

# Unit 18

## Zimbabwe

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### Learning Objectives

This unit will enable you to:

- describe a historical and socio-economic overview of Zimbabwe;
- explain the contemporary socio-economic and political scenario of Zimbabwe; and
- illustrate the developmental initiatives in Zimbabwe.

## 18.1 Introduction

The country of Zimbabwe is one of the most economically developed on the African continent, richly endowed with natural resources. The former British colony of Southern Rhodesia became the independent Republic of Zimbabwe on 18th April 1980 after a prolonged war of liberation. Despite its youth, the country has achieved a level of economic development uncharacteristic of the sub-Saharan African nations. Second only to South Africa in economic development, Zimbabwe's economic system is one indicative of a transitional country, a country making the transition from dependency underdevelopment to self-reliant industrialisation.

This unit begins with a discussion of the demographic characteristics, historical and socio-economic background of the country of Zimbabwe. A comparison of various Southern African regions has been made to understand Zimbabwe within the region's perspective. The contemporary social, political and economic scenario of the country has been discussed at length. This unit will help you understand the state of development in Zimbabwe

## 18.2 Historical and Socio-economic Background

### Geography

Zimbabwe is a landlocked country in the southern, sub-Saharan area of the African continent bordered by South Africa to the South, Botswana to the West, Mozambique to the East and Zambia to the North. With an area of 391,090 square km, Zimbabwe is only slightly larger than the state of Colorado. Harare is Zimbabwe's capital and the largest city with a population of 1,100,000.

Containing vast amounts of rare mineral resources and possessing a favorable climate for growing crops, Zimbabwe’s economy is drawn equally between the mining of minerals and the production of staples and cash crops.

**People**

Zimbabweans are comprised of two primary ethnic groups, the Shona, comprising 74% of the population and Ndebele comprising 20%. Other ethnic black groups and Asians make 4% of the population while whites make up just over 1% of the population. The official language of Zimbabwe is English. Other languages include Ndebele/Sindebele, Shona and numerous tribal dialects.

| Box 18.1: Facts At A Glance   |                                      |
|---|--------------------------------------|
| Official name   | : Republic of Zimbabwe               |
| Capital   | : Harare                             |
| Area(Thousands of km <sup>2</sup> )   | : 391                                |
| Population(millions)  | : 12.9 (2003)                        |
| Population density (per km <sup>2</sup> )   | : 33 (2003)                          |
| Urban population(%-2001)  | : 36                                 |
| Gross National Income (GNI)(per capita)   | : US\$470 (2002)                     |
| GNI purchasing power parity (PPP)(per capita)   | : US\$2,280 (GDP-2001)               |
| Structure of GDP (2001)   | :                                    |
| Agricultural : 18%, Industry : 24%, Services: 58%   |                                      |
| Human Development Index (HDI) ranking (2004):   | : 147 <sup>th</sup> of 177 countries |
| Gender-related Development Index (GDI) ranking(2004):   | : 147 <sup>th</sup> of 177 countries |
| Life expectancy at birth 2004   | : 33.1                               |
| Mortality rate under 5 years old (per 1,000)  | : 123 (2002)                         |
| Adult literacy rate (2004)  | :                                    |
| Total : 89%, Men: 93%, Women : 85%  |                                      |
| Sources: UNDP, Human Development Report 2004, UNFPA, The State of World Population 2003, UNICEF, The State of the World’s Children 2004, World Bank, World Development Report 2004, WWF, Living Planet Report 2002. |                                      |

**History**

Zimbabwe’s history dates back to the 9<sup>th</sup> century A.D., the believed period in which many great buildings were built, buildings indicative of an early and great civilisation. Of the many sites the most impressive is the Great Stone House or Great Zimbabwe, the source of the country’s name. Despite the impressive nature of the Great Zimbabwe and other building sites, it is believed that the civilisation that created them did not survive to see the new millennium.

About 900 years after the construction of the Great Zimbabwe many other sites were built, as Zimbabwe became the object of British colonialism in 1888. It was in this year that John Cecil Rhodes obtained mineral rights for the British throne and began the process of bringing Zimbabwe to Great Britain. Due to his accomplishments the throne honored Rhodes by lending his name to the area, now calling it Rhodesia. Although a colony, throughout the existence of its charter Rhodesia enjoyed self-governing and perceived autonomy. This allowed for the emergence of factions interested in developing Rhodesia’s mineralogical and agricultural potential for the purpose of stimulating domestic growth only. Although growth would benefit the country as a whole, it would benefit whites specifically by design. The perceived autonomy and racist nature of Rhodesia would have had great implications late in the country’s political future.

