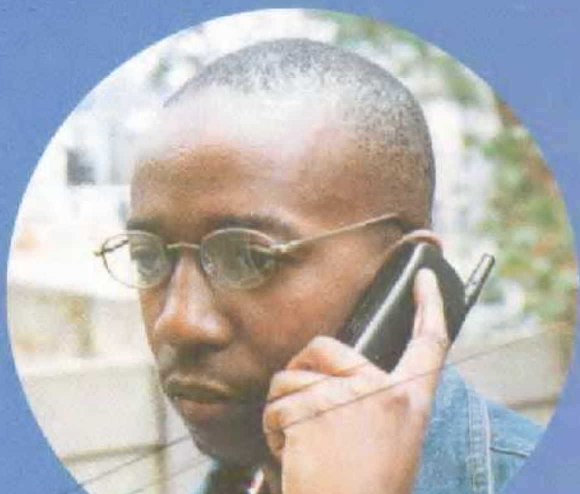
HUMAN DEVELOPMENT REPORT 1999
ZIMBABWE



Preface

The theme of the 1999 Zimbabwe Human Development Report is Globalisation. This 5 a complex subject integrating the economic, cultural, technological and governance domains. As indicated in the 1999 Global Human Development Report "Globalisation is not new, but the present era has distinctive features. Shrinking space, shrinking time and disappearing borders are linking people's lives more deeply, more intensely, more immediately than ever". The effects of the new markets, new tools and technology, new institutions playing a big role and the consequent new rules result in huge opportunities for human development. However, there is no doubt that for many developing countries and the poor across the whole world, Globalisation offers new threats to human security. The 1999 Zimbabwe report reflects the views of an apprehensive civil society in a country that is more globally integrated than some developed countries and yet keenly feels the polarising and marginalising effects of globalisation. Consequently, in our opinion, a rather grim view of globalisation is portrayed in this document.

In 1999, UNDP and UNCTAD sponsored a study on "Globalisation and Sustainable Human Development in Zimbabwe". This study took a much more optimistic view of Globalisation and urged the country to integrate and reach its development potential. UNDP is pleased to have been associated with this study and the Human Development Report, which have differing conclusions. Their respective views show the spectrum of opinion on Globalisation ranging from just considering it as a management issue to an alternative view that calls for resistance. The Human Development Report strongly recommends that a more internally oriented development strategy instead of an outward- oriented one is the only way to address fundamental issues of human development in Zimbabwe. The report makes very important observations for the country and the policy makers. This National Human Development Report is particularly strong on analysis of issues affecting the country. There is much in the analysis that we identify with. However, UNDP agrees with a more moderate view that the opportunities and benefits of Globalisation are possible to achieve and need to be shared more widely and more equitably. The Institute of Development Studies (IDS) as the lead institution in compiling the report does not necessarily share this view.

As was the case with the 1998 Report, the institutional arrangements for the production of the 1999 Zimbabwe Human Development Report were comprehensive and involved consultations with various stake-holders and interest groups. Following consultations involving the government, UNDP and the University of Zimbabwe's Institute of Development Studies (IDS), it was agreed that IDS should produce this report on behalf of UNDP and the Poverty Reduction Forum (a policy advocacy grouping involving civil society, NGOs, policy-makers, academics and donors). Research papers in sectors covering trade, economic management, environment, gender culture, governance and finance were prepared. The final document derived from the research papers as well as additional findings by the editor.

Poor people and poor countries risk being severely marginalised in the new order. To the poor and the poor countries, the main trait of globalisation has been the dismantling of institutions of social protection, corporate restructuring and layoffs and pressure on funding of the social sectors. The benefits emanating from global markets, technology, ideas and interdependence have not been realised. Instead there are marked reversals in human development and increasing poverty. The challenge for Zimbabwe is to find ways to manage the integration of its economy in such a way that risks are minimised and opportunities realised. The report is a good resource for every policy maker and discussant on the way that Zimbabwe can position itself for recovery and sustained development.

Carlos Lopes
UNDP Resident Representative

Donald P. Chimanikire
Acting Director (IDS)
University of Zimbabwe

Acknowledgements

The 1999 Human Development Report is a collaborative effort which has drawn heavily upon contributions from various stakeholders. The preparation of the Report would not have been possible without the support and valuable contributions of a large number of individuals and institutions.

The implementing agency for the Zimbabwe Human Development Report (ZHDR), Poverty Reduction Forum based at the Institute of Development Studies, University of Zimbabwe, is highly honoured to he associated with such an important project which has the potential of shaping the policy-making process in Zimbabwe.

Poverty Reduction Forum wishes to express its sincere gratitude to the Zimbabwe Human Development Report team for their sterling work. We extend our profound appreciation to Yash Tandon (SEATINI) for expertly compiling the Report in record time. We acknowledge with thanks the researchers who prepared the background papers which formed the basis of the Report: Clever Mumbengegwi, Economics Department (UZ), Jacob Kaliyati, Institute of Development Studies (UZ), Godfrey Kanyenze (ZCTU), Moses Tekere, Economics Department, (UZ), Theresa Moyo, Economics Department, (UZ), Benson Zwizwai, Institute of Development Studies (UZ), Arnold Sibanda, Institute of Development Studies (UZ), Margret Chitiga-Mabugu, Economics Department (UZ), Rene Loewenson (TARSC), Ramos Mabugu, Economics Department (UZ), Charles Nherera (Chinhoyi University), Munashe Furusa, African Languages, (UZ) and Thoko Ruzvidzo (WILTHOR).

