

**THE IMPACT OF OPERATION MURAMBATSVINA/ CLEAN UP ON THE
WORKING PEOPLE IN ZIMBABWE**

**A Report prepared for the Labour and Economic Development
Research Institute of Zimbabwe (LEDRIZ)**

by

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MARCH 2006

Acknowledgements

Many people were kind and helpful when this study was undertaken. We cannot name them all. The following were very supportive: Godfrey Kanyenze, Prosper Chitambara and Ngoni Katsvairo of LEDRIZ, Elijah Mutemeri and Vimbai Mushongera of the Zimbabwe Congress of Trade Unions (ZCTU). We sincerely thank those members of the Zimbabwe Chamber of Informal Economy Associations (ZCIEA) and of housing cooperatives who met us at short notice to share their knowledge and experiences.

Nyasha Muchichwa and Tabeth Matombo collected most of the documentation and primary material from the ZCIEA members apart from participating in fieldwork. I am profoundly indebted to them. The first draft of the Report on this study was presented to a workshop organized by the ZCTU and ZCIEA on 3 March 2006 at the Management Training Bureau in Harare. We are grateful for the comments and suggestions made by participants at the workshop.

Any remaining shortfalls in this report are my sole responsibility

LMS

March 2006

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ACRONYMS

AIPPA	Access to Information and Protection of Privacy Act
CHRA	Combined Harare Residents Association
CZI	Confederation of Zimbabwe Industries
ESAP	Economic Structural Adjustment Programme
IMF	International Monetary Fund
IOM	International Organization of Migration
LEDRIZ	Labour and Economic Development Research Institute of Zimbabwe
MDC	Movement for Democratic Change
MSMEs	Micro and Small and Medium Enterprises
NCA	National Constitutional Assembly
OM	Operation Murambatsvina
SEDCO	Small Enterprises Development Corporation
SMEs	Small and Medium Enterprises
UNDP	United Nations Development Programme
Zanu PF	Zimbabwe African National Union Patriotic Front
ZCIEA	Zimbabwe Chamber of Informal Economy Associations
ZCTU	Zimbabwe Congress of Trade Unions
ZHDR	Zimbabwe Human Development Report
ZHR NGO Forum	Zimbabwe Human Rights NGO Forum
ZIMTA	Zimbabwe Teachers Association

INTRODUCTION

OPERATION *MURAMBATSVINA* or OPERATION *MURAMBAVANHU*?

*“ ...The ZCTU will never call that Operation ‘Murambatsvina’ as it is demeaning and obnoxious to label the workers and citizens of Zimbabwe who had their sources of livelihood destroyed. Actually, the Operation should have been called ‘Murambavanhu’ ...”*¹

Operation *Murambatsvina* also known as Operation *Restore Order* was the most ambitious and comprehensive social experiment in post-Independence Zimbabwe, if not since the country’s founding. It was a sweeping *military style* programme purportedly to address social, economic and political problems facing the country. About 700 000 people were *directly* affected and 2, 5 million people *indirectly* affected by the Operation. For a country that is not in a *state of war*, the most puzzling aspect was the resort to a *military style* Operation. Launched in May 2005, *Operation Murambatsvina*, henceforth OM in short, swept the country’s cities, towns and ‘growth points’ as well as some rural areas till the end of July when the UN Special Envoy, Anna Tibajuka compiled her critical report. Since then, although the Operation slowed down considerably, there continue to be reports of use of its methods especially against informal traders, the homeless and the displaced. Although there have been some extensive preliminary surveys, the full social, economic and psychological impact of the Operation will not be fully clear for years to come.

Purpose of the Report

Commissioned by the **Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ)**, this Report seeks to assess the impact of *Operation Murambatsvina* on workers in the formal and informal economies of Zimbabwe. While there have already been preliminary impressive surveys on the broad humanitarian effects of the Operation, there has been no extended focus on how they have affected the

¹ Zimbabwe Congress of Trade Unions Information department, August 2005

‘working people’ in both the ‘formal’ and ‘informal’ economies. To what extent did the Operation affect the small enterprises on which thousands depended for their livelihoods? How has the economy as a whole been affected by the disruption of the *supply* and *demand* links between the two economies? What have been the immediate social consequences of the demolitions particularly with respect to access to housing, schooling, health and food security? And what developments, if any, have occurred since the UN Special Envoy presented her highly critical report? Finally, the Report also considers possible options to address (or rather reverse) the effects of the Operation, as a contribution to a way forward.

Methodology

The preparation of this Report was carried out in November and December 2005. This was a useful vantage point to re-appraise the Operation six months after its first launch, and five months after the presentation of the above-mentioned comprehensive UN Special Envoy’s report. This was particularly so in the light of the earlier claims made about the seemingly *positive-sounding objectives* and *very ambitious objectives* set out for the sister *Operation Garikai-Hlalani Kuhle*.

The study on which this Report is based benefited immensely from the quick impact surveys carried out (while the Operation was at its height) by several respected organizations. They included the **Zimbabwe Human Rights NGO Forum** which issued two well-documented reports on the impact; the joint **Combined Harare Residents Association, Zimbabwe Peace Project and Action aid International** survey report on the Operation’s effects on 66 wards distributed amongst six cities and towns country-wide. A major study report by ActionAid on ‘*Burning the House to kill a Rat*’ puts the demolitions in a broad context while clearly showing the links between the country’s political economy, history and authoritarianism. Its follow-up report entitled ‘*The Traumatic Consequences of Operation Murambatsvina*’ was published in November 2005. Other masterly surveys on the Operation include those by the **Solidarity Peace Trust** (especially on the impact in Bulawayo and Matabeleland provinces), and those by the **Human Rights Watch** (particularly on continued humanitarian fall-out), and by the

International Crisis Group on the political and international implications of the Operation. Thus, there has been considerable field-based work as well as advocacy work by local civil society and international civil society around the impact of *Operation Murambatsvina*. Indeed the insightful surveys by locally based organizations were drawn upon considerably by the UN Special Envoy in her report.

Other sources that have proved useful are those from the press. In particular, the daily state-owned media, although biased in favour of the government, wittingly or unwittingly carried a great deal of evidence that showed the deep flaws in the Operation. The material from independently owned papers such as the **Zimbabwe Independent** and **Standard** as well as the **Zimbabwean** was an important counterweight. It exposed the contradictory aspects of the official claims made about the objectives and targets of the Operation. Finally, the Government's elaborate response to the report of the UN Special Envoy was important to the extent that it revealed some of its intentions, and obscured others. This documentation was useful to analyze in preparing this report.

The documentation was supplemented by a limited amount of fieldwork. It consisted of interviews with key informants who represented informal traders, small entrepreneurs and housing cooperatives. This was confined to Harare and Chitungwiza. However, the research team was able to draw upon written responses from 200 informal economy operators not only based in Harare and Chitungwiza but also in Norton, Rusape, Goromonzi, Chinhoyi, Gweru and Mutare. They provide first-hand detail on the impact of the demolitions on their enterprises; they stated the amount of their resources lost as a result, and what their immediate needs were. Finally, the research team made on-site visits to areas where informal operators and traders operate from (or used to work from). These included **Siya So** in Mbare, **Glen View** and **Glen Norah** and **Hatcliffe**. On the whole, it was clear that there is now much reduced informal economy work going on. Where informal economy enterprises existed, they were operating at below 50 per cent capacity. The research also visited the building sites at **Whitecliffe** and **Hatcliffe Extension** where progress was painfully slow, and well behind the schedule laid out in the *Operation Garikai* programme.

Structure of the Report

This Report consists of four core chapters and a concluding one that presents some recommendations on a possible way forward. Following an Introduction, the first chapter provides the broad setting for the study: the social, economic and political factors that may have influenced the decision to launch the Operation are outlined. It is argued that the reasons advanced by the Zimbabwean Government need further interrogation. The next chapter explores the impact of the Operation on the economy and formal economy workers. Preliminary estimates pointed to a contraction of almost 20 per cent in the economy and GDP. The economic and social dislocation caused to formal economy workers as a result of the demolitions was severe. The impact on the informal economy and livelihoods of operators therein is assessed in chapter 3. It is observed that conditions for recovery and rehabilitation in this economy are still absent in most instances. Chapter 4 examines the extent to which the targets of *Operation Garikai-Hlalani Kuhle* have been met (or rather not met). There is a very wide disparity between the targets set by the Government and the number of stands and houses serviced and constructed respectively. This throws into question whether this sister Operation was at all properly conceived, or whether it was rushed to deflect attention from the flaws of *Operation Murambatsvina*. The concluding chapter consists of recommendations on a way forward.

CHAPTER 1

THE BROAD CONTEXT OF OPERATION MURAMBATSVINA

1.1 The Social Background

Operation Murambatsvina also termed *Operation Restore Order* was the largest project dedicated to social engineering in Zimbabwe's history. No government since the founding of the modern state of Zimbabwe 115 years ago had ever attempted such an ambitious project. The scale of the project in terms of the numbers of people affected and resources destroyed was unprecedented not only in the country's history, but also unheard of in contemporary Africa. It was not surprising that when the news and images of the project were broadcast around the globe, the response was swift and damning. Coming not long after the Asian *Tsunami*, it did not take long to compare and contrast, the natural and the man-made Zimbabwean *Tsunami*. The project was called an "Operation" to evoke its military *style* and *methods*. Why was such a military-style operation used in a country that was not at war? What compelled the Zimbabwean state to launch such a sweeping Operation against its urban and rural citizens between May and July 2005? Which social factors were cited to justify the Operation?

In May 2005, Zimbabwean cities, towns and rural areas were under tremendous stress. The stress stemmed from the prolonged economic decline that began in the late 1990s. Levels of poverty had shot up to 80 per cent (ZHDR, 1999, 2003; Zimbabwe Government, 2004). Unemployment was pegged at an unprecedented 80 per cent. The process of decline was dramatized by deteriorating services in urban centers. Water shortages became frequent in many cities including Harare, Bulawayo, Chitungwiza and Mutare. The infrastructure to supply water and handle sewerage disposal was creaking and grossly inadequate. Disease outbreaks such as cholera occurred, from time to time,

particularly in high density suburbs, the former townships. By 2003 and 2004, cut-offs in water supplies were quite frequent in such suburbs as Mabvuku, Tafara and Hatcliffe and in cities such as Chitungwiza. Local residents associations were scathing in their criticism of the council authorities; the reasons and excuses given by the latter wore thin as time went on. The legitimacy of council authorities, especially those imposed by the government on the residents of cities such as Harare, was undermined in the process, as services collapsed.

The deterioration in services in cities and towns related not only to water but also to roads, transport, health and schools. In those instances where new council leadership under the Movement for Democratic Change (MDC) attempted to undertake initiatives to arrest the deterioration, the central government quickly frustrated such initiatives. Such was the case with the then Harare Mayor, Elias Mudzuri who sought to repair the city's road network. He was hounded out of office by the Minister of Local Government and Housing, Dr. Ignatius Chombo.

