade Unions, under Morgan Tsvangirai, decided to enter mainstream electoral politics. The party would

¹⁴⁸ U.S. Department of State, *1999 Country Reports on Human Rights Practices, Zimbabwe*, 25 February 2000.

officially emerge as the Movement for Democratic Change (MDC), headed by Tsvangirai, in September 1999.

By May 1999, the World Bank and the International Fund for Agricultural Development were the only donors that had prepared actual land projects under the inception phase.¹⁴⁹ A UK assessment mission during this period recommended that donors give further consideration to supporting the inception phase of the government's land resettlement project by providing support for infrastructure and agricultural training, the purchase of land (including for land acquired under the Bank's project), the establishment of three independently administered "funds" to facilitate NGO and private sector involvement; and program monitoring and evaluation.¹⁵⁰

The high cost of inaction was among the considerations weighed by the British team. Even without donor support, it was clear that Zimbabwe would proceed with resettlement. Without adequate resources to support the program, it was unlikely that Zimbabwe's social or economic objectives would be met. Abuse of the land allocation process would increase, and the environmental impact of resettlement would intensify. A key argument in favour of the program was that external support could help temper the program's impact and make it more likely to achieve its core goals. World Bank consultants had reached the same conclusion, feeling that the risk of doing nothing was worse than a failed attempt. However, in their eagerness to see some sort of program succeed, the consultants conducting the assessments looked past the increasingly severe problems facing Zimbabwe as a whole. The country's land policy was not being developed in a vacuum; the growing threat of the opposition and an increasingly severe economic crisis meant more to Mugabe than donor funding. Mugabe's repeated promises to conduct land redistribution in a fair and transparent manner were hollow.

The internal management of the land program continued to be in substantial disarray. Most of the 841 farms listed for acquisition in November of 1998 were delisted, after having run into legal snags or being deemed inappropriate for redistribution. Even the 118 farms scheduled for acquisition under the agreement reached at the September 1998 UNDP conference faced numerous delays. The Office of the Attorney General noted that it would be very difficult to negotiate compensation for land

¹⁴⁹ The Bank was moving forward with a \$5 million Learning and Innovation Loan that would support resettlement on lands both acquired through compulsory acquisition and voluntary sales, and IFAD had provided funds to support capacity-building in civil society for the Bank's approach.

¹⁵⁰ Martin Adams, John Cusworth and Robin Palmer, *Zimbabwe Land Reform and Resettlement Program*, Inception Phase (LRRP-2), Identification Report, DFID, Harare, 1 June 1999.

since the proper mechanism for valuation was not in place.¹⁵¹ Further, the government continued to under-fund the bureaucracies and institutions responsible for implementing land policy, undercutting the commitment to redistribution.

In 1998-1999, under the accelerated land resettlement program, farm families from the communal areas were left without much support. Far from schools and clinics, they were often cut off from familiar support networks in the communal areas. In the absence of basic support services, progress was slow, and the position of the beneficiaries was precarious. Beneficiaries had to construct homes and then hope local physical infrastructure would be expanded. On former ranch lands, farmers needed to clear stumps before ploughing and planting. Where beneficiaries had to rely on draft animals (animals used to pull heavy loads), the development of arable fields progressed slowly. Nonetheless, land allocated to small-scale farmers from the communal areas was valuable and had potential to substantially benefit the landless poor.

On 17 May 1999, the World Bank agreed to release \$5 million as a "learning and innovation loan" using community-initiated and market-assisted approaches to help start resettlement. The World Bank would support the inception phase that included additional funding for the Technical Support Unit and alternative resettlement activities, but not land acquisition. An editorial in the government-controlled paper noted that "the World Bank has just opened a window into the future for us....The ball is now firmly in our court to use the money strictly for the agreed intended purpose. Openness and transparency in this regard is of utmost importance".¹⁵² World Bank President James Wolfensohn wrote to IMF Managing Director Michael Camdessus: "If the land reform program does not deliver visible results during 1999, political pressure will mount to openly tolerate farm invasions. To deliver, the program needs donor support".¹⁵³ That same month, Zimbabwe fell into arrears with the IMF and the World Bank, triggering the suspension of all World Bank projects, including the land reform project.