The report benefited from intellectual advice and guidance from a panel of reviewers which comprised: Joseph Mzulu (Finhold), Lloyd Sachikonye (Institute of Development Studies — UZ), Engineer Mbohwa, Engineering Department, (UZ), B Muzorewa (Community Development onsultant), Patrick Chareka, (Statistics Department — UZ), Louis Masuko, (Institute of Development Studies — UZ), Rene Loewenson (TARSC), Roderick Mupedziswa (School of Social Work) and Colletta Chitsike (NOVIB).

We wish to thank the following members of the ZHDR Steering Committee for their guidance during the preparation of the Report. The ZHDR Steering Committee, chaired by Carlos Lopes (Resident Representative, UNDP), was responsible for overseeing the production of the Report. Carlos Lopes and his committee played a pivotal role during the production of the report by giving technical guidance and valuable advice. The ZHDR Steering Committee comprised representatives from key institutions: Donald Chimanikire (Acting Director, Institute of Development Studies — UZ), Justin Maeda (Resident Representative, UNICEF), Lancester Museka (Permanent Secretary, Ministry of Public Service, Labour and Social Welfare, and Solomon Mhlanga (Deputy Director Economics, President’s Office).

The Report was enriched by the special contributions made by various institutions and individuals. In particular, we wish to thank the following eminent persons for contributing boxes: Florence Chitauro, Minister of Public Service, Labour and Social Welfare, Kumbirai Kangai, Minister of Lands and Agriculture, Nathan Shamuyarira, Minister of Industry and Commerce, the Zimbabwe National Chamber of Commerce (ZNCC), Zimbabwe Council of Churches (ZCC), Zimbabwe Farmers Union (ZFU), Zimbabwe Congress of Trade Unions (ZCTU) and International South Group Network, (ISGN).

We are indebted to the following individuals who generously shared their knowledge and experience during the concept paper workshop held in October 1999. Twenty seven (27) participants drawn from civil society, government ministries, development practitioners, UNDP, UNICEF and the academia attended the workshop. Special thanks are due to: Emmanuel Ziramba, Elijah Sithole, S Chuma, Charles Halimana, Veronica Chakeredza, Andrias Rukobo, Daisy Mulcurazita, Sifiso Chikandi, Pauli Kariniemi, P Sibanda, Rufaro Shambare, Kwanele Jirira, J Kwaramba, Alexander Magwada, Vimhai Zinyama, and T Mamombe.

A Methodology Workshop was held at the end of October 1999 to discuss conceptual and methodological issues concerning the Report. We appreciate the incisive comments and suggestions made by the following participants: R Mpofu, (Central Statistical Office), Tazivei Mungate, (Central Statistical Office) Anna Mupawaenda, Institute of Development Studies (UZ), Brian Raftopoulos, Institute of Development Studies (UZ), Daisy Mukurazita, (SAFAIDS), Vimbai Zinyama, (Zimbabwe Youth in Business), M Manenji, (Silveira House), Patrick Chareka, Statistics Department (UZ), Sam Moyo, (SARIPS), N. Bara, (Ministry of Public Service, Labour and Social Welfare), R Chiteure, (Social Development Fund), Bright Mombeshora (Department of Research and Specialist Services), Nyasha Madzingira, Institute of Development Studies (UZ), T. Mamombe, (New Africa) and Fambaoga Myambo (Ministry of Industry and Commerce).

Many organisations generously shared their research materials and data. We are thankful to: the Management Development Unit (MDU), UNDP,.Institute of Development Studies Library, Zimbabwe Congress of Trade Unions Library, University of Zimbabwe Library, World Bank Library, Ministry of Public Service, Labour and Social Welfare, Social Development Fund, Centre for Experimentation UNDP, SEATINI, International Labour Organisation (ILO), Ministry of Industry and Commerce, Ministry of Finance, Ministry of Education Sports and Culture, UNIFEM and Ministry of Health and Child Welfare.

We are particularly grateful to the ZHDR Reader's Committee for their expert guidance and invaluable contribution towards this Report. In particular, we extend our appreciation to the following members of the Review Committee: Brian Raftopoulos (Institute of Development Studies) and Rudo Gaidzanwa (Sociology Department — UZ).

We extend our sincere gratitude to UNDP for providing financial and technical support towards the project. In particular, sincere appreciation is extended to UNDP staff Denis Nkala and Marcela Taraborelli for their input and support in ensuring the speedy implementation of the project. Finally, we would like to thank SEATINI staff:Rosalina Muroyi and Rajeev Paid for all their assistance during the production of this Report.

Poverty Reduction Forum is proud to be associated once again with the production of the Zimbabwe Human Development Report. We appreciate UNDP's confidence in our ability to co-ordinate the production of such an important national Report. The Report, which is a product of wide consultation among key stakeholders, focuses on the topical issue of globalisation and human development in Zimbabwe.

Poverty Reduction Forum Secretariat
Muriel Mafico, Co-ordinator, Charles Mutasa, Researcher/Documentahst and Stabile Masawi, Programme Assistant

Acronyms

ACP	African Caribbean and Pacific
ADAF	Agricultural Development Assistance Fund
AFC	Agricultural Finance Corporation
AIDS	Acquired Immune Deficiency Syndrome
CFU	Commercial Farmers Union
COMESA	Common Market for Eastern and Southern Africa
CSFP	Child Supplimentary Feeding Programme
CSO	Central Statistical Office
ECEC	Early Childhood Education Care
ERF	Export Revolving Fund
ERP	Economic Reform Programme
ESAP	Economic Structural Adjustment Programme
ESF	Export Support Facility
EU	European Union
FCDAs	Foreign Currency Denominated Accounts
FDI	Foreign Direct Investment
FPL	Food Poverty Line
FTA	Free Trade Agreement
GAPWUZ	General Agricultural and Plantation Workers Union
GDP	Gross Domestic Product
GMB	Grain Marketing Board
GNP	Gross National Product
GOZ	Government of Zimbabwe
GSP	Generalised System of Preferences
HIV	Human Immuno-Deficiency Virus
ICT	Information Communications Technology
ILO	International Labour Organisation
IMF	International Monetary Fund
ITR	Indiyidualising, Titling and Registration
LSCF	Large Scale Commercial Farms
MFN	Most Favoured Nation