Table 1: Urbanization Trends in Zimbabwe 1985-2005

	1985	1990	1995	2000	2005(est.)
Total Population	8.39m	10.24m	11.19m	12.62m	13.80m
Urban Population %	25.2	28.4	31.8	35.3	38.9
Households (000)	-	2031	2331	2664	3088
HH average size	-	4.8	4.8	4.7	4.4

Source: UN Habitat, 2003

As we will explain in a later chapter, the social stress in the cities and towns was heightened by a serious housing shortage. Over the years, the post-independence government had moved very slowly on housing provision. Consequently, the housing backlog ran into millions. The rapid growth of the urban population far outstripped the capacity of the authorities to provide decent and adequate shelter, hence the recourse to self-provisioning of housing by part of the population. The urban population rose from an estimated 23 per cent in 1982 to about 30 per cent of the total population by the early

1990s. This strained the capacities of both central and local authorities to provide the necessary housing. The government's track record of supplying serviced sites in recent years was less than 5 000 stands a year. While the annual delivery of houses by both the public and private economies averaged 15 000 units between 1980 and 1994, it decreased significantly to 3000 units per year between 1998 and 2000 (Zimbabwe Government, 2005). By the beginning of 2005, it was estimated that over half of Harare's estimated 3 million population was living in "make-shift housing" while Mutare had less than 30 000 legal housing structures in a city of 1, 5 million people (Human Rights Monthly, 2005). This was the context in which self-provisioning of housing took the form of erection of "wooden shacks" and "backyard cottages". The proliferation of "self-help housing" was thus a response to the failure of authorities to provide adequate housing. In sum, the social context in which *Operation Murambatsvina* was conceived and implemented was one of great stress for millions of residents in cities and towns as infrastructure and services reeled under unbearable strain.

1. 2 The Economic Context

The state of Zimbabwe's economy has been a cause of great concern over the past 8 years. However, the economic crisis intensified particularly from 2000 to the present. It was originally triggered in 1997 by over-expenditure relating to the un-budgeted payment of gratuities to war veterans, and then deepened by several years of costly military intervention in the Democratic Republic of the Congo (DRC) beginning in 1998. The economy shrank by 30 per cent between 2000 and 2004. This shrinkage should be set against average growth rates of about 3 per cent in other Southern African countries during this period. In 2004, for instance, manufacturing declined by 9 per cent, and was projected to decline by a further 5 per cent in 2005. Many companies have been liquidated leading to loss of thousands of jobs over the past five years. The main representative industrial organization is the Confederation of Zimbabwe Industries (CZI) estimated that more than 750 companies have closed since 2002.

Furthermore, there were steep declines in agricultural production in the period under review. This can largely be attributed to the haphazard manner in which land reform was

implemented between 2000 and 2003. Particularly affected have been tobacco and horticulture, major foreign currency earners. The significant decline in food production resulted in a food deficit of about 1,2 million tons of grain in 2005. Consequently between 2,5 and 3 million people are currently dependent on food aid. Prior to this period, about 60 per cent of local agricultural products were absorbed by the manufacturing economy, which in turn supplied 20 per cent of its products to agriculture (Games, 2005). Thus the massive decline in commercial agriculture has removed a major market for manufactured goods. This has set back what was becoming a growing integration of the two economies.

Moreover, Zimbabwe's exports fell by about 70 per cent as a result of this gloomy macroeconomic climate compounded by gross mismanagement. During this period of 2000-05, employment is estimated to have shrunk by about 20 per cent, investment by 50 per cent and capacity utilization by 55 per cent. The Zimbabwe National Chambers of Commerce (ZNCC) observed that, in some economies, capacity utilization had sunk to as low as 25 per cent (Zimbabwe Independent, 16 September 2005). The knock-on effects of endemic shortages of fuel and electricity, amongst other inputs, contribute to this problem of capacity under-utilization. While foreign exchange earnings from merchandize exports were about USD 3,1 billion dollars in 1996, they had slumped to USD 1,4 billion in 2003. In sum, real wages slumped; formal economy employment fell sharply while inflation bounced back to 585 per cent in December 2005. It then climbed to 782 per cent in February 2006, according to the Central Statistical Office. In these deteriorating economic conditions, levels of poverty grew. Corruption in both public and private economies became widespread triggering crises in financial and parastatal sub-sectors. Disenchantment with the government's economic policies and strategies deepened.

Two other factors have exacerbated Zimbabwe's downturn. The first relates to the informal sanctions instituted against the country in 2002 for political reasons. The sanctions, also variously termed 'targeted' or 'smart' sanctions, were initially aimed as punitive measures to restrict travel and business interests of specified members of the ruling elite. The sanctions were a penalty for the authoritarian tendencies of the Mugabe

government. They were informally widened to include development aid and grants from Western institutions and donors. Only humanitarian assistance appears to have been spared from this net of sanctions. The other factor concerns the threat by the International Monetary Fund (IMF) to suspend and then expel Zimbabwe if it does not repay its loan arrears as scheduled. During the first half of 2005, the IMF sword of Damocles hung over the country as the latter frantically sought hard currency to repay loan arrears. There was very intense pressure on Zimbabwean monetary authorities, particularly the Reserve Bank under the stewardship of Dr. Gideon Gono. Prior to *Operation Murambatsvina*, the Zimbabwean authorities were therefore under tremendous external and domestic pressure to address the spiralling economic crisis.

There is great concern at the consumption-orientation of the national Budget (Kanyenze and Sibanda, 2005). In the 2005 budget, an amount of Z\$ 22, 7 trillion (83 per cent of total expenditures) was allocated for the recurrent budget. Out of this, Z\$ 11, 49 trillion was set aside for public service employment costs raising the wage bill to 42 per cent of total expenditure and net lending which is unsustainable. With the ratio of savings to GDP of -1.7 in 2004, this implies that the nation is dis-saving. The government will therefore resort to domestic borrowing which will exacerbate the debt crisis as it entails the printing of money and accumulating short-term debt. Owing to the withdrawal of external sources of funding , government increasingly resorted to domestic borrowing to bridge its funding (Kanyenze and Sibanda, 2005). Its total domestic debt had risen to Z\$10 trillion by June 2005. Because much of this goes toward recurrent expenditure as opposed to capital investment, economic regeneration is delayed.

1. 3 The Political Background

One of the surprising, indeed perplexing, elements of *Operation Murambatsvina* or OM in short henceforth, was that it was implemented soon after a generally peaceful election. Compared to the 2000 and 2002 elections, the March 2005 election had witnessed diminished levels of political violence. Although election irregularities still featured prominently, they were not on the same scale as those of the above-mentioned two

elections. International endorsement of the poll conduct had been confined to countries and some (but not all) organizations in Southern Africa, and in Africa more widely. With a newly-found or ‘appropriated’ two-thirds majority, the Zanu-PF government could now amend the Constitution that it had unsuccessfully sought to do since 2000. Politically, the Zanu-PF government, at least on the surface, appeared to be in a relatively comfortable position on the morrow of the 2005 parliamentary election. Why it would conceive and launch *OM* six weeks later remains puzzling.

However, appearances might have been deceptive. Although the election had gone smoothly, the political baggage of the past five years weighed more heavily on the government. Since 2000, it had become more authoritarian and dictatorial. To the extent that it increasingly relied upon security agencies to quell political dissent and public protests, to that extent it developed features of “a police state”. A raft of laws to penalize opposition to its rule was put into place between 2001 and 2005. They included the notorious *Public Order and Security Act* (POSA) and the *Access to Information and Protection of Privacy Act* (AIPPA). These laws gave the state security agencies considerable powers to suppress the opposition forces as well as civil society. Activists in the MDC and the National Constitutional Assembly (NCA), amongst others, were repeatedly arrested while others were tortured in detention. Up to 30 members of the MDC were murdered in the 2000 parliamentary election campaign, and more than 100 in the 2002 presidential campaign. A great deal of fear and trauma were created amongst the Zimbabwean population as a consequence of the state-sponsored repression. In such conditions, it was not possible to conduct “free and fair” elections (ZESN, 2005; Raftopoulos and Alexander, 2005).

The infrastructure for repression was better developed and prepared than the above-mentioned social and economic infrastructure that was poorly maintained. The investment in tools for crushing dissent had continued apace between 2000 and 2005. State security agencies such as the police, the Central Intelligence Organization (CIO) and the army were supplemented by fresh recruits from National Youth Service camps

dotted around the country (Rupiya, 2005). The latter underwent a great deal of political indoctrination, which prepared them to be tough to critics of the present government.

Meanwhile, a political stalemate continued between Zanu-PF and MDC. Negotiations for a government of national unity floundered. Political polarization deepened as constitutional reform stalled. There was a sense of a country and government adrift. At the same time, international isolation orchestrated mainly by the West awarded a pariah status to the Mugabe government in that part of the world. Far from signalling the start of a new era, the March 2005 election outcome confirmed the stalemate and pointed to “more of the same”. The government continued to feel beleaguered, and thus prone to increasing levels of paranoia. It is largely this sense of stalemate and paranoia that could explain the decision to mount an operation of the scale of OM.

The polarization in inter-party politics also found expression in acrimonious relations between central government and local authorities, principally elected city and town councils. In the post-2000 period, most city and town councils have been under the MDC. However, the central government has left no stone unturned in frustrating and undermining the MDC tutelage over the councils. For instance, spurious reasons were advanced to oust the elected Mayor of Harare, Elias Mudzuri, and subsequently the mayors of Mutare and Chitungwiza. The central government imposed a Commission to run Harare’s affairs in disregard of the democratic rights and wishes of the ratepayers. It has since established a team to probe the affairs of Mutare city council and a Commission to run the city, and another seems inevitable for Chitungwiza. Bulawayo could well be next on the list. In sum, democratic local governance is being frustrated and undermined on partisan premises through central government interference.

1.4 Reasons to Justify the Operation

For many years to come, the question why the Mugabe government launched OM when it did will continue to be asked unless and until a credible explanation from the government is made. The reasons for the Operation are deeply tainted by the institutions and sources that provide them.

Let us begin by examining the reasons given by the Mugabe regime. It argued that OM was launched:

‘to deal with crime, squalor and lawlessness, and rebuild and reorganize urban settlements and small and medium enterprises (SMEs)...It was a follow-up to the anti-corruption drive started by the Government in early 2004 to cleanse the financial services economy, which had become the center of speculative activities...’ (Zimbabwe Government, 2005) .

The government went on to state that OM was intended to address what was termed ‘a cocktail of social, economic and security challenges that had come to negatively impact upon the economy and populace’. In sum, the Operation sought to:

- **stem disorderly or chaotic urbanization and attendant problems that hinder government and local authorities from enforcing national and local authority by-laws and providing service eg. water, electricity, sewage and refuse removal;**
- **stop economic crimes especially black market transactions in foreign currency;**
- **eliminate the parallel market and fight economic sabotage;**
- **stop the hoarding of consumer commodities, and other commodities in short supply;**
- **reorganize micro, small and medium enterprises (MSMEs);**
- **reduce high crime levels by targeting organized crime syndicates;**
- **minimize the threat of major disease outbreaks due to overcrowding and squalor;**
- **arrest social ills among them prostitution which promotes the spread of HIV-AIDS and other communicable diseases;**
- **reverse environmental damage and threat to water resources caused by inappropriate and unlawful urban settlements** (Zimbabwe Government, 2005).

It is revealing that the reasons for the Operation are neatly divided into four explicitly *economic* ones, and into four *social* reasons and then one *legal* factor. The Government then quickly stated that the Operation was not an *end* in itself but a precursor to the *Operation Garikai/Hlalani Kuhle* housing development programme. Intriguingly or rather deliberately, however, the Government shies away from explicitly mentioning *political* and *security* factors behind the Operation.