Two days after the World Bank announcement regarding the learning and innovation loan, the Netherlands, Norway, Sweden and the U.S. signed agreements with the government to provide \$230,000 assistance each to support establishment of the Technical Support Unit, the key management component for program implementation. U.S. Ambassador Tom McDonald promised an additional \$1 million and welcomed consultations between stakeholders, saying they were now

¹⁵¹ Charles Rukuni, "Reform Derailed", *The Insider* (Zimbabwe), 26 February 1999.

¹⁵² *The Herald* (Zimbabwe), 22 May 1999.

¹⁵³ *The Financial Gazette*, 20 May 1999.

moving together in implementing land reform.¹⁵⁴ The Zimbabwe Farmers' Union commented, "It's a good start; we've been waiting for this. We hope it's the key to open bigger doors to resource flows".¹⁵⁵

The IMF's role in 1999 is open to question. In August, it released a fourteen-month \$193 million loan, giving the government an important boost. The IMF approval, despite increasingly critical U.S. concerns about Zimbabwe's governance, came after it again received assurances on land acquisition, budget cuts and Zimbabwe's military role in the Congo, and after it received letters in support of the program from the Zimbabwean business community and the Commercial Farmers' Union. Michael Nowak, the IMF's assistant director for Africa, said land was "no longer an issue" between the institution and the government, and suggested that President Mugabe's rhetoric did not worry the Fund, which preferred to judge "what is happening on the ground".¹⁵⁶ The IMF appeared pleased with the initial conduct of Phase II, in which some 43 farms were purchased according to the laws of the land, and owners were fairly compensated.¹⁵⁷ The *Financial Times* was left to object that Mugabe had received, "a bail-out he does not deserve, on terms he is unlikely to implement, offered by lenders who should know better. It does a disservice to Zimbabwe and makes the Fund look foolish".¹⁵⁸ Indeed, the agreement would immediately unravel when Zimbabwe violated a number of its provisions, and the IMF claimed to have been misled about expenditures for troops in Congo. Overall, the year saw a continuation of the long economic slide, as per capita GDP, \$645 in 1995, declined to \$437 in 1999.

¹⁵⁴ *The Daily News*, 20 May 1999; *Business Day* (South Africa), 20 May 1999. In October, Washington concluded a cooperative agreement under which USAID and the Land Tenure Centre of the University of Wisconsin were to provide \$1.5 million in technical assistance, training and research in support of Phase II. Available at www.wisc.edu/lrc/zimpfl.html.

¹⁵⁵ This statement came from Emmerson Zhou, deputy director of the ZFU in "Zimbabwe: Donors Back Land Reform", IRIN Report, 19 May 1999. Available at www.irinnews.org.

¹⁵⁶ *The Financial Gazette*, 20 May 1999.

¹⁵⁷ *Ibid.* According to another report, "reliable sources say between September 1998 and March 23 this year, the government paid Zimbabwean \$79 million [U.S. \$2.2 million] in cash for 27 farms", while, according to the Commercial Farmers' Union President, Nick Swanepoel, the government had "during the past three weeks also bought 40 farms, and the owners were happy with the market value amounts they were paid". *The Mirror*, 21 May 1999. Minister of Local Government John Nkomo indicated that the government had bought 37 farms covering 50,000 hectares at a cost of \$2.5 million. *The Herald*, 20 May 1999. Finance Minister Herbert Murerwa indicated 43 farms had been bought "with compensation fairly paid to the owners". *The Financial Gazette*, 20 May 1999.

¹⁵⁸ *Financial Times* (London), 6 August 1999.

At a June 1999 workshop and with the support of UN Food and Agricultural Organisation, the Ministry of Lands and Agriculture tabled a comprehensive draft National Land Policy that aimed to ensure just and equitable access to land, democratise tenure systems and ensure security for all forms of land holdings.¹⁵⁹ It also recommended relaxing subdivision restrictions and implementing a land tax. As has often proved the case in Zimbabwe, the policy was never implemented. The technocrats had already been set aside in favour of a violent and radical approach to land redistribution. Donors were cautious in pledging funds, and the EU had yet to step forward and insignificant resources were made available for land reform to proceed.¹⁶⁰ Britain remained the only country willing to fund land purchases, but never actually did during this period. The inception phase was to last for two years during which time an orderly and studied approach was to be followed for both government schemes and alternative models.