**Box 18.2**

Zimbabwe is home to the Victoria Falls, regarded as one of the natural wonders of the world, the stone enclosures of Great Zimbabwe - the remnants of a past empire, and to herds of elephants and other games roaming vast stretches of the wilderness.

### Politics

By 1960 Rhodesia was a country of two factions: the ruling white minority who wanted complete independence from the UK and the indigenous African majority who wanted greater control of their country and an end to institutional racism. With a dilapidating economy and African discontent with the white ruling minority, Rhodesia fell into a period of economic and political turmoil breeding uncertainty and general political instability. In the mid 1960s the white minority declared a Unilateral Declaration of Independence. The idea was to be free from pressure from U.K. that was "insisting" that the African majority must have a say in the government.

It was in 1980 that a free democratic election was held in Rhodesia for the first time with Robert Mugabe's Zimbabwe African National Union (ZANU) achieving an absolute majority. On April 18, 1980 the British Government formally granted independence to the former Rhodesia and four months later Zimbabwe was inducted as a member of the United Nations.

Zimbabwe's political system as it exists to this day as democratic and majoritarian was implemented through a parliamentary system. Robert Mugabe remains President and utilises a foreign policy of non-alignment. Despite this Zimbabwe is a member of the Organisation of African Unity (OAU) and performs primary trade with its neighboring African state, South Africa. It is the period from 1980 to the present that is most fundamental in understanding Zimbabwe's economic system because it is in this period that Zimbabwe's economic structure best reveals itself.

### Economy

Zimbabwe's economic structure is one of great potential. In the years prior to its Independence Zimbabwe put great emphasis on developing its mining industry and as a result it is one of the most developed in Africa. The mining of such minerals as copper, nickel, gold, and metallurgical-grade ferrochromite is responsible for nearly half the country's GDP. The other half of Zimbabwe's GDP is generated primarily in the agricultural sector with the most of the output produced at the subsistence level by most of the population.

Zimbabwe's mineral export industry is key to the nation's developmental success. Although small, the country's mining industry is modernised and strategically developed towards exports. Many paved roads link mines and other industries together that complement mining such as heavy machinery. Also, the areas within the vicinity of the mines are highly developed and urbanised to ensure an adequate and able workforce. Finally, Zimbabwe participates in non-aligned trade for non-strategic products such as textiles. This greatly reduces the country's chance of becoming dependent on a trade partner.

**Reflection and Action 18.1**

Give a brief historical perspective to understand the present Zimbabwe.

### 18.3 Southern African Regional Perspective

In the past decade, only two developing regions - East and South Asia - achieved per capita income growth of above 2 percent. Per capita income growth was less than one percent in Latin America and negative in all other developing country regions. Sub-Saharan Africa was the worst performing region, with per capita income declining by nearly 3 percent annually.

This dismal record stands in contrast to the latest IMF estimates, which point to an acceleration of growth in sub-Saharan Africa, from 2.1 percent in 1994 to 5.0 percent in 1995 and further to 5.5 percent in 1996. Assuming that these projections are accurate, sub-Saharan growth is now well above that of the world economy and only marginally behind the average for developing economies as a whole. The southern Africa region - and particularly South Africa and Zimbabwe - are chiefly responsible for this resurgence.

Southern Africa has in recent years witnessed a remarkable graduation from political turmoil towards multi-party democracy and improved governance. At the same time, economic reforms and structural adjustment policies are producing a gradual convergence of economic policies. Across the region, there is a growing recognition of the need to reduce government intervention and enhance the role of the private sector. These developments point to a new post-apartheid climate of peace and security in Southern Africa, with enhanced prospects for more rapid longer-term economic growth.

Viewed from the perspective of the major international capital markets and trading blocs, Southern Africa represents a promising market. At US \$140 billion, the regional GDP remains relatively small but the potential for growth is considerable. Southern Africa represents a unique regional mix comprising the sophisticated Southern African economy, a large population hinterland, and a vast untapped natural resource base with generally under priced assets. This potential has not gone unnoticed, and a substantial turnaround in net foreign direct investment (FDI) flows to the region has already been recorded. Since 1994, both South Africa and Zimbabwe have recorded much larger than expected net inflows of foreign direct investment.