A contending reason for the Operation is the one posited by the MDC opposition party. It is that it was a pre-emptive punitive *political* move by the Zanu-PF government. Having

garnered 26 of the 30 parliamentary seats in major cities and towns, and continuing to control local government in most of these urban centers, the MDC was conceived as remaining a threat by Zanu-PF. The Zanu-PF government thus sought to weaken the MDC, punish its urban supporters and “lance the boil of dissatisfaction in heavily populated urban areas before it could reach explosive levels” (ICG, 2005). The Minister for State Security, Didymus Mutasa, had warned the government of the possibility of spontaneous uprisings in urban areas as a result of food shortages and the economic crisis. In early April, over 100 opposition party supporters had been arrested in what appeared to be an attempt by the government to break up pockets of urban resistance. Indeed, the simmering anger in urban areas was also apparent when armed police beat up and forcibly dispersed residents of Harare’s low-income suburb of Mabvuku in May 2005. They had been protesting against having gone for three days without water. Viewed from this perspective the Operation was both *retribution* against opposition supporters and a *pre-emptive strike* against urban discontents. The *economic* and *social* factors or reasons are given low ranking in this perspective.

Yet other possible reasons for the Operation were that it was a strategy conceived by a number of individuals as part of the politics of succession to Robert Mugabe; as a mechanism designed to re-possess control of the conduct of business by some political leaders in Zanu-PF, thus establishing a system of political patronage over urban areas (Tibaijuka, 2005). Additional possible reasons included the one that the Operation sought to divert the attention of Mugabe away from his increasing concerns about the under-utilization of newly-acquired commercial farms in rural areas. Yet another reason was that the Operation represented a desire on the part of some political leaders to stem the rural-urban migration process in the belief that this was good for Zimbabwe’s national development, and that it would extend Zanu PF’s rural support base .

1.5 Towards the Real Reasons for *Operation Murambatsvina*

It is a measure of the significant erosion of the credibility, domestic and international, of the Zimbabwe Government that the reasons that it gave for the launch of the Operation

were not taken at their face value. They were not taken in good faith. The lack of transparency and accountability in its previous grand projects contributed to widespread cynicism, if not disbelief. Such a grand project was the 2000 land reform that continues to be beset with problems. What then were the ‘real’ reasons for the Operation?

There are two compelling reasons: one *economic* and the other *political*. The economic factor was forcefully presented by Gideon Gono in his *Monetary Policy* statement in May 2005. Clearly frustrated by an upsurge in inflation and prices as well as chronic shortage of foreign currency, Gono was an interested party in addressing what was termed “economic crimes especially black market transactions in foreign currency” and in “eliminating the parallel market”. In his policy statement, Gono recommended the construction of “more jails to incarcerate an increased number of citizens” who were allegedly committing “economic crimes”. An Operation on the scale of *Murambatsvina* would thus spread ‘shock and awe’ reminiscent of the ‘cleansing’ of the financial economy undertaken by Gono in 2004. Under pressure from the IMF to pay up arrears, Gono thought that a blitz on the parallel market would quell the “black market” once and for all, and stabilize the value of the Zimbabwe dollar. The *Herald* quoted an un-named economist who stated that “looking at the manner basic commodities are disappearing from the formal market and resurfacing on the black market, it is now questionable whether it is politically motivated or it is a result of costs of manufacturing or production” (*Herald*, 18 May 2005). A link was established between the economic crisis (the shortages of various commodities including foreign currency) and the political crisis. The claim was that there were “economic saboteurs” with a political agenda.

Equally, if not more compellingly, convincing was the *political* factor. It is given the briefest reference in the Zimbabwe Government’s response to the *Tibaijuka Report*. Buried in the response is this assertion:

“the risk to public health and morality, national security and the economy necessitated that the Operation had to be undertaken without further delay”
(Zimbabwe Government, 2005).

The *real* reasons were political despite being clothed in “national security” terms. The most explicit version of the political rationale appears to have been confided to a long-standing apologist of the Mugabe government. He is Baffour Ankomah, the editor of the *New African* monthly magazine. An apparently impeccable source, Ankomah wrote after a tour of post-*Murambatsvina* Zimbabwe that:

“the operation was the brainchild of Zimbabwe’s intelligence community which felt that it had to move quickly to nip in the bud a Ukrainian-style revolution or street protests...When the protests did not materialize...the metropolitan powers upped the ante by secretly channeling funds for an insurrection via opposition elements who were going to use vulnerable slum dwellers to confront the Government...” (Ankomah as reproduced in the Herald, 4 October 2005).

He goes on to observe that Zimbabwe’s intelligence organization “must have panicked” on getting wind of what was being planned. It chose to pre-empt it by “dispersing slum dwellers via the demolition of their habitats” (Ibid.). In the process, many Cabinet ministers and key Government officials who would normally have been privy to such an operation were kept in the dark. The normal civil service routine was dispensed with. As a consequence, even Ankomah himself admits that “a lot of mistakes were made in the implementation of the operation”. A similar assertion was also made by Jonathan Moyo, a former government minister². In sum, the *real reasons* for the Operation were political and economic. They were conceived in an atmosphere of paranoia leading to massive economic, humanitarian and social consequences. The issues of public health, cleanliness and housing were *added-on reasons* to soften the motivations behind the operation. In the next chapter, we assess the economic fall-out from the Operation.

² Jonathan Moyo writes: “in May 2005, the CIO agents conjured up a self-indulgent claim that some Ukrainianian-style ‘Orange Revolution’ uprising was under way in Zimbabwe and connived with the Mugabe government to justify the reprehensible demolition blitz which destroyed the homes and livelihoods of 18 per cent of our people...”, *Zimbabwe Independent*, 23 December 2005.

Chapter 2

The Impact of Operation Murambatsvina on the Economy and Labour

2.1 Introduction

How did *Operation Murambatsvina* impact on the economy? And what were its repercussions on labour? These are difficult questions to answer satisfactorily at this stage for several reasons. First, while the integration of the formal and informal economies or economies (or the informalization process as some would argue) has gone a long way, it remains inadequately documented and studied. Second, there have been no comprehensive assessments specifically on the *economic impact* of the Operation. Third, since the Operation has continued, albeit in less dramatic forms, it is difficult to draw concrete conclusions from an unfolding process.

2.2 The Impact on the Formal Economy

Surprisingly, most assessments of OM have not systematically assessed how the operation affected the economy at a broad level. They have instead concentrated on the informal economy and on the humanitarian dimensions. These aspects are equally important but it is puzzling that the ramifications of the Operation for the formal economy have been ignored. Yet the formal economy has been entwined with the informal economy in many diverse ways. To the extent that if one of them catches ‘‘an economic cold’’, the other cannot avoid ‘‘sneezing’’!

The impact on the formal economy of the economy has been felt in several ways. First, the supply chain between informal economy operators and the formal economy has been

broken. The informal economy had become a major source of goods such as furniture, construction materials, woven and sewn items, crafts, and so forth for the formal economy. There was also a considerable amount of sub-contracting by major shopping chains and retailers to the informal economy. The disruption of this chain has been immediately felt in the spread of *shortages* and astronomical *price increases*. Although difficult to quantify, the Operation negatively affected economic activities and linkages in the economy through this disruption of the *supply* and *demand* chains between the two economies.

The loss of jobs and livelihoods by those affected by the Operation in the informal economy meant that demand for goods and services plummeted significantly. The capacity to purchase goods, including basic commodities, by those affected by the *tsunami* diminished. And this was immediately felt by the formal economy. There may now have been “cleaner surroundings” in the cities and towns but these came at the expense of economic activities or flow of business and purchasing power.

One conservative estimate was that the Operation put about 1 million people and dependents out of work in the main urban areas. About 750 000 people may have become totally unemployed as a direct result of the Operation (ZHR NGO Forum, 2005). As it was further observed :

“if one accepts that about half of business activity the informal economy – say US\$1 billion out of a total economy output of US\$ 1,9 billion – was lost, then the direct impact on GDP would be a reduction of some 25 per cent. This may be too large a number, and a more conservative estimate would put the direct impact at between 15 and 20 per cent of GDP, or around US 700 million..” (Ibid.).

In any case, however, the withdrawal of US 700 million (Z\$7 trillion) in spending power in a US\$4 billion economy would have very far-reaching ramifications for the formal economy. This would be in relation to expenditure on food, clothing, transport, education, health and a myriad of other goods and services. Total consumer spending in the Zimbabwean economy in mid-2005 was in the order of Z\$35 trillion. Thus the direct reduction in consumer spending had knock-on effects approximately equivalent to a 20 per cent cutback (Ibid.). In sum, the cost of the Operation to the economy has been large.

The direct impact on output is in the region of about 20 per cent. This amounts to about two-thirds of the total economic decline since 2000. At the same time, the long-term effects of this decline, indeed of the Operation, are almost impossible to estimate at this stage.

The summary observations on the economic impact made by the UN Special Envoy in July 2005 are worth highlighting again. They were that:

“ economically, substantial housing stock has been destroyed, and the informal economy has been virtually wiped out, rendering individuals and households destitute. Local municipalities that used to collect taxes from informal traders have now lost this source of income... ” (Tibaijuka Report, 2005).

Of course, concrete data on the impact is likely to remain elusive. Corporate firms and local authorities are unlikely to measure and make public what they estimate to have been the cost of the man-made *tsunami*. It suffices for now to state that the direct and indirect effects will be felt far and wide for a long time.

2.3 The Impact on Labour

As we have already observed, unemployment was already quite high in the country even before the Operation. The economic downturn, and especially the decline in demand, that followed the Operation hit workers hard. As companies cut costs and losses, workers were put on the firing line in many sectors. The litany of company closures and down-sizing continues. It is difficult to estimate the number of workers who have lost their jobs in the formal economy as a direct or indirect result of the Operation. However, it was bound to be considerable.

There has been a considerable amount of fieldwork conducted on the impact of the Operation on urban communities. One of the studies is directly relevant to our understanding of how workers and their dependents have been affected. Undertaken jointly by the Combined Harare Residents Association (CHRA), Zimbabwe Peace Project and ActionAid International, the study gathered the experiences and views of about 23

000 respondents in 66 affected high density suburbs in 6 cities and towns (CHRA, ZPP and AAI, 2005). From the research carried out in Harare, Bulawayo, Mutare, Kariba, Beitbridge and Victoria Falls, a number of key findings emerged. First, about 1,1 million individuals were affected by the Operation in the surveyed cities and towns, with Harare being the hardest hit (Ibid.). Second, approximately, 20 per cent of surveyed households cited formal employment as their source of income in both public and private sectors. Instructively, twice as many male-headed households compared to female-headed households reported formal economy jobs as their primary source of income. This lent credence to the estimate of unemployment levels as now being above 75 per cent.

Those workers in formal economy employment were not spared the multiple effects of the demolitions. The effects were keenly felt in the loss of shelter and property, sources of income, loss of access to schooling and health, diminished food security as well as household safety or human security. About 70 per cent of the urban respondents in the above-mentioned study had lost shelter as a consequence of the demolitions (Ibid.). This was due to their eviction as landlords lost sections of their property to the blitz. In other instances, workers experienced direct loss of backyard cottages, and ‘extensions’ to their existing houses. Those workers who were tenants were adversely affected when rentals shot up immediately. The proportion of respondents who lost shelter ranged from 71 per cent in Mutare to 75 per cent in Harare and 78 per cent in Victoria Falls. There were media reports of some households living and sleeping in the open due to loss of shelter. The incidence of homelessness was growing in such centers as Victoria Falls, Harare, Mutare and Kariba (Ibid.).