MoESC	Ministry of Education Science and Culture
MoHCW	Ministry of Health and Child Welfare
MPSLSW	Ministry of Public Service Labour and Social Welfare
MSCF	Medium Scale Commercial Farms
NACP	National Aids Co-ordinating Programme
NECF	National Economic Consultative Forum
NIT	National Investment Trust
NSSA	National Social Security Administration
OGIL	Open General Import License
PASS	Poverty Assessment Study Survey
S&T	Science & Technology
SA	South Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPs	Structural Adjustment Programmes
SDA	Social Dimensions of Adjustment
SDC	School Development Committee
SDF	Social Development Fund
SEDCO	Small Enterprise Development Corporation
SIRDC	Scientific and Industrial Research and Development Centre
SMEs	Small to Medium Scale Enterprises
SSCF	Small Scale Commercial Farms
STI	Sexually Transimitted Infection
TNCs	Transnational Corporations
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Intellectual Property Rights
UDI	Unilateral Declaration of Independence
UK	United Kingdom
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

URAs	Uruguay Round Agreements
USA	United States of America
USAID	United States Agency for International Development
VHW	Village Health Worker
WB	World Bank
WC	Washington Consensus
WDR	World Development Report
WTO	World Trade Organisation
ZANU	Zimbabwe African National Union
ZCTU	Zimbabwe Congress of Trade Unions
ZDB	Zimbabwe Development Bank
ZIMPREST	Zimbabwe Programme for Economic and Social Transformation
ZWRCN	Zimbabwe Women's Resource Centre Network

- CHAPTER I -

THE REALITY OF GLOBALIZATION AND HUMAN DEVELOPMENT

Understanding Human Development

The concept of human development incorporates notions of both material and non-material welfare aspects of the human condition. The 1990 UNDP Human Development Report defined human development as the "process of enlarging people's choices" in a way that enables them to live "long, healthy and creative lives". The 1994 Human Development Report linked this to creating environments in which people can expand their capabilities and opportunities, both for current and future generations. To these concepts have been added those of 'sustainability' as adopted in the 1992 UNCED Agenda 21 resolutions; identifying the interdependence of environmental, economic, social, cultural and political factors in improving and maintaining the standards of living of current and future generations.

Human development then refers to the enrichment of people's lives and social progress in terms of:

- improved social well being
- strengthening productive sectors and expanding employment
- enhancing and maintaining infrastructures
- transferring knowledge, technology and skills while also enhancing use of traditional wisdom and culture and building local capacities
- exploiting and regenerating natural resources in a sustainable manner
- providing social protection and safety nets
- enhancing gender equity
- empowering people to participate in decisions that affect their lives
- providing for current and future needs (UNDP 1993).

Human welfare, not GNP, should be the true goal of development.

Measures of human development are less clearly established than for economic growth. Nevertheless, there has been a shift in understanding that human welfare, not GNP should be the true goal of development. GNP is a poor measurement for development because it reflects neither distribution patterns nor the character or quality of economic growth. As a leading human development theorist has written:

"The human development paradigm performs an important service in questioning the presumed automatic link between expanding income and expanding human choices. Such a link depends on the quality and distribution of economic growth, not only the quantity of such growth. A link between growth and human lives has to be created consciously through deliberate public policy—such as public spending on social services and fiscal policy to redistribute income and assets. This link may not exist in the marketplace which can further marginalise the poor"(Ul Haq, 1995).

In order to measure the growth of human development, UNDP has developed the Human Development Index, discussed below.

Human development and economic growth

The correlation between human development and growth is not automatic. The 1996 global Human Development Report noted that growth paths have become lopsided and flawed, producing:

- jobless growth (without expanding employment opportunities)
- ruthless growth (associated with increasing inequality and poverty)
- voiceless growth (without extending democracy or empowerment)
- rootless growth (that withers cultural identity)
- futureless growth (that squanders resources needed by future generations) (UNDP 1996)

And as this Report on Globalization and Zimbabwe demonstrates, we now have dematerialised growth (based on financial speculation, not on production of material wealth)

Sustained growth is a factor in human development improvements, and poor growth performance certainly undermines the resource base for social progress. Growth is a necessary but insufficient condition for, human development. Specific further policy measures are needed to translate economic progress into sustainable progress in human development and poverty reduction.

Translating economic growth into human development

For most people, development means housing, secure jobs, health facilities, schools and other things related to their standard of living and quality of life. Aggregate GDP growth has been equated with improvements in these through the questionable notion that delivering a larger aggregate quantity of goods and services will automatically improve people's standard of living. But this is not necessarily the case. The quality and structure of growth are thus critical determinants of poverty reduction and human development, incorporating issues of:

- the increase in employment and the nature of jobs created;
- the extent to which inequality in wealth, incomes and access to credit and markets is widened or narrowed;
- the extent to which the opportunities for employment, production, and enhanced incomes reach the poor;
- the extent to which surpluses due to growth are allocated towards ensuring social development standards in health, education, housing and social security;
- the extent to which cultural and political participation and legal rights are enhanced.

Where policies have directed public and community resources towards these areas of human development, remarkable social progress has been made despite low and even declining incomes. This has been noted in different continents of the world, in countries such as Eritrea, Cuba and in the Indian state of IKerala. In countries such as these, the state made deliberate and above average resource allocations to the poor; including high investments in education and specific interventions towards improving food security and the status of women.