The basic data describing the Southern African economy (see table 18.1) bears comparison with those of other large and "emerging" economies around the world. The eleven "core" economies of the region represent a population that is already half as large as that of the United States, and will probably equal that of the United States within thirty years. Its Gross Domestic Product exceeds that of Indonesia and is about two-thirds as large as India. Including South Africa, the region's per capita GNP (including South Africa) is considerably higher than the East Asia and Pacific average, while if South Africa is excluded, the GNP per capita is slightly below that of India. Notwithstanding the fact that incomes are at least as uneven as anywhere else in the world, there is a sizeable middle class (defined as household income above US \$2,484) in Southern Africa.

Table 18.1: Southern African Development Community (SADC): Basic Data (1993)  
Rankings by Population, GDP and Per Capita GDP

| Population<br>(In Millions) |      | GDP<br>(In billions of<br>U.S. dollars) |        | Per Capita GDP<br>U.S. dollars |       |
|-----------------------------|------|---|--------|--------------------------------|-------|
| South Africa                | 39.7 | South Africa                            | 105.64 | Mauritius                      | 3,030 |
| Tanzania                    | 28.0 | Angola                                  | 12.33  | South Africa                   | 2,980 |
| Mozambique                  | 15.1 | Zimbabwe                                | 4.99   | Botswana                       | 2,790 |
| Zimbabwe                    | 10.7 | Botswana                                | 3.81   | Namibia                        | 1,820 |
| Malawi                      | 10.5 | Zambia                                  | 3.69   | Swaziland                      | 1,190 |

|                        |       |            |        |            |       |
|------------------------|-------|------------|--------|------------|-------|
| Angola                 | 10.3  | Mauritius  | 2.78   | Angola     | 1,200 |
| Zambia                 | 8.9   | Namibia    | 2.11   | Lesotho    | 650   |
| Lesotho                | 1.9   | Tanzania   | 2.09   | Zimbabwe   | 520   |
| Namibia                | 1.5   | Malawi     | 1.81   | Zambia     | 380   |
| Botswana               | 1.4   | Mozambique | 1.37   | Malawi     | 200   |
| Mauritius              | 1.1   | Swaziland  | 1.05   | Tanzania   | 90    |
| Swaziland              | 0.9   | Lesotho    | 0.61   | Mozambique | 90    |
| Total:                 | 130.0 | Total:     | 142.27 | Average:   | 1,094 |
| Excluding South Africa |       |            |        |            |       |
| Total:                 | 90.3  | Total:     | 36.63  | Average:   | 406   |

Source: World Development Report 1995

The size of the South African economy renders it an undeniably important regional force. Although its population represents only 40 percent of Southern Africa, its gross domestic product accounts for about 75 percent of the sub-continent's total production. Up to now, there have been political barriers to South Africa's integration into the region, but these are being dismantled. South Africa's democratic transition has elicited a lifting of trade and financial sanctions. Corresponding to this improved access to international markets has seen a re-evaluation of the economic strategy within South Africa. The new government is likely to continue the shift from inward-looking policies determined to use trade as an engine of growth.

#### Reflection and Action 18.2

Discuss the Southern African economy emphasising Zimbabwe's role within it.

## 18.4 Contemporary Political Scenario

Zimbabwe is a *de jure* multiparty democracy with a 150-seat House of Assembly, of whom 120 members are elected in the constituency election every five years. The remaining 30 seats are allocated by the President to non-constituency MPs and District Governors. The President is elected by a separate presidential vote, which has to take place every six years. As expected, Zimbabwe African National Union - Patriotic Front (ZANU-PF) won an overwhelming majority in the March 1995 general election; and the incumbent President, Robert Mugabe, faced only minor opposition at the presidential polls. Although Zimbabwe is a *de jure* multiparty democracy, there are only four members of the ruling party in Parliament.

At the time of its independence in 1980, Zimbabwe was characterised by a highly inequitable distribution of access to and ownership of resources. The skewed distribution of income and ownership of economic assets including land, housing, business and other wealth instruments was compounded by acutely uneven access to social services including education and health. The most apparent aspect of inequity was its racial character.

Thus, the legitimacy and power base of the government was built not only on a nationalist and anti-racist platform, but also on an explicit commitment to a change from capitalism to socialism. This commitment established an agenda that sought to redress social, economic and racial disparities, and to further extend the state's policies by reducing the power and influence of the private sector.