Table 2: Proportion of Assistance Required in 26 wards in Harare

Area of Need	Proportion %
Shelter	73
Food	83
Relocation	45
Education	56
Financial Assistance	74

Psycho-Social Support	42
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Source: ActionAid, 2005

Workers lost a great deal of property as a consequence of the demolitions. This was due to the compromising of security, breakage of property as a result of the demolitions, and seizure of property by the police. Almost half of the respondents reported losses of property; the proportion was even higher in Mutare where 70 per cent confirmed property losses. Those workers who were artisans had to sell their tools and products at give away prices in order to minimize losses as a result of the demolitions (Ibid.). An attempt was made to estimate the monetary value of the property lost. About Z\$122 billion worth of property belonging to the surveyed households was lost in the course of the Operation (Ibid.). The losses included cash, goods confiscated by the police, destruction of property, loss of revenue through collapse of livelihoods, losses incurred through increased medical expenses, and unplanned expenses relating to relocation costs and school transfers. In sum, the Operation made a severe dent into the savings and already tight budgets of the affected workers.

What were their sources of income that were adversely affected as a consequence of the demolitions? First, some workers lost their jobs as a direct result of companies or employers closing down or downsizing. Second, because most workers also engage in informal activities to supplement their wages, they suffered the loss of incomes from the latter following the demolitions. About 76 per cent of the respondents in the above-mentioned survey stated that they had lost such income. In view of the fact that most urban households depend on multiple sources of income, including from the informal economy, the Operation had a very profoundly negative impact on them.

The demolitions of shelter forced workers and their families to seek alternative accommodation sometimes in different suburbs. This enforced relocation created problems of access to schooling and health facilities. Some 44 per cent of households remarked that they were encountering problems in accessing schools for their children. At

the same time, it was estimated that about 22 per cent of children in the affected communities had dropped out of school. This is a very significant social impact. Other related factors included teacher dislocation or relocation, failure of children to sit for examinations in June, and disruption of children's environment. Furthermore, the uprooting of communities and families as a result of the Operation created new problems of access to health care. About 26 per cent of respondents attributed the deterioration of health of their loved ones , especially those ill from HIV-AIDS related diseases, to the impact of the Operation (Ibid.). Indeed, 54 per cent of surveyed households looking after chronically ill persons stated that the latter's health had deteriorated as a result of the Operation.

For most workers in the low- and middle-income brackets, food is the largest item in their daily budgets. When their incomes from the payrolls and supplementary sources were tampered with because of the Operation, their food security was affected. About 55 per cent of surveyed households indicated that their access to adequate food had diminished as a consequence of the Operation (Ibid). The increase in food prices has been relentless since the *tsunami* in May 2005. With inflation registering 585 per cent in early December and 782 per cent in February 2006, basic food commodities are getting out of reach of worker households. Diminishing food security worsens the situation of workers with HIV-AIDS related illnesses.

Finally, the combination of material losses and deprivation of various income-earning opportunities put many workers in a precarious situation. However, these were not the only losses caused by *Operation Murambatsvina*. Traumas as well as a keen sense of human insecurity were felt by affected worker households. In Mutare, two-thirds of surveyed households stated that their sense of insecurity had sharpened . The long-term effects of the trauma and insecurity due to the disruption and displacement will take time to work their way through in the wider society.

Chapter 3

The Impact of the *Tsunami* on the Informal Economy

‘...Before we launched this clean-up, they were publishing reports that Harare, during the time it was Salisbury and run by whites, was full of sunshine. It was the Sunshine City. This was because people did not roast maize in First Street; flea markets did not erupt where they were not supposed to be at. So they demonized us for not taking action, and when we took action to offer our people a decent place to work in, and to construct proper houses for our people, they are demonizing us again...’³

3.1 Introduction

For many years to come, like the *tsunami* that swept the shores of many Asian countries such as Indonesia and Sri Lanka and the coastline in East Africa at Christmas in 2004, the Zimbabwean version of May-July 2005 will be vividly remembered. For many of the poor and those in the informal economy in Zimbabwe, the *tsunami* was made up of waves and waves of demolitions on enterprises that they had slowly and painstakingly built over the years. It was a relentless onslaught from the authorities with armed police at the frontline. The *tsunami* swept away small tuck shops, carpentry shops, hair saloons, repair shops, small industrial establishments, brick foundries, vending sites and grinding mills to name a few. These small and medium scale enterprises (SMEs) had multiplied steadily to provide livelihoods to millions as well as to the thousands who had been retrenched due to the economic structural adjustment programme (ESAP) and the economic decline in the post-2000 period respectively. This chapter assesses the impact of *Operation Murambatsvina* on the informal economy. It draws upon material gathered during fieldwork carried out by the Zimbabwe Chamber of Informal Economy Associations

³ Ignatius Chombo, Minister of Local Government and Urban Development, Interview, ‘Massive housing programme on cards’, Herald, 11 June 2005.

(ZCIEA) in the aftermath of the demolitions, by the present author and research assistants, and material from a survey conducted by Action Aid International. The survey material is consistent in showing that the Operation had a devastating impact on the informal economy. It was astonishing, indeed incredible, that this last bastion of often marginal livelihoods was the main target of the ferocity of the Operation.

3. 2 Characteristics of the Informal Economy

While the formal economy has been shrinking in Zimbabwe since 2000, the informal economy had witnessed an expansion in the number of operators and range of activities. The expansion of the informal economy had been phenomenal in both urban and rural areas. This was primarily due to the decline in the number of people engaged in formal economy employment. Formal economy employment peaked at between 1, 35 million and 1, 4 million in 1998. It has since dropped to about 900 000 implying a loss of about 500 000 jobs since the downturn started. In 2005, the tempo of job losses appears to have quickened further. The informal economy has experienced growth largely because it has acted as “a sponge” of those retrenched, and of those who failed to secure formal economy employment.

However, this trend in the growth of the informal economy is in line with the general trend in other African countries. It has been estimated that the informal economy constitute about 40 per cent of the average national economy in Sub-Saharan Africa (SSA). Although it is more extensive in size in countries such as Nigeria and Tanzania, in Zimbabwe, it constituted about 40 per cent of the economy before the *tsunami* struck. In monetary terms, the economy contributed about US\$1, 6 billion to the GDP. In terms of numbers, the informal economy has been said to account for between 1,5 and 2 million operators (ZHR NGO Forum, 2005). This is likely to be an underestimate though. The number could be double this. A survey in the late 1990s was already estimating nearly 4 million operators in the informal economy activities in manufacturing, mining and agriculture (McPherson, 1998). By 2004, the informal economy had effectively become a mainstay of the urban population, 75 per cent of whom are estimated to be unemployed,

and more than 75 per cent living below the poverty line (Tibaijuka, 2005). An additional indicator of the significance of the informal economy is provided by the associations of informal traders which have a membership of nearly 2 million.

The broad reach of informal economy activities was described in a recent report on Zimbabwe's informal economy (ZCTU, 2005). They include welding, carpentry, garment making, 'backyard' production and services units, street markets, wood and stone carving, tin-smithing, shoe repair, micro-credit schemes, flower vending, soap manufacturing, commercial sex work, wedding and functions management amongst others . As it was observed:

“the products and services from these activities are popular with most people in Zimbabwe mainly because they are cheap. On account of the economic hardships, most poor people in Zimbabwe are finding alternative ways of meeting their demand on these goods and services. Hence the informal economy is invaluable to them as a provider of employment, and an alternative market where they get cheaper goods and services...” (Ibid.).

Thus the informal economy had become a significant base for 'social reproduction', indeed survival, as the formal economy experienced doldrums. Notwithstanding its role of a survival net, the government appeared not to have understood the need to promote the informal economy. Instead, it tended to be hostile towards it.

3. 3 Measures against the Informal Economy

By the beginning of 2005, official attitudes towards the informal economy had hardened. Rather than viewing it as a major employer or source of livelihood, the economy was made a scapegoat of the country's economic and social woes. It was increasingly viewed by the government and the Reserve Bank as a competing "parallel market" that thrived on hoarding scarce commodities and peddling foreign currency. It was viewed as "a den of economic iniquities" that should be demolished! Yet *Statutory Instrument 216 of 1994 of the Regional Town and Country Planning Act* appeared to have been aimed at relaxing conditions for the growth of the informal economy. For instance, the Act effectively allowed for the development of non-residential activities in residential areas in low- and high-density suburbs. While these activities were subject to local planning permission,

the Statutory Instrument sent a signal to local authorities from government about its desire to promote the informal economy in residential areas. This was the immediate context of the explosive growth in the informal economy in the mid-1990s to 2005.

However, as we observed, the reversal of a benign government attitude toward the informal economy took a sudden change in mid-May 2005. There was simultaneous onslaught by central government, local authorities and the police on the economy. In a militaristic approach, owners of informal enterprises were not given *formal notice* to wind up or regularize their enterprises and activities as required under the law. Under the pain of arrest and force, informal operators were instructed to demolish or dismantle their places of work and infrastructure. This was a very traumatic experience for many. They sustained heavy losses as a result of this draconian approach by the authorities. In a sample of 200 urban and informal operators belonging to ZCIEA, the items confiscated or destroyed by the authorities included buildings, machinery, furniture, clothing, household goods, groceries, vegetables and cash. The estimated value of infrastructure and goods destroyed ranged from Z\$ 0, 7 million to Z\$100 million per person. From this sample, it was women who constituted the majority (about 60 per cent). Those sampled were often the sole breadwinners in their households, on average monthly incomes that ranged from Z\$0, 6 million to Z\$ 15 million. With the demolition of their infrastructure and ban on their activities (often their only source of income), levels of poverty amongst them increased significantly.

How many informal economy operators were affected by the *tsunami*? Evidence from Harare alone suggested that the majority of informal operators were put out of work (ZHR NGO Forum, 2005). The estimates range from 750 000 to 1 million. With the spread of the *tsunami* to rural areas including at ‘growth points’, the numbers could have exceeded these conservative ones.

Even those informal economy operatives that had licenses to operate legally were targeted by the Operation. This was the case in Bulawayo amongst other examples. As it was explained by the Mayor of Bulawayo:

“we were generating a lot of revenue from the vendors. Bulawayo was the most organized city throughout the country in as far as vendors were concerned. We had put up shelters for them, and they paid rent and license fees to us. They were legal vendors operating within the confines of council bye-laws...” (Japhet Ntabeni Ncube as quoted in the Daily Mirror, 25 June 2005).

Like in many other cities and towns, the blitz against informal economy operators was sudden. No consultations had occurred between central and local authorities, let alone with associations of the operators. For instance, Bulawayo found itself in a dilemma as to how to deal with vendors who had paid rents and license fees in advance.

3.4 Evictions and their Effects

Here are a few testimonies and reports that illustrate more vividly the impact of the *tsunami* on the informal economy.

Testimony 1

“I was a baker at Rugare Home Industry in Harare. The Harare City Council and National Railways of Zimbabwe (NRZ) gave me a stand on which I built my bakery. At the time of Operation Murambatsvina, I was extending my bakery. I was also paying monthly rentals to the City Council, which means that the Council recognized my bakery as a legal structure hence accepting the rentals.

I worked for Swift company up until December 1999. I started my baking project in January 2000. I started with Z\$100 which I had saved. From this I bought 2kg flour, 500kg icing sugar, a bottle of cooking oil and then started baking.

My project had grown to the extent that I employed 5 workers (2 female and 3 male), had bought 3 bicycles for them to go around with to sell bread, doughnuts, samussas, cream buns from my bakery. I could get Z\$4 million per day, and an average of Z\$120 million per month. This was enough for me to look after my family, send my kids to school and pay rent.