Specific social programmes aimed at low-income groups need to be backed by a minimum level of public expenditure. In an analysis of 123 developing countries, those that achieved high health gains uniformly spent above 5% of their GDP on health and education. Such countries spent about 20-30% of their government budget on health and education and about 50% of this on basic social services including prevention, promotive and primary medical care, and primary and secondary education (Mehrotra 1996).

Measuring the HDI and HPI

The Human Development Index (HDI) developed by UNDP provides a composite measure for assessing performance based on income, life expectancy and educational attainment, all of which have equal weighting in the calculation of the HDI. As a composite indicator; this provides a mechanism for comparing human ddvelopment performance against performance in specific aspects of economic and social development, between countries or between groups within countries. It thus offers the opportunity, where disaggregated data exists, for regional, sectoral, gender; racial and other comparisons to be carried out, and to focus policy attention on areas of progress or deprivation. The HDI also serves as an "early warning system" for emerging development problems.

The HDI is used as one of two key measures of human progress in this report. The second measure is the Human Poverty Index (HPI). The latter concentrates on three areas of deprivation in human life also reflected in the HDI. These are:

- Longevity: This is measured as the percentage of people who die before the age of 40.
- Knowledge: This area relates to exclusion from the world of reading and communication, and is measured by the percentage of adult illiteracy.
- Decent Standard of Living: Deprivation in this area is measured by a composite of three variables: access to health services, safe water; and the extent of malnutrition in children under five.

The HI'! makes a useful contribution to the development of a multi-dimensional analysis of poverty, and can be used as an advocacy tool for targeting and planning poverty reduction policies in a country. However; the HPI does not measure indicators such as freedom of expression, participation in decision-making, personal security, participation in community life, and sustainability and inter-generational equity. Such indicators are both politically sensitive and difficult to measure.

The human development paradigm in the context of development theory

Poverty is one of the strongest factors in the prevalence of various diseases. The two-way relationship between health and economic development suggests that poverty reduction is a precondition for successful health reforms**.**

The emphasis on human development has not always been apparent in development theory. The UNDP Human Development Report was developed in the context of the increasing human costs of structural adjustment programmes, the sweeping changes in Eastern Europe, and the increasing demands for democratisation in the 1990s. In the past, however; the emphasis on human welfare as the major objective of development, was not a central feature of economic strategies.

In the first development decade, dating roughly from the late 1940s to the early 1960s, modernisation theory largely shaped development strategies for developing countries. This theory emphasised the transformation and 'take off" of subsistence economies into modern industrial capitalist societies. Growth was premised on the development of a strong entrepreneurial class through appropriate savings and investment strategies. The result of such growth would be a trickle down of development benefits to the poor. In this scheme the major agent of economic development was the modernising elite, and the "appropriate" political framework placed strong emphasis on order and control.

Towards the latter half of the 1960s and early 1970s, the optimistic assumptions of modernisation theory came under increasing criticism. The work of the UN Economic Commission for Latin America and the dependency theorists cast serious doubts on the expected benefits of neo-classical trade theory, indicating an increased impoverishment of developing countries as a result of existing trade relations with the dominant capitalist centre. The "trickle down" effect was simply not taking place.

By 1976, with poverty growing in developing countries, the International Labour Organisation (ILO) began to lay emphasis on a "basic needs approach" to development. This, it was argued, would deal more directly with poverty issues. However, with the advent of structural adjustment programmes in the 1980s and 1990s, there has been a renewed emphasis on economic growth and the assumptions of modernisation theory, though tempered by the introduction of compensatory programmes for the poor.

In more recent years the structural adjustment programmes (called Economic Structural Adjustment Programme or ESAP in Zimbabwe) have come under severe criticism from civil society and from within the World Bank also. Former Senior Vice President of the Bank, Josph Stiglitz, subjected the Washington Consensus, the theoretical framework of ESAP, to severe criticism in his much publicized WIDER lecture in Helsinki in 1997. Since then it is generally recognized that "compensatory programmes for the poor" are not enough to "temper" the effects of SAPs. The problem is in the design itself, and not simply in its implementation or in its unintended effects. The World Bank Resident Representative in Zimbabwe, Thomas Allen, addressing the Structural Adjustment Participatory Review First National Forum in Harare said the following: "From the broader perspective of poverty and human development, the programme design itself was flawed, particularly in the underestimation of its social consequences." (Daily News, 1999).

Zimbabwe Human Development Report

The Zimbabwe Human Development Report 1998 focused on the issue of Poverty. It showed that Zimbabwe was experiencing increasing economic crisis, growing poverty levels, and widespread concern over governance issues. The I 990s have witnessed decreased income levels, a contraction in social expenditure, and low levels of economic growth. Although racial inequity has been attenuated, there is a more pronounced gap between "poor" and "rich", as reflected in mortality and risk of disease indicators. The Report argued that poverty, which has worsened since the late l9SOs, is one of the strongest factors in the prevalence of various infectious and non-infectious diseases. Poverty has a direct bearing on the health status of people and causes an increase in sick people. Health is thus a factor in sound economic development. At the same time, a prosperous society promotes the health status of the population. The two-way relationship between health and economic developments suggests that poverty reduction is a precondition for the success of health reforms against poverty.

The Zimbabwe Human Development Report 1999 focuses on Globalization as it impacts Zimbabwe, following the theme of the global HDR 99. The following are the highlights of HDR 99 at the global level.