Despite the socialist rhetoric, the extent of change including change in ownership was in fact quite limited. Government focused its attention on wage and price controls, and social services, mainly in the spheres of health and education. The productive sectors were not compulsorily taken over, rather state takeover of enterprises through voluntary disinvestments, or state participation in new ventures, defined the operating policy of the early post-independence era.

As the 1980s progressed the gap between the socialist ideals of the government and its policies increased steadily. Since 1991 the government has been implementing an IMF and World Bank supported economic structural adjustment program (ESAP). It is now clear that Mr. Mugabe himself and nearly all of his government are fully committed to the new path of structural adjustment.

These changes have led to a visible and functional pluralism in Zimbabwe, supported by a vigorous alternative to the government-controlled media. There have been no serious moves to suppress the alternative press, or any legitimate pressure group for that matter, and in recent years a number of key private sector lobby groups have become increasingly successful in influencing government policy.

Constitutionally, Zimbabwe is already a multiparty democracy so no changes can be expected there. However, ZANU-PF continues to completely dominate national politics and there is no apparent prospect of a political challenge to the ruling ZANU-PF party. As for Mr. Mugabe himself, he has managed to consolidate his position as both party leader and national President and there is no one within or outside the party who appears close to challenging his position.

The 1990s evidenced a warming in relations with the West in part because of the supportive role played by Zimbabwe as chairman of the U.N. Security Council during the Gulf war. In a departure from its past condemnation of Western intervention in Third World countries, Zimbabwe supported the condemnation of Iraq's invasion of Kuwait and voted in favor of military intervention. Zimbabwe also received international approbation by offering troops to support the UN peacekeeping effort in Somalia and by helping to prevent a potential standoff between the Third World and the West in the Security Council.

Although the country can hardly be said to be free of corruption, it has in general managed to avoid the large-scale and systematic forms of corruption found elsewhere on the continent. Most published country risk ratings assign low risk factors to Zimbabwe for political risk.

**Reflection and Action 18.3**

Assess the shift in the Zimbabwean government's economic and political policies in one decade since their accession to power.

## **18.5 Zimbabwe's Economic Development Policies (1991-2001)**

In 1980, Zimbabwe embarked on a programme of post-war reconstruction, which was supported by some foreign donors. In general terms, the reconstruction was successful as the economy was re-capitalised and reintegrated into the world economy. During the past two decades, Zimbabwe undertook several economic reform programmes. In October 1990, the Zimbabwe government succumbed to Western donor pressure and agreed to implement the five-year Economic Structural Adjustment Programme (ESAP) as a response

to the economic crisis, which had been afflicting the country since the 1980s. The measures introduced were:

- Removal of price controls;
- Removal of wage controls;
- Reduction of government expenditure;
- A 40% devaluation of the Zimbabwean dollar;
- Removal of subsidies on basic consumer goods;
- Liberalising the foreign currency allocation system;
- Removal of protection of non-productive import substituting industries and increased profit remittance abroad; and
- A radical restructuring of the various parastatals and other public enterprises.

Subsequently, in early 1991, the Zimbabwean government announced the Framework for Economic Reform (1991-95), which set out a time frame for reducing support to parastatals. The objective was the implementation of programmes for improving efficiency and management, as well as commercialisation and privatisation of public enterprises. Furthermore, in 1998, the Zimbabwe government launched the second stage of its economic structural adjustment programme, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST). ZIMPREST outlined macro-economic reforms through to the year 2000. The plan envisaged a real annual GDP growth of 6% until 2000 and a creation of 44,000 new jobs per year. To achieve such targets, savings and investments were expected to reach at least 23% of the GDP and the budget deficit reduced to fewer than 5%. ZIMPREST also sought improvements in the quality of democratic institutions; the pursuit of good governance; and the elimination of corruption. Thus political conditionalities were added to ZIMPREST.

## 18.6 Impact of Economic Structural Adjustment Policies: Macro-Economic Crisis

Since 1991 the Zimbabwean dollar has been devalued repeatedly and, after the crisis that started with the land restitution process, has become almost worthless. The generous liberalisation of the economy culminated in the lifting of protectionism. This opened the door of domestic industry to cheaper imports and resulted in the closing and downsizing of many labor-intensive industries. South Africa's decision to impose a tariff on Zimbabwe's textile exports exacerbated the situation. And the severe drought in the country significantly affected agricultural output, which is the main source of foreign currency. Thus, between 1991 and the year 2001, Zimbabwe's GDP declined culminating in a negative growth of -11.5%.