Since Murambatsvina, I have been welding from home. But things are now expensive. For instance, not long ago, I used to buy a meter of wire for Z\$38 but today the same meter is now going for Z\$256. I cannot afford it anymore. I go around companies, and at times, auction floors to sell my products. But the income I get is no longer enough for me to look after my family. I cannot afford to raise school fees for my children anymore whereas before I could pay fees even in advance.

I would like the government to give me a place to operate from, and a loan so that I can restart my business again.”(Interview with an evicted baker, November 2005)

Testimony 2

*“Prior to Operation Murambatsvina, informal economy operators were surviving better than even some of the workers in the formal economy. I think that 80 per cent belong to the poor. Nevertheless, they were getting better returns through their activities. Some of them were even able to send their children to boarding schools. Now after this **tsunami**, they can no longer send their children to school...I think that the reason that the Government resorted to the Operation is because it has very little income. So it has become vicious...”*

(Interview with a ZCIEA official, November 2005).

Testimony 3

“The Council does not want any flea markets to operate freely like before. It has made things very difficult for former flea market traders. Some of their premises have been turned over to Chinese operators...Where operators were evicted from their premises as in the Glen View, the new problem is that the premises that are being put up are too small to operate from. Also, there are no toilet facilities close by...Informal economy operators should be consulted on things that concern them to avoid such mistakes...”(Interview with a member of a Harare cooperative, November 2005).

Testimony 4

“I was a carpenter and belonged to the Rugare Traders Association. I did my carpentry at the Rugare Home Industry premises. The City Council and the NRZ had given the land, and paid the City Council every month for this stand.

I used to get orders from people to make different things : I made bedroom suites, dining room suites, wardrobes, and chairs amongst others. I used to get an average monthly income of Z\$8 million. This money was enough for the upkeep of my family including 4 of the school-going children of my late brothers. With the coming of Operation Murambatsvina, my whole life has been destroyed. I am now surviving from hand to mouth. Z\$60 million of my business was destroyed; up to now, no compensation has been paid to me. No notice was given to me to remove my tools and furniture before the Operation. As a result, most of my things were destroyed during the operation. My business had grown to the extent that I employed 1 female worker and two female workers..

I now operate from home. I no more get as many clients as I used to when I operated from the Home Industry premises. At times, I have to go to the clients' homes to do business. Hence a great deal of travelling is now required.

The government should have told us about the Operation in advance. What bothers me, and many others, is why no notice was given to us. At least, I would have tried to remove my machinery to save it.

*At the moment, all I want is any form of help that can make me start my business again. I would like a place from the City Council to build on. The new home industries being built under **Operation Garikai** are too small for those in the home industries. At the moment, no one has benefited from **Operation Garikai**.*

Testimony 5

*“The result of **Operation Murambatsvina** was a total devastation. This was especially the case in Harare and Chitungwiza...Of course, other areas in the country were not spared. The Operation was also bad in Mutare, Nyanyadzi and Birchneough Bridge areas; even vegetable vendors were affected. We have been around the country; and the effects and scars are visible in urban, peri-urban and even rural areas...Operators lost a great deal of property and equipment that run into hundreds of millions of dollars...So far rehabilitation has been slow. Operators have no capital with which to restock...People are struggling...Some people are still living in the open like in the Rugare and Dzivaresekwa areas of Harare... (Group Discussion with representatives of informal economy associations, December 2005).*

Testimony 6

“The ongoing demolition of shacks and illegal structures has adversely affected the careers of many sportspersons in Mbare, some of whom have either been thrown onto the streets or repatriated to the rural areas. Sporting disciplines which include soccer, boxing and karate, have suffered a major blow as a number of practitioners were affected by the police and Harare City Council exercise...Jeff Magagula, an expert in kung-fu and karate, had his shack demolished and all his belongings strewn on the streets...Over 30 members of his group, which practices the Seidokan style of karate, fell victim to the clean-up exercise as the majority were doing self-help jobs in adjacent Mupedzanhamo flea market and Magaba home industry” (Sunday Mail, 12 June 2005).

Testimony 7

“The ongoing clean-up exercise that led to the closure of flea markets in most cities has greatly affected record sales. The three top recording companies admitted that business has gone down since flea market operators were among their big cash customers...Before the demolitions, we used to sell more than 1 000 cassettes per week but now the sales have slumped to less than 300 cassettes for the same period, a marketing manager said...’ (But a record bar manager had this perspective)” ...We had rejoiced when we heard that flea markets were closed down. I personally phoned the police headquarters and thanked them for the act since flea market operators were among those who fuelled

piracy. But now we have realized that people cannot afford to buy luxury goods and music is part of this. As such, our business has not experienced any boom...” (Herald, 15 June 2005).

Testimony 8

“One of Harare’s popular braai places, **KwaMereki**, in Warren Park D, became the latest casualty of the current clean-up operation when the police shut it down yesterday. The place was a favourite outing for people from all walks of life, including high-ranking government officials, company executives, as well as members of the diplomatic corps...It was a source of livelihood to more than 300 people, who roasted meat for patrons, prepared traditional dishes or washed cars...”The police just came in the morning when we were preparing for the day and told us to pack our things and leave. This was my only source of income , I was paying fees, rent and other necessities from money I got from roasting meat and selling sadza. I don’t know where to start from now..”, said Kiri Mamoyo. .’My husband passed away recently and all my children are unemployed. I am the sole breadwinner and I don’t know what they want us to do. Do they want us to get into prostitution when there is HIV and AIDS?’” (Daily Mirror, 6 June 2005).

There was thus a legion of stories of how informal economy operators were affected by the blitz. One typical story was the rural sweep against small miners. As one report put it:

“ police yesterday arrested 86 gold panners and recovered 15 grammes of gold, 5 kg of gold ore and implements in Mazoe Valley and Christon Bank as they intensified Operation Restore Order countrywide. The suspects were currently in custody while police continued with their investigations...The operation recovered mining implements including 12 shovels, 4 wheelbarrows, 10 detonators, 4 hammers, 2 axes, 1 bucket, 5 chisels, several containers and over 70 meters of electric wire...” (Herald, 17 June 2005).

Such examples of how operators in the informal economy were targeted show that their activities and livelihoods were ‘criminalized’ by the authorities. This process of ‘criminalization’ was economically destructive and socially disintegrative. It will be many years before the full effects of the process are fully known. This is the *tragedy* of the *tsunami*.

3.5 The Debate on the Informal Economy

The debate on the informal economy has not been rational and well-informed in Zimbabwe. In official circles, there has been a tradition that alternates between

ambivalence and hostility towards what is often termed the “informal economy”. As we observed, the informal economy has lately served as a scapegoat to explain away some of the fundamental structural problems in the economy. After a period of grudging tolerance from the 1990s, the post-2000 period witnessed repeated raids on the economy, and accusations that it shelters “a black market” that hoards and overcharges on commodities ranging from bread and sugar to fuel and foreign currency. Informal economy operators were reportedly described as a “crawling mass of maggots bent on destroying the economy” (Times, 17 June 2005). Getting rid of the informal economy would “restore order”:

“... *Harare has lost its glow. We are determined to bring it back. Harare was renowned for its cleanliness, decency, peace, tranquil environment for business and leisure; therefore we would like to assure all residents that all these illegal activities will be a thing of the past...*” (Makwavarara as quoted in the Herald, 24 May 2005).

The activities cited included vending, ‘illegal’ structures, ‘illegal’ cultivation, stock theft, prostitution and touting (Ibid.). This perspective was reinforced by President Mugabe’s address to the first session of the Sixth Parliament in which he remarked that ‘*the current chaotic state of affairs where SMEs operated outside the regulatory framework and in undesignated and crime-ridden areas could not be countenanced for much longer*’ (Herald, 10 June 2005). In sum, this viewpoint towards the informal economy basically sees it as disorderly, unhygienic and overcrowded as well as having a tarnishing effect on the formerly clean and salubrious environments of the country’s cities and towns. It is a nostalgic view of the colonial past in which influx control measures prevented the growth of a vibrant informal economy! It is unfortunate that those in ruling circles would like a return to that halcyon, unspoiled but artificial colonial past.

A different perspective in this debate is that there is need to recognize that urbanization in developing countries is growing fast, and generating a rapid expansion of the informal economy. In Zimbabwe, urbanization grew from 23 per cent in 1982 to 30 per cent in the early 1990s, and then to almost 40 per cent in 2005. This “challenge of rapid urbanization” involves people migrating to urban areas to improve their livelihoods in terms of income opportunities and access to social services, while cities, as economic

units witness impoverishment (Tibaijuka Report, 2005). The Zimbabwe Government should come to terms with this phenomenon of rapid urbanization. Its physical manifestations are often 'chaotic' but they are symptomatic of profound and far-reaching demographic, social and economic transformations affecting the entire developing world, and not just Zimbabwe (Ibid.). Other analysts have observed this wave of urbanization has been radically decoupled from industrialization unlike in past centuries (Davis, 2004). Observing that 'formal economy job' creation has been very weak, if not stagnant, in most African cities, it was forecast that about 90 per cent of urban Africa's new jobs over the next decade will somehow come from the informal economy (UN-Habitat, 2003). In our view, the second perspective, rather than the first, is more realistic about its assessment of why the informal economy exists, and why it should be nurtured rather than demolished!

Chapter 4

The Housing Challenge : 'Operation Garikai' or 'Operation Tamburai'?

“There is no food, water, toilets. There is nothing. These people (the government) lied to us that we would have decent houses by August. Now rains are around the corner and we are still living like this...”¹

...” Shelter demolitions was the worst thing to happen. There was enough homelessness already. It should not happen again and it should stop right away...”²

4.1 Introduction

When there emerged a huge outcry against *Operation Murambatsvina*, the Zimbabwe Government pieced together what it termed *Operation Garikai-Hlalani Kuhle*, a theoretically ‘massive’ housing programme. It was revealing that this latter Operation *followed*, rather than *preceded*, the demolition of shelter and the informal economy. The programme bore the hallmarks of a rushed programme. How many houses and “backyard cottages” were demolished in *Operation Murambatsvina* ? According to government figures released in July 2005, about 92 000 housing structures were demolished directly affecting 134 000 households. At the same time, the structures of 32 530 SMEs were also destroyed. However other estimates are that about 570 000 people lost access to housing accommodation as a consequence of the demolitions. Similarly, about 976 000 people lost shelter for their enterprises, and source of their livelihoods. While there might be an overlap between those who lost their homes and those who lost their businesses, the combined figure of between 650 000 and 700 000 people directly affected by the Operation is plausible (Tibaijuka Report, 2005). By any standards, the numbers of those

¹ Financial Gazette, “*Operation Garikai: govt fails to deliver*”, 3 November 2005.

² Jan Egeland, Zimbabwe Independent, 9 November 2005

adversely affected by the Operation has been huge. It boggles the mind why there were demolitions in the first place in a country where there was already a massive shortage and backlog in housing.

4. 2 The Housing Shortage and Backlog

For many years after Independence, the government and local authorities were unable to meet the housing needs in urban areas. This was especially the case with low- and middle-income earners in urban and peri-urban areas. Government plans for housing fell far short of the annual target of 162 000 units between 1985 and 2000 with actual production ranging between 15 000 and 20 000 units per annum (Human Rights Monthly, July 2005). However, by 2002, housing production rates had decreased to 5 500 units per year. Earlier in 2000, the **National Task Force on Housing** itself had acknowledged that there was a cumulative backlog of over 1 million housing units (Ibid.).

Clearly, housing shortage was a major problem in most cities and towns. It has remained so. For instance, in Harare over half of the city’s 3 million residents were living in ‘makeshift housing’ prior to the Operation, according to the **Combined Harare Residents Association**. In Mutare, there were less than 30 000 legal housing structures while over 1 million of the city’s population lived in “wooden shacks” (Ibid.). In Victoria Falls, shacks comprised 64 per cent of the housing stock.