Highlights of the 1999 (Global) Human Development Report,

- "Grotesque inequalities" between and within nations
- Fragmentation of society — new social tensions, threats to security and social fragmentation
- Privatisation of security. International private military firms are proliferating. Crime syndicates.
- Economic and corporate restructurings — mergers and takeovers, heavy job losses. Flexibility of labour markets does not necessarily'contribute to competitiveness.
- Squeeze on government revenue. Drastic reduction in trade taxes; lowering of capital gains and corporate taxes, shifting the burden onto the poor; TNCs use transfer pricing to shift profits.
- Weakening links between footloose globalised capital (TNCs) and communities.
- Squeeze on 'caring labour'. Task of 'social reproduction' mostly provided by women's unpaid labour.
- Women continue to carry 'double burden'. Burden increased because of dismantling of publicly-provided care services. Market does not provide these services.
- TRIPS have put technology in TNC hands, raised the price of technology transfer and blocked out developing
- countries from dynamic knowledge sectors such as computer software and generic drugs. Threat of trade sanctions.
- Short-term speculative swings are not isolated incidents but 'systemic features 0f global capital markets'.
- Global governance focuses on global competition and market efficiency and neglects social and economic rights.
- Economic and financial interests, eg. G7, drive the agenda. Two positive forces of global governance are rise of the rights movement and NGO networks.
- WTO should be mandated to give it an anti-monopoly function over price discrimination and predation by TNCs.

  An ombudsman, code of conduct for TNCs based on globally agreed principles of performance and compliance with human rights and labour standards.
- International transfer mechanisms from rich to poor — Tobin tax, international air tickets, 'bit tax', etc.

(Extracted from 'Go Between' 76, August — September, 1999)

The Zimbabwe HDR 99 confirms the findings of the global HDR 99 on the impact of Globalization. However, it defines the differentia specifica of contemporary Globalization as the domination of financial or speculative capital over productive capital. Out of US $ 1.5 trillion that moves across borders on a daily basis, only 5% go towards financing trade, the rest is simply making money out of money. In Zimbabwe financial and partial capital liberalization has had the effect of sucking all local savings, as well as off-shore finance, into the banking sector for the high-yielding money market, siphoning off productive capftal out of the reach of small and middle scale enterprises (SMEs) as wellas the small-scale agricultural sector. Trade and financial liberalisation has enticed not productive investment but speculative and portfolio capital inflow. Thus, deprived of the necessary capital the productive sectors of the economy have not grown. The GDP per capita has fallen from Z$ 1901 at independence and Z$1977 in 1990 to Z$ 1790 in 1998. Thus what could not be explained in the ZHDR 1998 Report is now in full display. There has been no growth since ESAP and Zimbabwe's integration into the Globalized market. In fact, there has been steady de-industrialisation.

The Report explains that the poor management of the economy is only part of the problem. In fact, the managerial concept misses the point made by the World Bank local representative, and others, that the fault is in the design itself not just in the management of ESAP. The implications of this for human development and for the poverty reduction programme are profound. Minimum growth is necessary for human development, but what if there is no growth? The increasing poverty in Zimbabwe has more fundamental causes than poor management of the economy. The Report shows that a more internally oriented development strategy instead of an externally-oriented one is the only way to address fundamental issues of poverty.

HDI and HPI Survey of Zimbabwe

Human poverty comparisons are aimed at facilitating poverty reduction policies and programs through the identification, monitoring and analysis of human poverty. As noted earlier, human poverty analysis can be a useful tool for advocacy and mobilizing funds for poverty alleviation. This section analyses human poverty among the districts in Zimbabwe with the aim of identifying districts where poverty indicators are particularly intense.

Regional Human Poverty Comparisons in Zimbabwe

Table 1.1
Provincial Human Poverty Comparisons in Zimbabwe

District	Non-survival 40 Years	Illiteracy	Under-weight Children	No Access to clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mash Central	13.16	33.00	16.9	1.54	7.30	6.50	9.73
Manicaland	20.65	24,78	11,7	28.38	9.60	18.30	25.69
Masvingo	21.95	24.15	23.2	29.98	9.30	17.00	21.71
Mash West	19.37	24.58	17.6	31.77	3.10	19.36	21.20
Mash East	18.10	20.12	16.3	22.64	11.20	17.14	20.49
Mat North	16.85	26.28	9.1	41.42	7.00	21.57	19.71
Midlands	11.96	18.48	11.0	23.88	8.80	13.93	19.59
ZImbabwe	16.85	19.62	13.3	31.42	9.90	17.44	17.61
Mat South	16.85	22.00	6.8	23.39	8.80	15.16	17.40
Harare	10.78	5.96	10.7	28.76	6.30	13.97	16.96
Bulawayo	9.70	6.35	4.0	0.07	14.00	6.02	7.73
Mash Central	13.16	33.00	16.9	1.54	7.30	6.50	9.73