### Value of trade relations with South Africa

Zimbabwe is South Africa's largest trading partner on the continent. The country largely exports primary goods to South Africa and is dependant on South Africa for fuel and electricity. The trading balance is in favor of South African exports of mainly manufactured products to Zimbabwe. South Africa's protectionism ensures that Zimbabwe's goods remain less competitive in South Africa and this has also contributed to the downturn in the latter's economy in the 1990s.

### Unemployment

Unemployment is rampant and an exodus of young skilled professionals has been in progress for many years now with South Africa, Britain, North America

and even Australia being the preferred destinations. Economic policy reforms have thus resulted in declining employment opportunities. The fact that Zimbabwe is facing a rapidly increasing unemployment crisis is evident in the percentage drop of the total population formally employed, which dropped from 18% in 1965 to 112% in 1996.

**Box 18.3: State of Unemployment in Zimbabwe**

In 1990 Zimbabwe embarked on a programme of economic reform (ESAP) and 1991-92 saw one of the worst droughts in living memory - with close to 70% of the population living in the rural areas and dependent on agriculture for their livelihood, this constituted a major disaster. One result of these events was increased migration to the urban areas by people in search of employment. A further drought in 1995-96 compounded the effect. By 1995 the effects of the AIDS pandemic were becoming more visible and since then families have had to assume increased support systems, particularly for orphaned children, as breadwinners die. Worsening economic conditions plus ever increasing corruption and crime have been the norm since 1995. Today we frequently see newspaper articles stating that thousands have been retrenched, businesses are closing, unemployment is soaring, etc. Inflation has moved from 15% in 1990 to an all time high of 70% in October 1999 and 56% in 2000. (<http://uzweb.uz.ac.zw>). Zimbabwe's unemployment rate is set to reach an unprecedented 70% in 2002. The economic analysts said that it was imminent that failure by the economic stakeholders labour, business and government in creating opportunities to stimulate industrial expansion would lead to increases in unemployment.

**Increased poverty**

The income distribution in Zimbabwe is still one of the most unequal in the world: a survey on consumption shows that while the rate of consumption among the the richest 20% of the country's population is 55.7% the poorest 20% constitute only 4.6% (*Human Development Report 2005*).

The incidence of poverty has increased in Zimbabwe as a result of ESAP. The Poverty Assessment Study undertaken by the Zimbabwe Government in 1995 (*Zimbabwe 1995*) indicated that 62% of the population was living in poverty. According to the report 42% of the population belonged to households, which were below the 'food poverty line'; and 62% of the population belonged to households whose incomes were adequate to meet basic needs. In addition, the report indicated that the incidence of poverty was higher in rural areas, where 72% of households had incomes below the 'total consumption poverty line' compared to 46% in urban areas.

**Political dissatisfaction**

Cutbacks in public expenditure entailed the end of many public subsidies, set in motion the introduction of user fees for education and health, and meant that the poor could not afford these crucial amenities. This coupled with high inflation, rising costs of living and the decline in real wages, resulted in not only widespread poverty but also disillusionment with the present ZANU-PF regime.

**Reflection and Action 18.4**

What were the economic policies pursued by Zimbabwe? Also discuss the economic crisis and the reforms, which were undertaken to overcome the crisis.

**18.7 Poverty Alleviation Strategies**

The problem of poverty, and how to control and in the long term to eliminate it, has been a central issue in the development and planning discourse in Zimbabwe since 1980. Indeed, the policies already reviewed above sought to redress the inequalities of the past, but in the long term there was a political vision of an egalitarian society via "growth with equity", and more broadly



through the transformation of society from a settler colonial society to a socialist one, in which there would be no exploitation of man by man. That appeared to be the long-term project of the ruling party, Zimbabwe African National Union - Patriotic Front (ZANU-PF), and the independent government that came to power in 1980.

That project was no longer pursued with the introduction of the Economic Structural Adjustment Programme (ESAP) mentioned earlier. When ESAP was introduced, an important component was the Social Dimensions of Adjustments (SDA) and the Social Development Fund (SDF), which were set to deal specifically with what were considered as transitory negative effects of ESAP. However, the experience of SDA strategy and the drought of 1991/92 pointed to the "need to develop a more detailed strategy of Government actions to tackle a broad range of development issues". This conclusion led to the formulation of the Poverty Alleviation Action Plan (PAAP), a comprehensive policy paper presented at the Consultative Group Meeting in Paris in December 1993.