Table 3: Housing Backlog in Major Cities, 2005

Harare	900 000
Bulawayo	72 000
Mutare	35 000
Gweru	40 000
Kwekwe	8 000

Source: ActionAid, 2005; RBZ, 2005.

By May 2005, the housing backlog in five major cities and towns amounted to 1 055 000 units although this is likely to be a conservative estimate. With a backlog of 900 000, Harare accounted for the largest proportion (RBZ, 2005). As a result of the failure to meet the backlog, home-seekers resorted to ‘self-provisioning’. They resorted to any means of shelter available leading to the “mushrooming of backyard shacks”:

“ people were forced to build makeshift structures to house their families, or to obtain lodgings in other people’s houses, often in highly congested conditions” (Action Aid, 2005b; Human Rights Monthly, 2005).

Other self-help initiatives to provide shelter were those undertaken by housing cooperatives. A number were formed during the past 10 years and received permission from central authorities to proceed with the construction of housing for their members. Amongst the areas where construction was permitted were Hatcliffe and Whitecliffe in Harare. Despite this, the housing was demolished. In one such cooperative near Kambuzuma in Harare, the houses that were razed to the ground belonged to war veteran supporters of the ruling party, in an ironic twist of fate! Other housing that came under the hammer was 2000 houses belonging to **Green Valley Housing Coop** in Epworth, 60 houses of the **Chako Ndechako Housing Coop** in Chitungwiza, and 23 owned by the **Ruvimbo Housing Coop** also in Chitungwiza (The Herald, 17 June 2005). In one of the housing cooperatives that experienced demolition, 3 members who lost their houses have since died (Interview with a Housing Coop member, December 2005). In Hatcliffe, the affected cooperative known as *Dare Remusha* with 2000 members challenged the legality of the action by the police in the Operation. Although the challenge was ultimately unsuccessful, members of the cooperative had leases on the stands allocated by the Ministry of Local Government and Urban Development.

4.3 Cases of Housing Crisis amongst the Poor: Churu, Porta Farm and Hatcliffe

To illustrate the depth of the housing crisis, no experience is more vivid than those of who were first evicted from Mbare to Porta Farm, and from Churu farm to Hatcliffe in the 1990s. In 1993, the 20 000 residents of Churu farm near Harare were evicted by 300

soldiers and settled on Porta Farm, some 40 kilometers west of Harare. In June 2005, this community was uprooted again with the demolition of the Porta Farm settlement. But the history goes back to 1991. As it was explained:

*“ Porta Farm became a transit when the government decided to clear away hundreds of poor urban squatters from various locations in Harare ahead of the Commonwealth Summit in Harare so that Queen Elizabeth would not have to see the squalor as she went through Harare. This was another **Operation Murambatsvina**. The government later pledged to provide proper housing for the people at Porta Farm, but this promise was never honoured. The transit camp remained and grew...and became an established settlement as many people transformed plastic shelters into small brick houses. Over the years, Porta Farm evolved into a stable community with clinics, primary and secondary schools and an orphanage...By 2005, the population of Porta Farm had increased to about 12 000...”* (ZHR NGO Forum, 2005).

Despite its history and credentials as a settlement of poor and vulnerable households, the authorities targeted Porta Farm for demolition.

Another example of how the poor were made victims of the so-called ‘clean-up’ was the following testimony of an evictee from Hatcliffe, as narrated to Fay Chung, a former government minister:

“I moved to Hatcliffe Extension ten years ago. We were moved here by Government from Churu Farm where we had bought land from Ndabaningi Sithole. When Government brought us here to Hatcliffe Extension, they built us some wooden cabins and gave them to us free of charge. They told us that they would give us plots where we could build permanent houses. We have been waiting for these plots for the past ten years. During the clean-up, the ZRP and municipal police came and destroyed our cabins. We were surprised because those cabins were built by Government and given to us by Government. They should have at least have allowed us to salvage wood. I have spent all my savings trying to improve my cabin. I have nothing now...” (Chung, 2005).

There are many such testimonies on the devastating impact of the Operation on the poor. Citizens in each of the affected cities and towns have many tales to tell. One community that experienced a similar experience is that of Killarney Farm on the outskirts of Bulawayo. Numbering about 800 people, this community had lived on this government-owned land for 20 years. In June 2005, they received an abrupt order to remove their

belongings pending the demolition of their homes. Many of them lost their possessions as well as livelihoods.



4. 4 The Consequences of the Demolitions

The immediate consequences of the demolitions were an upsurge in homelessness, an escalation in rentals for accommodation and more overcrowding in the existing housing stock. Most of the people in those urban areas where demolitions occurred had no immediate alternative accommodation. Some moved around and slept in the open; six months later, there are still some in this condition in areas such as Mbare, Rugare and Dzivaresekwa in Harare. It was estimated that about 20 per cent of those whose housing was destroyed became homeless. Some 30 per cent were absorbed i.e. 'housed' by close and extended families and by friends. Another 30 per cent sought refuge within

communities (in churches and other forms of temporary accommodation) (Tibaijuka, op.cit.). It is more difficult to estimate the proportion of people who left for rural areas following the *tsunami*; however, about 20 per cent of the evicted might have. This proportion would have had to be absorbed into the immediate and extended family structures in rural areas that already bore the burden of food shortage. More vulnerable were about 114 000 migrant workers originally from neighbouring countries. Some of them had already lost their jobs and housing on commercial farms during land reform, and most had no rural areas to retire to. But even middle-income earners such as teachers were adversely affected by displacement. The Zimbabwe Teachers' Association (ZIMTA) reported that some its members and school pupils were victims of the demolitions (ZIMTA, 2005). It expressed grave concern with the "suffering of many learners and teachers whose dwellings were destroyed":

"their trauma, mental and physical anguish, social humiliation, psychological stress, and extent of material deprivation are too excessive to imagine. Several of them sleep in the open. They huddle around their exposed and dusty belongings. They lack basic amenities and hygienic facilities including clean water sources, toilets and washing points..." (Ibid.).

Another consequence of the demolitions was the escalation in rentals on housing. Rents doubled and then tripled in the second half of 2005. For instance, while in Victoria Falls, rents doubled, in Mutare and Harare they tripled in some areas. This ate deeply into wages and salaries that had already been significantly eroded by inflation. This exacerbated poverty and forced households to make difficult tradeoffs between expenditure items such as food, schooling, health care and remittances to rural areas (Tibaijuka, op.cit.). It is significant that a survey in 6 cities observed that apart from rental escalation, there was now overcrowding in the available "legitimate housing" (Action Aid, 2005a). Overcrowding was reported in the Mbare flats of **Matapi, Matererini, Tagarika, Shawasha and Nenyere** generating fears that the human congestion could lead to increased incidences of communicable diseases. There was also the danger of the erosion of the social fabric of families where overcrowding led to males, females and children sharing rooms. In addition, there were reports of former shack dwellers who had set up temporary homes on the banks of the Mukuvisi River in Harare (Sunday Mail, 5 June 2005).

4.5 A Balance Sheet of Operation Garikai-Hlalani Kuhle

The initial targets of stands and houses to be constructed were announced by the Zimbabwe Government in early June 2005. The Minister of Local Government and Urban Development, Ignatius Chombo stated that 20 000 stands would be made available to home-seekers in Harare while the Harare City Council gave the figure of 30 000 stands. The stands would be available in Whitecliffe and at the former farms of Hopley, Glaudia and Oda. An even higher number of stands, about 32 000, were to be allocated in Bulawayo, according to Chombo (Herald, 4 June 2005).

In addition, there would be more than Z\$300 billion poured into the construction of market stalls to accommodate those whose stalls had been destroyed. Other promised allocations were:

- a target of 7 000 houses for Masvingo as well as factory shells within 2 months;
- 500 houses for Chitungwiza by the end of August;
- 300 houses for Mutare;
- 15 000 houses for Hatcliffe and
- 900 houses at Cowdray Park in Bulawayo .

It was significant that the beneficiaries of the above-mentioned stands would not strictly be those whose structures had been demolished. Among the 9960 stands in Whitecliffe, some 2 000 would be allocated to civil servants (specifically, the army, air force, intelligence and the police) (Herald, 6 June 2005). In addition, some 10 040 stands would be allocated in Hopley, Glaudia and Oda.

Table 4: Housing Targets and Actual Delivery

Location	Target	Actual Delivery
Whitecliffe	1448 by August-end 2005	277 (October 2005)
Hatcliffe Extension	520 by August-end 2005	70
Manicaland	960	100
Mutare	300	n.a
Masvingo	700	n.a
Chitungwiza	500	n.a
National	300 000 by December-end 2005	n.a

Source: various 2005.

To what extent have the targets, announced with much fanfare, been achieved six months later? And how transparent has been the allocation of the stands and the houses so far? None of the targets have been achieved. For instance, only 277 housing units of two core rooms in Whitecliffe had been completed at the end of October out of a target of 1 448. In Hatcliffe Extension, 70 units had been finished in October out of a target of 520. During the same period, only 100 houses had been completed out of a target of 960 in Manicaland. Most stands remain undeveloped. Government's track record in providing serviced stands had been inadequate. It serviced less than 5 000 stands per year yet it pledged to deliver 4 900 under Operation Garikai within a few months. The government estimated that the Operation would require a capital outlay of Z\$3 trillion (or US\$ 300 million) for housing, factory shells and market stalls. A first instalment of Z\$1 trillion (or US\$100 million) was required for the August 2005 targets to be met. Needless to add that this expenditure was not budgeted for and proved impossible to raise.

More specifically, Operation Garikai exposed weak planning on the part of the government. Several questions were not addressed by those who cobbled the Operation together. These were:

- **the capacity of local authorities to provide the access roads, trunk infrastructure and basic services to enable displaced people to build new homes in compliance with the *Regional, Town and Country Planning Act*;**
- **the need for interim solutions (such as temporary shelter) between the time of allocation of stands and the completion of homes by the affected people in compliance with building by-laws and standards;**
- **the sourcing of readily available and affordable building materials previously supplied by the informal economy; and**
- **the availability of credit facilities to ease the financial burden of the poor and low income households to construct new homes** (Tibaijuka, 2005).

By December 2005, Operation Garikai was seriously running behind schedule. Physical visits by the present author to Hatcliffe and Whitecliffe showed that there was little or no construction activity. Although the completion rates in Bulawayo, Gwanda and Marondera were slightly better, the original targets were far from being met.

Apart from inability to meet targets, there has reportedly been a lack of transparency in the allocation of both stands and housing by the authorities. It has been alleged that those displaced under *Operation Murambatsvina* are not automatically beneficiaries of the stands and houses under *Operation Garikai* (Interview with Housing Cooperative members, November 2005). Apparently there were new and tighter conditions that prospective beneficiaries needed to satisfy. They were required to produce proof of formal employment, earn a specified salary, to be able to afford the initial deposit as well as monthly installments. As one town mayor candidly put it:

“many of the people affected are squatters who have never been employed – they cannot afford any of the requirements. The houses will only be available to the gainfully employed, and one has to be well paid to afford the instalments...” (Thandeko Mkandla as quoted in *Zimbabwe Independent*, 9 September 2005).

Furthermore, it was noted that the central government had handed over the allocation of stands to municipal authorities.