Figure 1.1
Human Poverty comparisons in Zimbabwe by Province

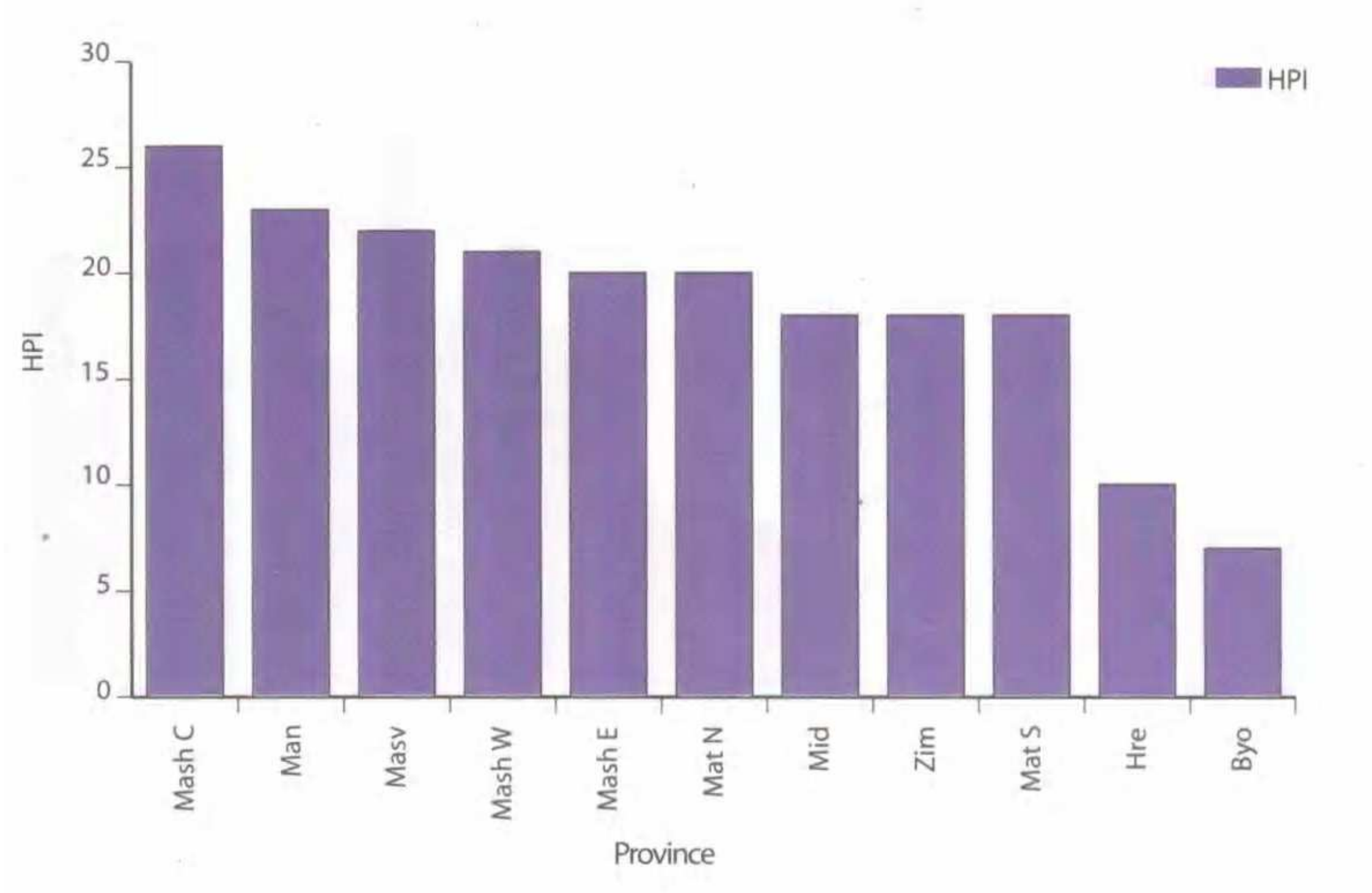


Figure 1.2
Provincial HDI Comparisons by Urban/Rural

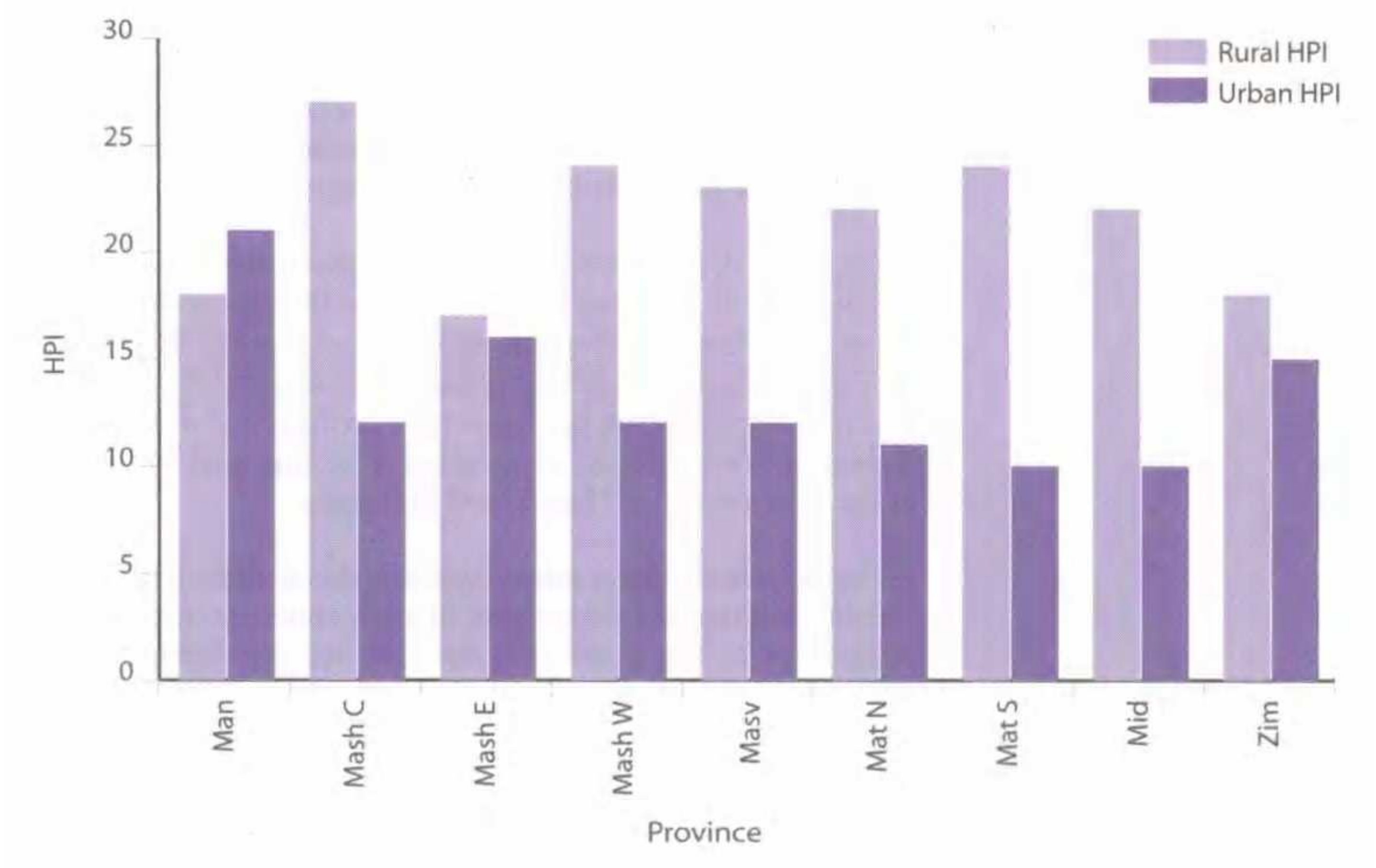


Figure 1.3

Provincial HPI Comparisons in Zimbabwe by Gender

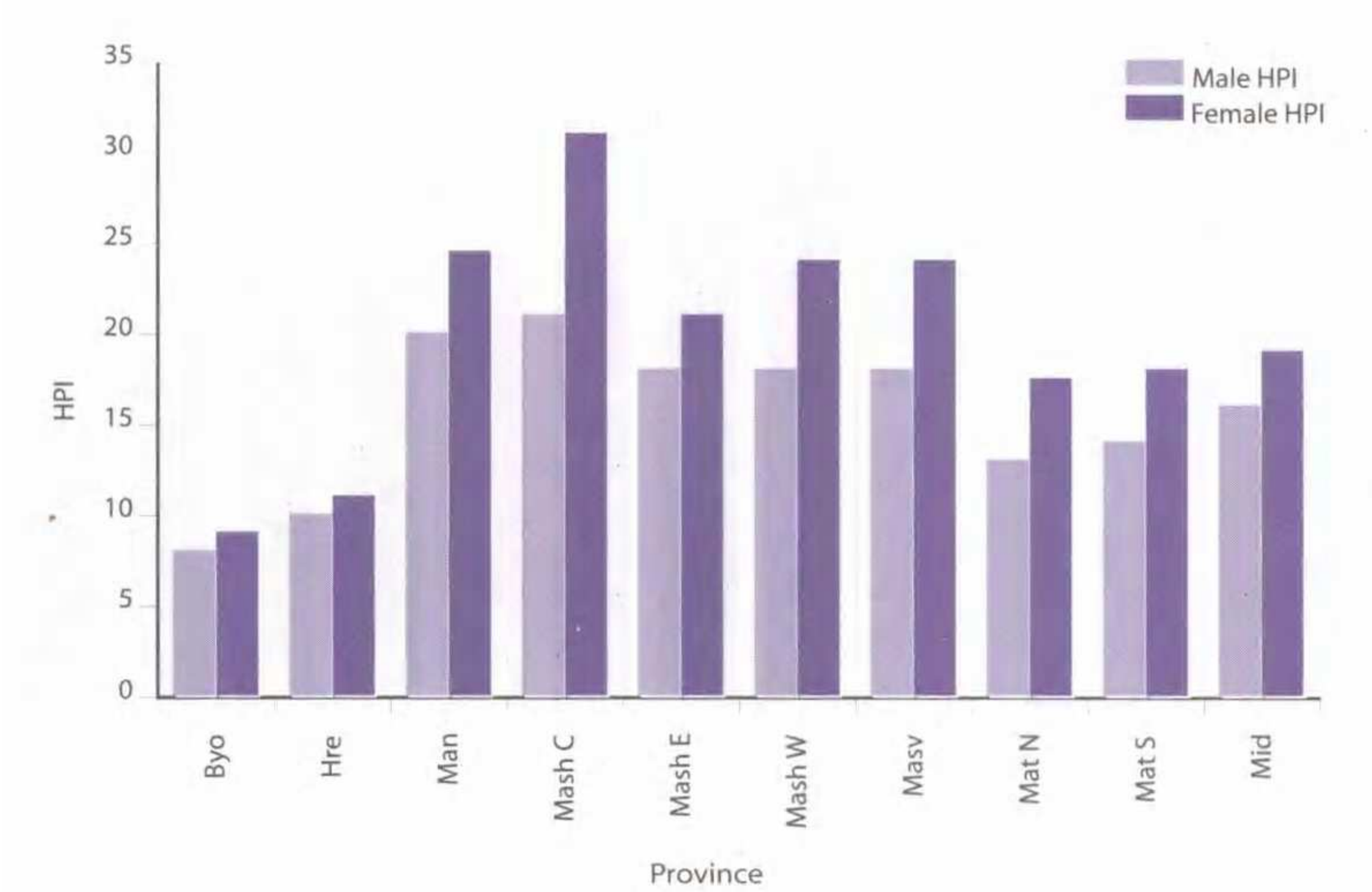


Table 1.1 (see pdf file in download section) (also presented in Graph 1.1) lists Zimbabwes 8 provinces as well as Harare, and Bulawayo, by descending RN ranking. Mashonaland Central has the highest HP! ranking with an HPI of 25.69 (i.e. it is the poorest province according to these figures), with Bulawayo the lowest HPI with a ranking of 7.73 and Harare with a ranking of 9.73. Predictably, the lowest HP! districts are urban centres while the high HP! districts are all rural areas (Graph 1.2), but it is interesting that Bulawayo is the lowest ranking. It is interesting also that Bulawayo has the highest HPI ranking on access to health care (i.e. has worst health facilities), but in terms of access to clean water is well ahead of all others. This may be due to the durability of water infrastructure, and the absence of a large urban inflow of people in Bulawayo compared to Harare.