A study by Zimbabwe's Centre for Applied Social Sciences and the University of Wisconsin found that during 1996-1999, the private land market was becoming an increasingly effective source of transfers to black farmers.¹⁶¹ The private market saw 25,000 to 80,000 hectares sold to black farmers each year. The report also noted that with the advent of fast track programs in 2000, "the private market for both black and white farms has all but collapsed".

As the land reform program evolved, donors watched closely to assess the government's seriousness in fulfilling the agreements reached at the 1998 donors conference, especially on issues like land taxation and subdivision. Fearing a broad breakdown in the rule of law, donors were deeply and understandably wary of the Mugabe government. These concerns were driven by demonstrable evidence that funds were being diverted to ZANU-PF party faithful, as well as by Zimbabwe's largely mercenary role in the Congo war. Donors were also watching to see if the process was going to be conducted in a transparent, consultative and legal manner. The majority

¹⁵⁹ The work on the National Land Policy was led by Professor Issa G. Shivji and funded by UNDP/FAO.

¹⁶⁰ In October 1999, the U.S. concluded a Cooperative Agreement with Zimbabwe under which USAID and the Land Tenure Center of the University of Wisconsin would provide U.S. \$1.5 million in technical assistance, training and research in support of phase two.¹⁶⁰ The funds offered by the U.S., Sweden, the Netherlands and Norway were designed to support the establishment of the Technical Support Unit, the key management component for program implementation.

¹⁶¹ Lovemore Rugube, et al., "Government Assisted and Market-Driven Land Reform: Evaluating Public and Private Land Markets in Redistributing Land in Zimbabwe", Centre for Applied Social Sciences, University of Zimbabwe and the Land Tenure Centre, University of Wisconsin, March 2003.

of redistribution beneficiaries continued to be absentee leasers with no apparent experience in farming. In late 1999, the Zimbabwean government released the list of the names of the "capable" indigenous farmers who received commercial leasehold farms during the 1990s. The list showed 272 farms had been allocated to top ruling party and government officials.¹⁶² In protest, a war veteran and independent parliamentarian, Margaret Dongo, subsequently released a statement revealing that more than 400,000 hectares of government-acquired land had been leased to numerous officials, business people and politicians – including deputy ministers and the speaker of parliament, Charles Ute. ¹⁶³

As noted, the Movement for Democratic Change was officially launched in September 1999, coincident with conclusion of the National Constitutional Assembly (which had boycotted the work of the government-sanctioned constitutional committee). The MDC and the broader National Constitutional Assembly pushed for major revisions in the constitution: proportional representation; abolishment of non-constituency parliamentary seats; equal media access for all parties; much stricter limits on government control of the voting process; and the holding of presidential and parliamentary elections in the same year.¹⁶⁴ The official constitutional commission was ultimately reduced to something of a farce. After the 400-person commission had deliberated for months, the drafting committee of senior ZANU-PF officials rushed a version to Mugabe that deleted many key clauses. Commissioners were never allowed to vote on provisions. While President Mugabe ultimately controlled the draft of a constitutional referendum that he would put to a national vote on 12-13 February 2000, he had raised expectations for change.¹⁶⁵ The duelling constitutional committees had held many hearings around the country, and there was growing public support for ending de-facto one-party rule. Indeed, a key provision removed by ZANU-PF officials at the eleventh hour of the constitutional commission process called for Mugabe to resign by April 2000.

D. BREAKDOWN

With both a constitutional referendum and parliamentary elections in the first half of 2000, political questions dominated the landscape. Yet

¹⁶² *Sowetan*, 30 March 2000. The list was released in late 1999.

¹⁶³ Margaret Dongo, "Message from Margaret Dongo, President of Zimbabwe Union of Democrats, and founder member of the War Veterans' Association, to the landless masses of Zimbabwe", 1999.

¹⁶⁴ Charles Rukunui, "MDC Vows to Contest 2000 Elections No Matter What", *The Insider* (Zimbabwe), 20 December 1999.

¹⁶⁵ The Lancaster House constitution had already been amended fifteen times by 1999.

again, the issues of land and race became inextricably linked with President Mugabe and ZANU-PF's bid to maintain their hold on power. With an opposition gathering momentum, the president received a shock at the ballot box. He would respond with force.