There appeared to be an upsurge in the use of patronage by authorities in the allocation of stands and housing. Party affiliation is a factor that determines access to these resources. Other observations made about the new houses were that:

- they were not complete inside, and so the finishing was poor;
- some of the newly constructed houses had collapsed in Chinhoyi;
- there was use of prison labour in construction of some of the housing;
- most housing still had no water and sewerage connection; and
- some applicants for housing had faced difficulty in getting “a letter of authority” so as to obtain a housing loan of Z\$10 million (Ibid.).

For prospective home builders, there were endemic shortages of building materials including cement.

Finally, it emerged from the 2006 Budget tabled by the Minister of Finance in early December that there would be no sufficient budget for *Operation Garikai*. While the cost of the Operation was set at Z\$ 3 trillion, the actual budgetary allocation for the National Housing Fund was Z\$972 billion (Zimbabwe Government, 2005). It has been against this background that it has been argued that there is an urgent need to review the Operation as a means of restoring the livelihoods and shelter and housing needs of the displaced.

4. 6 Vulnerable Groups amongst the Internally Displaced

With the onset of the summer rains, living conditions of those evicted from their shelter through demolitions deteriorated rather than improved. Site visits confirmed that thousands of people remained displaced in locations as diverse as Harare, Victoria Falls, Mutare, Bulawayo and in rural areas of Matabeleland North and South. Representatives of other local and international humanitarian organizations confirmed that hundreds of thousands of displaced people still had no access to decent shelter and conditions of living (HRW, 2005).

Astonishingly, the Zimbabwe Government ignored the plight of this vulnerable group in society. There did not appear to be any attempts to locate and register these internally displaced people to assess their numbers and needs (Ibid.). Yet the majority of them were in desperate need of shelter, food, health services and other forms of assistance. There was a report of up to 12 people sharing a room in one of the locations. A “pilot project” in Headlands to provide “shelter packages” (that included tents and food) for 123 families had been established and supported by UN Habitat, UNDP and the International Organization of Migration (IOM). However, it was closed down in September 2005 after the government objected to the use of ‘tents and plastic sheeting’ (Ibid). However, in November 2005, the government reportedly agreed to a plan by IOM to provide 2 500 cabins for the homeless.

Finally, some of the vulnerable sections amongst the homeless have been pressured to leave urban areas for rural areas. There was a concerted attempt by government to push for this repatriation to rural areas when it hastily closed down the transit camps at Caledonia in Harare and Helensvale in Bulawayo in July 2005. The methods used to compel the displaced to leave for rural areas range from overt harassment and forcible relocation to denial and manipulation of humanitarian assistance (Ibid.). In November 2005, about 250 people were compelled to leave Hopley Farm in Harare for rural areas. The conditions in some of the rural areas are dire. Food shortages are forcing some of those repatriated to trek back to towns and cities. Such has been the case with some of the former residents of Killarney in Bulawayo.

The final summing up of the interim results of Operation *Garikai-Hlalani Kuhle* was by none other than the Minister of Local Government, Public Works and Urban Development , Ignatius Chombo himself. In mid-February 2006, he admitted that only 3 000 houses had been completed out of the 5 270 targeted in the first phase (Herald, 16 February 2006). Expressing frustration and acknowledging criticism levelled at the programme, he remarked:

‘we already have problems in Beitbridge, Bulawayo, Gwanda and other areas

where undeserving people have been allocated houses...Therefore, councils should remove the names of their relatives, government officials, MPs and politicians' relatives from the Operation's waiting list...' (Chombo as quoted in the Herald, 14 March 2006).

Chapter 5

Conclusion and Recommendations

'...Despite the human suffering of the people of Zimbabwe, they are still patient and hopeful that human solidarity will prevail...'¹

5.1 Developments since the Tibaijuka Report

There have been no major developments since the publication of the UN Report of the Special Envoy, Anna Tibaijuka. The highly critical report received wide international publicity and was a subject of discussion in the UN Security Council. There were specific recommendations to the Zimbabwe Government on what its obligations were in the light of the humanitarian and socio-economic consequences of *Operation Murambatsvina*. There were also recommendations directed at the international community. Unfortunately, the Zimbabwe Government has not acted on most of the recommendations.

In the five months since the publication of the Report, there has continued to be a standoff between the government and the UN. A visit by Kofi Annan, the UN Secretary General, was postponed for political reasons, and this dissipated momentum in addressing the consequences of the Operation. While the visit was still being awaited for early to mid- 2006, there were differences over the content and timing of a joint Government-UN appeal for humanitarian assistance from the international community. It was not until late

¹ United Nations Special Envoy's Report (Tibaijuka Report), 2005

November that the appeal was launched, and not until early December that the UN envoy, Jan Egeland, visited the country to make an assessment. The rhetoric deployed by Zimbabwean leaders against the UN envoys, Tibaijuka and Egeland, has been generally hostile and xenophobic thereby slowing a response to the urgent humanitarian and social needs of nearly 20 per cent of the population affected by OM. Some of the tense exchanges have related to whether there should be provided temporary tent accommodation to the homeless, and what type of ‘model house’ should be built for them (Herald, 21 December 2005). While the haggling between the government and the UN continues, the conditions for the homeless and vulnerable uprooted by the Operation remain dire.

5. 2. Recommendations

5.2.1 The Legal Framework

There is consensus that the legal basis and framework of *Operation Murambatsvina* was flawed. The ‘rule of law’ was flouted in the execution of the Operation. The colonial era legislation, the *Regional Town and Country Planning Act* and *Housing Standard Act* are now outdated in the light of new urban conditions. The decision of the government to enforce this legislation was inconsistent with its own policy statements, and previous acknowledgement that the legislation was an obstacle to the provision of low-income housing. The legislation requires an urgent review. This review should be undertaken in consultation with local authorities and stakeholders. Those who flouted the laws in the course of the execution of the Operation should be brought to book under relevant Zimbabwean laws.

5.2.2 Local Governance

The decision to mount *Operation Murambatsvina* and its implementation was largely made by the central government without consultation with local authorities such as Mayors, city and town councils. This was a ‘top-down’ imposition that had very profound consequences for the cities, towns and populations involved, as earlier chapters have

illustrated. Except in the case of the government-sponsored administration in Harare, local authorities were virtually by-passed in the conception and execution of the Operation. This amounted to a subversion of the authority of these local governance structures. Most cities and towns are under the opposition MDC that has been highly critical of the Operation. Good local governance was a casualty of the Operation, and this should not recur in the future. Under Zimbabwean law, matters pertaining to enforcement of planning standards and building regulations, and matters dealing with urban management and development are the mandate of local authorities. The central government should not arrogate to itself functions, roles and decisions that undermine local governance structures and practices.

5.2.3 The Informal Economy and its Operators

This Report chronicled how severe the impact of *Operation Murambatsvina* was on the informal economy, a economy that employs up to 40 per cent of those gainfully employed. A large number of the operators lost property, equipment and livelihoods as a consequence of the Operation. *In accordance with national and international laws, those whose equipment, property and goods were destroyed or confiscated should be compensated.* We endorse the recommendation that there is need to redress all wrongs committed against evicted households, individuals and businesses , and that this can be best done through the setting up of a **Compensation Trust Fund** (Tibaijuka, 2005).

Furthermore, there should be launched a programme designed to rehabilitate those informal economy enterprises affected by the Operation. Such a programme should include credit schemes, insurance and pension schemes and other forms of social safety nets for operators in the economy. Stakeholders including ZCIEA should be fully consulted in the design of such a programme in which the Ministry of SMEs, Small Enterprises Development Corporation (SEDCO) and the newly-established Infrastructure Development Bank of Zimbabwe should play pivotal roles. The mechanisms for applying and disbursement of credit and grants in such a programme should be transparent. Both national and international organizations should be encouraged to contribute to the

financing of this programme for informal economy operators. Part of the above-mentioned **Compensation Trust Fund** could be devoted to strengthening community-based micro-credit instruments to assist those operators trying to re-establish their small-scale income-generating activities. The organizations (such as ZCIEA) representing the interests of informal economy entrepreneurs should be provided with institutional support and other resources for their operations, including coordinating activities.

In considering how to address the needs and trajectory of the informal economy, it will be necessary to build upon previous stakeholder-driven approaches. In 2000, a consensual approach to integrate the informal economy into the mainstream economy by addressing its deficits in a holistic manner was agreed upon. This was agreed upon by tripartite partners with technical assistance from the ILO/SRO. The then Ministry of Youth, Gender and Employment Creation was charged with co-ordinating the implementation of the mainstreaming programme. *Stakeholders should re-visit the implementation plans for integration as a matter of urgency (see the Implementation Matrix in the Annex).*

5.2.4 Housing and other Forms of Shelter

The greatest impact of *Operation Murambatsvina* related to the destruction of housing as Chapter 4 showed. Although there has been no up to date financial estimate of the destruction, it runs into billions of dollars. There should be an urgent review of legislation relating to urban residential housing development. It should be less cumbersome and onerous to apply for stands and building permission. In view of its shortcomings and delays, *Operation Garikai* itself needs to be reviewed as a matter of urgency. We would concur with the recommendation that funding for the Operation should entail:

- one-time equity grants for those rendered homeless and the most needy to serve as compensation for loss of housing stock and as start-up funds for meeting their immediate shelter needs;
- subsidized loans and guarantees to building societies, housing cooperatives and other community-based organizations to engage in incremental self-help housing for their respective members that have been affected;

- interest-free start-up capital for the establishment of building materials depots and stores to be managed by non-profit making organizations to provide a source of affordable building materials;
- earmarked transfers to local authorities to employ labour-intensive public works to boost the supply of stands using more reasonable norms and standards such as footpaths rather than roads, on-site ventilated improved pit latrines and communal stand pipes (Ibid.).

Furthermore, part of the above-mentioned **Compensation Trust Fund** , if set up, should be used for grants, low-interest loans and special vehicle instruments to building societies and housing cooperatives to assist their respective affected members in reconstruction.

There is also compelling need for stakeholders to re-visit the National Housing Policy approved by Cabinet in 2000. The policy had the objective of ensuring that every household has access to a permanent residential structure with secure tenure. Although the policy and programme are very ambitious (it was envisaged to clear the housing backlog by 2008), they set out a framework for a stakeholder-driven approach on housing.

5.2.5 **Special Role for Cooperatives and Community Based Organizations**

The initiatives of housing cooperatives should be given special attention and encouragement especially those constituted by low-income workers such as domestic workers. Examples of their initiatives at self-reliance include a housing cooperative in Ruwa that has about Z\$ 800 million in savings that can be ploughed into construction, and another in Ruwa that already has 60 housing stands. Active housing cooperatives that have substantial savings and capacity to invest in shelter construction include some in Bulawayo and Chitungwiza. Others have expertise in the manufacture of building materials such as bricks and tiles. These initiatives and resources should be harnessed , and not frustrated by bureaucracy and lukewarm response. At the same time, cooperatives and other community-based organizations with a stake in housing and local development should seriously engage in dialogue with other stakeholders including the state. Finally,

the construction of housing should not be assigned to the military, prisons and other service units but should devolve around community and commercial arrangements if it is to be sustainable in the long run.