Objectives of the Social Dimensions of Adjustments Programme (SDA) are to:

- a) Protect the poor and vulnerable groups from undue hardships resulting from structural adjustment through the short-term compensation schemes which take the form of direct welfare payments;
- b) Strengthen internal household and community level coping or survival mechanisms and strategies and thereby integrate these groups into the mainstream of the economic reform programme;
- c) Minimise costs to the fiscus through cost recovery programmes in education and health sectors while ensuring that education and health standards are not compromised, at the same time maximising participation and support from third parties, notably NGOs, employee organisations, employer organisations and local authorities and facilitating economic activity;
- d) Generally alleviate poverty and contribute to the improvement of the standard of living of the poorest members of Zimbabwean society.

**Programme Design:** The SDA has two major components, namely, the employment and training component as well as the social safety nets programme.

**Employment Training and Programme:** This programme was designed to alleviate the suffering of retrenched workers and persons with disabilities. Under this programme, a retrenched worker has two choices:

- i) If the individual is still young and would like to acquire some basic practical skills so that he/she can be re-employed within the changing and hopefully expanding economy, then he/she can opt for "hard skills training".
- ii) If a retrenched person feels he no longer wants to be employed by anybody, but would like to be his own employer, then he can opt for the business skills training programme.

**Social Safety Nets Programme:** The social safety nets programme was designed to alleviate the sufferings of the vulnerable low-income groups and the poor adversely affected by the impact of price decontrol, reduced government expenditure and increased cost recovery. The scope of the programme includes:

- i) Education assistance. This involves the payment of school fees for those families earning less than Z\$400 per month and which cannot afford the fees which were introduced as a cost recovery measure.
- ii) Food Security. This involves direct cash subventions to the urban poor who can no longer afford to pay the new food prices (maize meal) that

have been brought about by price decontrol measures and removal of subsidies.

This programme is implemented through the Department of Social Welfare, which is sufficiently decentralised up to the district level. Since the programme is to benefit the poor and vulnerable, it implies that it has to proceed based on some form of targeting. Thus, the different components have different targeting and delivery mechanisms.

**Box 18.4**

Zimbabwe has one of the highest HIV/AIDS prevalence rates in the world, at 35% of the adult population. This is having a severe impact on the economy, leading to considerable additional expenditure for health care by household and government, lost opportunities, faltering human and long-term development, and reduced productivity and long-term growth.

**Reflection and Action 18.5**

How does Zimbabwe propose to combat the problem of poverty?

## 18.8 Indigenisation of the Economy

Indigenisation is the process of empowerment of native communities aimed at reducing the racial inequality in the ownership and management of economic resources. It is a multifaceted process, which includes:

- a) Creating conditions for growth and expansion of business already owned and controlled by indigenous people;
- b) Facilitating the creation of new business by indigenous people;
- c) Where occasioned by circumstances (e.g. sale) facilitating the transfer of ownership and control of business from non-indigenous to indigenous people;
- d) Increasing indigenous participation in joint ventures with foreigners or locals;
- e) Accelerating black advancement to effective management and policy making positions in non-indigenous owned business; and
- f) Expanding employment opportunities and targeting special attention to the rural areas in order to improve the social and material conditions of the indigenous people.

The policy seeks to empower the indigenous people, who were historically disadvantaged by 90 years of proactive (towards whites) economic and social policies. The policy refers to black advancement through a calculated process of affirmative action to be achieved through a Programme of Indigenisation.

**Reflection and Action 18.6**

Discuss the process of indigenisation of Zimbabwean economy.

## 18.9 Post Independence Development Scenario – An Overview

Thus at Independence the Government of Zimbabwe gave social policy priority as a matter of concern to correct the imbalances inherited from colonialism. As a result of that thrust remarkable progress was scored especially in the areas of education, health, water supply and sanitation and in mitigating the effects of the recurrent drought. These successes were achieved because of:

- a) the political and philosophical objectives of social justice; and
- b) the need to dismantle the unequal, discriminatory practices and structures inherited from the colonial past.