As late as October 1999, five months after the joint British/EU mission report became available, the British government was still soliciting bids from consulting firms to work with Zimbabwe on Phase II of land reform. Contrary to the Department for International Development's (DFID) normal bidding process, however, the UK and Zimbabwe still lacked an agreement on whether to proceed. In the end, consultants were never appointed, and in January 2000, DFID announced it was planning to allocate \$8.2 million for resettlement projects through a Civil Society Challenge Fund.¹⁶⁶ The decision to confine UK support to civil society initiatives and to distance itself from the government's program was a serious rebuff to Mugabe.

ZANU-PF perceived DFID's decision as a British scheme to force Mugabe to hold elections without letting him have the funds to fulfil his promises on land, thus undermining his popular support.¹⁶⁷ Whatever drove the UK decision, Mugabe remained intent on moving forward with land seizures. These came as the economy was feeling pressures that pushed it toward a freefall: the mounting cost of the Congo intervention, the British decision to withhold funds, ballooning disbursements for war veteran pensions and sharply declining investor confidence. In a further sign of deteriorating bilateral relations, President Mugabe reacted with anger after being accosted by gay rights activists in London, after which he accused Prime Minister Blair of being "a little man running a government of gay gangsters".¹⁶⁸

In December 1999 protests against the constitutional referendum disrupted Harare, with riot police again using tear gas to disperse demonstrators. Spiralling fuel prices and a government announcement that it planned to dismiss 20,000 civil servants and raise salaries for the remaining employees – a step long urged by international financial institutions – fed growing public resentment.

In January 2000, the MDC held its first party conference, and over 5,000 people attended. Despite intensive lobbying by the government in support of its constitutional referendum, primarily through state-controlled

¹⁶⁶ DFID, *Briefing: Land Resettlement in Zimbabwe*, March 2000. Available at www.oxfam.org.uk/landrights/ZimDFIDbrief.rtf.

¹⁶⁷ Stanley Mudenge, Zimbabwe Foreign Minister, presentation to an OAU meeting in Abuja on 9 May 2000, cited in Simon Barber, *Business Day*, 26 May 2000.

¹⁶⁸ President Mugabe had long used very strong language in denouncing homosexuality. *The Herald* (Glasgow), 13 November 1999.

media, there were deep reservations about the process. The original impetus for constitutional reform had been to lessen the power of the presidency and proposed amendments offered largely did the opposite. The new constitution would have provided Mugabe the right to stand for two more terms, greater power to censor the press and restrict individual rights in the name of public morality, sweeping emergency powers and almost blanket immunity from prosecution. Clause 57 of the constitutional draft would have allowed the government to seize farms without compensation and pushed responsibility for compensation to the "former colonial power". The government claimed that adoption of the referendum would make it possible to give land to poor rural families. The proposed constitutional redraft would also have maintained the first-past-the-post electoral system, rejecting calls from many quarters to institute proportional representation. The government employed elaborate machinations to hijack the constitutional reform process.

However, white commercial farmers mobilised against the referendum, joining forces with the MDC and a range of other civic groups. A member of the Commercial Farmers' Union observed, "White farmers actively campaigned against the referendum and were thrust into the political arena".¹⁶⁹ This same farmer added that many land owners now view this as something of a tactical error: "We made ourselves a convenient target". White farmers provided the MDC financial support, which gave them a disproportionate impact in the emerging organisation. Images of whites writing checks at MDC campaign rallies were widely circulated in the national press, and President Mugabe capitalised on them in arguing that the MDC was a front for the farmers. On the eve of the referendum, South African President Thabo Mbeki arrived in Harare offering a \$126 million loan to purchase fuel and electricity, which was widely viewed as an effort to bolster President Mugabe's political position. Mbeki soon backtracked from this financial support amid fears that it would undercut South Africa's own standing with international lenders.

The referendum on the draft constitution was held on 12-13 February 2000. Voter turnout was fairly low – only 1.3 million, slightly over 20 per cent of the electorate, cast ballots. The government's proposal was defeated by a 55 to 45 per cent margin. This was the first major ballot defeat suffered by ZANU-PF and dramatically changed the political environment. "Not only was this the first time that the people said 'no'", commented a U.S. official, the public had also resisted "the money and the show that the ZANU-PF had created".¹⁷⁰ The opposition was quite effective in making the ballot a referendum on President Mugabe's rule itself, and the result

¹⁶⁹ ICG interview, Harare, 5 December 2003.