5.2.6 Humanitarian Needs

Although this Report has not specifically focused on the humanitarian consequences of *Operation Murambatsvina*, those consequences loom large in our assessment of the impact on the informal economy as well as on the housing situation. Previous reports have delved into considerable detail on the grave humanitarian consequences of the Operation (Action Aid 2005a, 2005b; HRW, 2005; ICG, 2005; ZHR NGO Forum, 2005; Solidarity Peace Trust, 2005a, 2005b). Clearly, these consequences apply equally to working people and their dependents in the formal and informal economies. Here we can merely recap some of the recommendations that have been made on how to address the grave humanitarian situation caused by the Operation. We concur that the most urgent issue at present is to assist the over half a million people estimated to have been displaced:

*“ many of these people are living in the open. Some have found alternative rental accommodation, while others have been taken in by their extended families in both urban and rural areas. Their immediate needs include food, water, blankets, temporary shelter and toilets. In the medium- to long-term, they will need to be provided with alternative housing and structures for their small-scale income generating activities...These structures will need to be close to the original homes of the evicted households, as children will need to continue in their old schools and adult household members will need to reconnect with their sources of livelihood...”*²

The special cases and needs of women headed households, of children and migrant workers as well as uprooted farm workers should be catered for. It is in this context that the Zimbabwe Government should improve in its response and meeting its obligations. So far it has been tardy and indifferent in its attitude to the humanitarian crisis that still prevails. The international community should be encouraged to provide support to short- and long-term programmes to resolve the humanitarian crisis caused by the Operation.

² See the Tibaijuka Report, 2005.

More recent findings suggest that the Operation has had devastating effects on the mental health of those affected (Action Aid et. al. 2005c). The overall morbidity is enormous – conservatively estimated at about 800 000 persons – and reflective of a situation in a “complex emergency” . We endorse the recommendation for an immediate establishment of a medical task force to provide medical care and treatment with priority being given to those suffering from HIV-AIDS, women-headed households and child-headed households. There should also be an immediate establishment of a mental health task force to provide treatment to the traumatized.

5.2.7 Workers, the Land and Urban Questions

What *Operation Murambatsvina* dramatized in a poignant way was the linkage between state authoritarianism and both the land and urban questions. For organized labour, it was disturbing that the Operation appeared to have as one of its objectives the eviction of workers and dwellers in cities and towns to rural areas. This implicit strategy was not only given expression in statements by the authorities (e.g. that ‘everyone in town originally came from somewhere’) but in the coerced, involuntary repatriation of some of the evictees. This attempt at large-scale social engineering should stop. It infringes on individual rights. It is also a crude attempt to address the land question whose finality is far from over despite the passing of the Constitutional Amendment Act no. 17. Underlying the attempts at involuntary repatriation was an economic rationale namely to secure labour for new farmers who have been short of labour due to poor wages and other working conditions. In addition, there might have been a political rationale namely to empty the cities and towns of opposition supporters while bringing them under rigorous control of traditional and ruling party structures in rural areas. Influx control and eviction to rural areas is reminiscent of colonial- and apartheid-era strategies of control, and these should have no place in post-independence Zimbabwe. The organized labour should take the initiative to undertake research and consultations around the land and urban questions because they remain unresolved. To that extent, how these questions are addressed will profoundly shape the *present and future* of the livelihoods of working people of

Zimbabwe. *Just as there has been recommended the setting up of an independent Land Commission to deal with land-related matters, so there is merit in establishing an autonomous Urban Commission to deal with issues relating to migration and urbanization.*

5.2.8 Transparency in Allocation of Resources

This Report has highlighted that those informal operators who suffered losses, and people who lost shelter due to demolitions will require resources to recover and rebuild. Those will be in the form of donations, grants and loans. The sources of the resources will be multiple: from the state, local NGOs and international organizations amongst others. Yet there is no institution or mechanism yet that will ensure that the allocations of resources will be on a fair, transparent and non-partisan basis. There have already been allegations that favouritism and nepotism, indeed patronage, in the allocation of some of the resources such as loans, stands and newly-constructed houses. *This should be prevented by setting up a mechanism to ensure fairness and transparency in the distribution of resources to those affected by Operation Murambatsvina.*

5.2.9 The Role of Civil Society Organizations

The role that the various organizations in civil society have played in disseminating information about the impact of *Operation Murambatsvina* has been very useful in generating interest and empathy with those affected. Domestic and international awareness of the profound consequences of the Operation have been sustained due to the survey work and publications put together by various NGOs. Their advocacy work has been pivotal. Some of them have supported legal challenges to the Operation while others have provided both moral and material support as well as solidarity. Churches have played an instrumental role in this context. However, this solidarity should not be *short-term* but sustained over the medium to long-term as long as the ramifications of the Operation persist. There will be need for a *coordinated approach* by these organizations to avoid a fragmentation of effort.

5.2.10 The Role of the International Community

The international community has a potentially very vital role to play in reconstruction efforts in a post-*Operation Murambatsvina* era. Its engagement was strategic in delegitimizing and subsequently slowing the Operation, and the role of the United Nations has been very important. The moral and political authority of the United Nations cannot be easily ignored. This is why the visit by the second envoy, Jan Egeland, eventually took place; and why that by the UN boss, Koffi Anan may still occur. However, it will be crucial for the UN not to lose focus on the need to mount adequate resources for the displaced and those in humanitarian need. It should continue to exert its authority to encourage the Zimbabwe Government to honour its obligations under both accepted national and international law. The UN should not accept restrictions from any quarter in its interaction with both victim and communities and civil society partners providing the former with assistance. Similarly church institutions and unions in other parts of the world should continue to provide moral and material assistance to those affected by the Operation as a continuing gesture of fraternal solidarity.

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ANNEX 1: MSE DEVELOPMENT MATRIX

PROBLEM	POLICY INTERVENTION	KEY PLAYERS	POSSIBLE OUTCOME
1. Existence of a panoply of regulations and procedures that increase the cost of doing business and consequently limit the development of MSEs.	Deregulations, decentralization and streamlining of the legal framework with special attention paid on striking a sustainable balance between over-regulation and under-regulation	Government function as Central Government Local Government Provincial and district structures, e.g. Rural District Councils (RDCs) Private economy and NGOs <ul style="list-style-type: none"> - Trade Associations - MSE Support Institutions - MSE Associations - MSE Entrepreneurs 	<ul style="list-style-type: none"> - A requisite enabling environment for MSEs - Decentralised legal structures - Increased investment in MSE economy in both rural and urban areas.
2. Lack of access to finance	<ul style="list-style-type: none"> - Immediate reduction of budget deficit - Designing of innovative lending techniques specifically for MSEs - Capacity building of all types of support institutions - Strengthen the structure and operational capabilities of MSEs 	<ul style="list-style-type: none"> - Government supportive fiscal and monetary policies, - Innovative financial instruments for promotion of MSEs, e.g. through NIT funding mechanisms, - Effective RBZ funding lines NGOs and Micro Finance institutions (MFIs) 	<ul style="list-style-type: none"> - More financial resources made available to private economy, - Specific funds earmarked for MSEs, - Development of a savings culture by MSEs, - Re-orientation of Financial institutions towards MSE support, - Vibrant MFIs established in all districts, - Revamping of NASCUZ through capacity building
3. Lack of adequate infrastructural services, e.g. telephones, electricity, water, access road networks, health centers, training centers	<ul style="list-style-type: none"> - Adoption of regulatory framework to promote private economy participation in infrastructure provision e.g. building operate and transfer/build-own-operate and transfer (BOT/BOOT) - Revision of operative master plans by local authorities to provide and conveniently site facilities for MSEs - Proposed road economy reform to include sustainable ways of financing all routine and periodic maintenance of access roads - Intensification of rural feeder roads and 	<ul style="list-style-type: none"> - Government through decentralized structures, e.g. urban local authorities, RDC, line ministry functions, Export Promotion Zones (EPZ) Authority - Private economy participation through private economy associations, labour based rural feeder road schemes, - Coordination of donor participation in infrastructural development, e.g. World Bank and DANIDA efforts. 	<ul style="list-style-type: none"> - Improved supply of infrastructural services for disadvantaged MSEs, - Decentralised service maintenance structures up to RDCs - Improved institutional and management systems of Telecommunication, roads economy, water economy and other infrastructure.

	<ul style="list-style-type: none"> - other infrastructural support services - Extensive establishment and promotion of fully developed industrial estates, business incubators - Promotion of MSEs entry into export processing zones. 		
4. Lack of access to technologies and appropriate know-how by MSEs	<ul style="list-style-type: none"> - Policy framework to specify guidelines and instruments for technology transfer to MSEs - Improved marketing and networking strategies by technologies specifically geared for local MSE needs - Sub-contracting of MSEs by large companies - Promote the setting up of private leasing institutions 	<p>Government through:</p> <ul style="list-style-type: none"> - SIRDC to have prime responsibility in information and technology diffusion - NGOs and technological support institutions, e.g. ITDG, CIED, NUST, other local Universities to have enhanced delivery capacity, <p>Private economy: through large private companies to be incentivised to diffuse technologies to MSEs.</p>	<p>Improved access and dissemination of technologies to MSEs</p> <p>Better availability of technological resources to MSEs An upgrade of MSE production skills to enhance quality and competitiveness of products.</p>
5. Inadequate entrepreneurial skills e.g. production management, bookkeeping, costing and marketing	<p>Devise innovative schemes for financing of extension and training services of private and quasi-public institutions, e.g. ZNCC, SEDCO, CGC, ZimTrade, EMPRETEC, CIED to:</p> <ul style="list-style-type: none"> - To promote business internships, traineeships and mentorship systems for MSEs - Develop relevant and accessible managerial training programmes - Provide capacity building in all spheres of support to MSEs <p>Incorporate entrepreneurial development in school and college curricula</p>	<p>Government through:</p> <p>Ministry of Education and Culture Ministry of National Affairs and Employment Creation Managerial support institutions Large companies SAZ Universities and Colleges</p>	<p>MSE enterprises will be run on sound and efficient management principles Local students engrained with entrepreneurship and entrepreneurial culture during their formative years Sound and sustainable basis for technological institutions</p>
6. Lack of coherent marketing strategies	<ul style="list-style-type: none"> - Establishing data bases for market information for MSEs - Strong policy support for initiatives by export promoting agencies, e.g. ZimTrade, ZNCC, GTZ - Increased use of innovative marketing 	<p>CZI, ZNCC, ZIMTRADE, SAZ and others Other marketing support institutions Monopolies Commission UNIDO Project on clusters</p>	<ul style="list-style-type: none"> - Improved marketing access by MSEs - More collaboration by MSEs through clustering to capture more markets - Overall improvement in marketing and distribution networks for MSEs - Improved product quality from MSE

	<p>strategies, e.g. franchising, joint ventures, sub-contracting and linkages</p> <ul style="list-style-type: none"> - Repealing of monopolistic practices by established companies - Guarantee of defined quotas to MSEs in all government tenders - Simplification of tender procedures 		<p>economy</p> <ul style="list-style-type: none"> - Improved linkages between MSEs and large companies
7. Labour Market and Industrial relations that militate against MSEs	<ul style="list-style-type: none"> - Sanctioning of collective bargaining as law of the land - Greater flexibility and simplicity of present collective bargaining system to suit specific needs of MSEs - Setting up of policy measures to ensure minimum labour standards in the MSE economy 	<p>Trade Unions Industrial councils Ministry of Labour and Social Welfare and EMCOZ</p>	<ul style="list-style-type: none"> - Enforcement of economy specific industrial agreements - Improvement of the skills base for MSE
8. Limited access to relevant information for MSEs	<ul style="list-style-type: none"> - Compilation of focused and economy specific statistical information and advice that is easy to access - Capacity building of CSO 	<p>All private economy MSE players CSO, ZIMTRADE, ZNCC and CZI</p>	<p>Information-based decisions should improve the performance of MSEs Availability of statistical information will assist government to monitor policy effectiveness and facilitate long-term planning.</p>