The period 1980-1990 was characterised by significant progress in human resource and infrastructural development. Quality of life indices improved. Primary school enrolments rose by 83% and Child Immunisation expanded by 61%. Infant mortality declined by 29% and life expectancy increased from 55 to 59 years. The commendable expansion of social sectors between 1980 and 1990 was however made within the context pressing policy challenges. The social gains were not accompanied by economic growth and rising per capita income.

During the period 1980 to 1989 the population, at 3 percent per annum, grew at a faster rate than gross domestic product (GDP), at 2%. In the meantime, Private Sector investment fell as a share of GDP from 12% in 1985 to 8% in 1987. There was no foreign investment while declining primary commodity prices exacerbated a foreign exchange shortage. Various imbalances emerged in the financial, monetary, capital, and labor markets. In 1990 the economy was threatened by deepening cycles of low investment, low growth, a growing budget deficit, rising unemployment, inflation, and general economic decline.

Economic Structural Adjustment was introduced by the Government of Zimbabwe in October 1990 as a five-sector programme encompassing Trade, Monetary, Fiscal and Investment Policy Reforms, Deregulation and the Social Dimensions of Adjustment. The rationale for economic structural adjustment as a key component of economic policy was the perceived need to develop a policy framework for long-term economic development to be reflected through an expansion of the economy leading, through multiplier effect, to increases in employment and incomes, and thereby improving the standard of living and quality of the people.

In general, the government of Zimbabwe has been successful in redirecting public resources towards areas which are fundamental to long-term broad-based sustainable growth: human development; infrastructure serving the poor; public sector which is reasonably efficient and seen to act in the interest of the majority. There clearly are possibilities for improving both the efficacy - an ever more pertinent question in the light of the rapidly changing boundaries between the public and private sectors - and the efficiency of public sector resource use, and of improving the monitoring and adjustment of public sector interventions. The efficacy question is a difficult one to address because it deals to a large extent with the issue of trade-offs between equity and growth. While returns to investment in the poor often give high social rates of return, much of this is internalised by the poor through direct consumption or in the form of human capital accumulation, which will generate returns only many years later. It is therefore often difficult to measure the economic effects of many of these investments.

Overall, however, Zimbabwe has made impressive strides in the direction of more equitable socio-economic growth and development. The country's fundamental investment pattern provides the country with a good balance between the various forms of social capital for long-term sustainable growth. Though some difficult choices lie ahead - particularly, perhaps, regarding possible changes to land asset patterns - options exist which can ensure the financial sustainability of a growth pattern which will further improve the distributional outcomes, allowing an ever growing proportion of the population to participate in Zimbabwe's overall growth.

**Reflections and Actions 18.7**

What is the current political scenario of Zimbabwe? You may read the newspaper; visit the Internet to gather more information for writing answer.

## 18.10 Conclusion

The economic system of Zimbabwe, a comparatively young nation, is one indicative of a transitional country, a country making a transition from dependency underdevelopment to self-reliant industrialisation and that is the significance of getting to know more about Zimbabwean society and their development path. The mineral richness of Zimbabwe, the home of great civilisations attracted British and they colonized the country in late 19<sup>th</sup> century. It remained as a British colony for almost one century. Zimbabwe's economic and attempts for social and human development were remarkable after it became independent in 1980. Its mineral export industry was the key to the developmental success of the country.

The initial sections of this unit deliberate on the demographic, historical and socio-economic background of the country of Zimbabwe as well as its comparative position in the South African region. In the succeeding sections the political, economic and social conditions of the post-independent Zimbabwe were discussed at length. We could see that the government of independent Zimbabwe thrust a social policy priority approach to correct the imbalances inherited from British colonialism. This facilitated remarkable progress in social and human development fronts. There was a change in the policy thrust with the adoption of economic structural adjustment programme following an economic crisis in the country in late 1980s. The unit also looks into the impact of the economic structural adjustment policies especially with regard to the state of social, human and sustainable development. The government initiatives such as social development fund and social dimensions of adjustment, to tackle a broad range of development issues are also discussed in this unit. Finally it gives an overview of the post-independent development scenario of Zimbabwe.

## 18.11 Further Reading

Makumbe, John 1996. *Participatory Development: The Case of Zimbabwe*. University of Zimbabwe Press: Harare

Nhema, A.G. 2002. *Democracy in Zimbabwe: From Liberation to Liberalisation*. University of Zimbabwe Publications: Harare