¹⁷⁰ ICG correspondence, 15 March 2004.

represented a public commentary on corruption, the Congo intervention and the difficult economic climate as much as on the actual constitutional draft. With annual inflation rising above 70 per cent, frequent fuel shortages, a doubling in the cost of health care fees and an unemployment rate around 50 per cent, there was much reason for discontent. In an opinion poll shortly after the referendum, 63 per cent of respondents supported a change in government, and 80 per cent said it was not sensible to blame whites for the country's woes, although the notion of equitable land redistribution maintained solid support. Even in communal areas, a traditional ZANU-PF stronghold, 57 per cent indicated they wanted a change of government.¹⁷¹

A senior opposition figure maintained, "The referendum was the first and largest gain by civil society in Zimbabwe".¹⁷² Lupi Mushayakara of the National Constitutional Assembly declared triumphantly after the vote, "This is the end of an era. We have broken the back of the elephant".¹⁷³ While the MDC had scored an impressive victory in its first major organisational effort, it still had a steep hill to climb. Backed by trade unions, a range of non-governmental organisations and church groups, it would need to put forth a full slate of candidates and a platform that went beyond dissatisfaction with the Mugabe government. To secure a workable majority in the parliamentary elections rescheduled for June 2000, it would have to secure almost two-thirds of the 120 elected seats because the president retained the prerogative to name 30 non-constituency parliamentarians. In addition, shocked by the referendum loss, President Mugabe and the ZANU-PF understood they were fighting for their political survival, and they would use all the government's resources to protect their position. A Zimbabwean social scientist commented, "The referendum awakened ZANU-PF. They thought they had the public hook, line and sinker". Government officials were quick to blame whites for the result. While white organisational efforts had been important, the margin of defeat for the referendum was far higher than the total number of whites in the country. While there were some calls from within ZANU-PF for him to step down, and even some hints that he was contemplating retirement, Mugabe decided to stay and fight.¹⁷⁴ The ZANU-PF politburo called an emergency meeting at which Mugabe sacked six cabinet ministers and twenty parliamentarians.

¹⁷¹ From a Probe Market Research poll (Gallup International) conducted on behalf of the South African Helen Suzman Foundation.

¹⁷² ICG interview, Harare, 8 December 2003.

¹⁷³ *The Christian Science Monitor*, 18 February 2000.

¹⁷⁴ In a television interview on his 76th birthday in late February 2000, Mugabe said, "I do not want to wait to retire until I am back on all fours, in my second childhood. I want to have energy to write my memoirs and do many things, so there will come a time when it will be appropriate to retire". *The Guardian* (London), 24 February 2000.

Sam Moyo, director of the African Institute of Agrarian Reform, argued that the IMF's structural adjustment program was seen by many Zimbabweans as driving up food costs and unemployment. With growing dissatisfaction among war veterans, the more radical wing of ZANU-PF exploited the situation.¹⁷⁵ Moyo claimed, "It was vengeance and anger in the context of a collapsing economy that drove ZANU-PF to extremes".¹⁷⁶ The agenda of the radical wing was strengthened by its insistence that land invasions would undermine the political opposition.¹⁷⁷

The issue of whom to blame for the collapse of the agreements reached at the 1998 donor conference remains contentious. The journalist Vincent Kahiya argued, "The Harare authorities had not taken the 1998 document seriously, preferring populist posturing to actual implementation". Kahiya also claimed that Zimbabwean officials who worked on Phase II planning believed that it was Mugabe who scuppered the program.¹⁷⁸ In contrast, during a meeting with fellow heads of state in April 2000, Mugabe insisted that the British government reneged on the agreement. One of the simplest explanations may be the most insightful. As a black farm worker representative explained, "When the MDC became more popular; the ZANU-PF panicked and started seizing farms".¹⁷⁹

¹⁷⁵ Sam Moyo, "The Land Occupation Movement and Democratisation in Zimbabwe: Contradictions of Neoliberalism", *Journal of International Studies* 30, no. 2 (2001).

¹⁷⁶ ICG interview, August 2002.

¹⁷⁷ ICG interviews in Zimbabwe, April and August 2002.

¹⁷⁸ Vincent Kahiya, "Government Abandons Donors' Land Reform Proposals", *Zimbabwe Independent*, 12 May 2000.

¹⁷⁹ ICG interview, Harare, 3 December 2003.