Mash Central, Manicaland, Masvingo, Mash West and Mash East rank high in terms of the probability of dying before reaching the age of 40. This, too, is an interesting outcome since these are also mainly agricultural areas. Two hypotheses for future investigation might be that these disparities are caused by the kind of economic activity in these areas, or alternatively, because of the structure of ownership in these areas. Illiteracy is highest in Mash Central, Manicaland, Masvingo and Mash West, and lowest, as expected, in the urban areas of Harare and Bulawayo.

Living standards deprivation, which is the arithmetic mean of the proportion of underweight children, the proportion of the population without access to safe water and the proportion of the population without access to health care, is highest in Mash East followed by Masvingo and Mash Central. Once again Bulawayo comes on top, closely followed by Harare. This challenges conventional wisdom about poverty in Bulawayo.

In gender terms, once again, Bulawayo has the best record for both male and female in the HPI index with Harare close behind (Graph 1.3). It is the women in Mash Central that have the highest HPI (i.e. they are the poorest). Women in of Manicaland, Mash West, Mat North and Mat South appear to be more or less on the same HPI level. Consistently, though, women in all provinces have higher HPI levels than men.

These figures may not tell the whole story, but whatever it says is food for thought for sociologists and economists as well as policy-makers. For a fuller statistical survey please see the appendix of the Report.

Understanding Globalization

Globalization is pan of the reality of the contemporary world. If we ignore it, we do so at our peril. It is necessary that we understand and deal with it, rather than lament or complain about it.

Globalization in its most generic and broadest sense is part of the movement of history itself. Throughout history people have moved from food-deficit to food-surplus regions taking with them their families and flocks, sometimes conquering the areas to which they moved, sometimes getting absorbed in them and losing their separate identities. This larger movement of history is the movement of civilization itself. Wars, pestilence, slavery, bondage, occupation, exploitation, wanton destruction of cultures and nature, and forcible religious conversions are part of the negative baggage of this movement. But there is also a positive side -- the spread of cultural pluralism, the development of technology and productive forces, the global awareness of the underlying unity of humankind, and more recently the (partial) return to nature as an inherent part of life in all its many forms. Civilization has come with mixed blessings.

This is the broad movement of globalization (with a small 'g'), identical with human history, or civilization, itself. Within this broad sweep of history there are shorter movements. The colonial conquest of most of what we call the third world by the West was one such movement of history, barely 300 years old. Within this particular movement (still with us), there have been several stages — slavery, which cost Africa roughly 20 million youthful lives, was one such stage. Slaves from mainly Africa were exponed and used to colonise the "new world" of the United States, Brazil and what is now the Caribbean. This kind of trade in human beings was followed by the stage of trading in commodities, where commerce and mercantile trade was the main characteristic. By the turn of the nineteenth century and into the beginning of the twentieth, trading in commodities continued but it gradually got superseded by direct export of capital. The European colonisers were now engaged in direct production and extraction of commodities (mainly raw materials such as cotton and cocoa, and minerals and oil). Our civilization is still passing through this particular movement — characterised by the domination of one pan of the globe constituting barely 20% of the world's population and consuming 80% of its resources.

Speculative capital as the distinguishing feature of Globalization

What we now know as Globalization (with capital 'G') is a new stage in the development of capitalism. (This Report uses the words globalization and the global system in the general universal sense, and the words Globalization and the Globalized system in the specific sense of contemporary history and with specific characteristics).

Globalization began just as the world was leaving behind the twentieth century and getting into the twenty-first. We do not yet understand all its manifestations in their fullness. But one aspect of it is becoming clear. It appears that the differentia specifca of Globalization is still the export of capital, but it is capital that is less and less engaged in direct production and more and more in purely speculative activities. In the earlier period capital made profits out of actual production of commodities. Under Globalization financial capital makes profits out of purely financial dealings, making money out of money without passing through the intermediate stage of production. Capital, in other words, has become 'dematerialised'; it has no material basis in production. (see Brenner 1998)

A good example is the way George Soros has accumulated wealth (and he is mentioned here, without personal disrespect to him, only because he is better known than others). In Thailand in the months prior to the August 1997 financial crisis, he borrowed millions of bahts from banks using his already accumulated wealth as collateral security. Immediately (because time was of the essence) he began selling the bahts in the market. The Thai central bank intervened to buy the bahts in order to secure its value until its foreign reserves (quite considerable, i.e. compared to Zimbabwe's) were exhausted. The baht then plummeted in value to almost half. So Soros could now return his loan (with interest) to the banks, but in terms of US dollars he needed to pay back only half the amount he had originally borrowed. Thus, he made millions literally out of "thin air".

Besides him there were institutional "investors" from US and Europe-based pension funds that had also come into Thailand to make money out of money. Their "capital" added nothing of value to the Thai economy in terms of production. On the contrary, by triggering a financial crisis they contributed to the collapse of the East Asian economies, which were previously held as models of development.

It is necessary to give a concrete example because in Zimbabwe this particular characteristic of finance capital is either not understood, or if it is understood it is ignored by the officials in the belief that if you close your eyes the phenomenon ceases to exist. The mainstream view is to make a distinction between Foreign Direct Investments (FDI) and speculative capital. But it is a thin distinction. There was much excitement in Zimbabwe stock exchange (and Government) circles when in 1996 capital came in to boost the hourse. But much of that was purely speculative or portfolio capital that left the country as quickly as it had come having made its profits out of purely financial transactions.

It is necessary to give a concrete example because in Zimbabwe this particular characteristic of finance capital is either not understood, or if it is understood it is ignored by the officials in the belief that if you close your eyes the phenomenon ceases to exist. The mainstream view is to make a distinction between Foreign Direct Investments (FDI) and speculative capital. But it is a thin distinction. There was much excitement in Zimbabwe stock exchange (and Government) circles when in 1996 capital came in to boost the hourse. But much of that was purely speculative or portfolio capital that left the country as quickly as it had come having made its profits out of purely financial transactions.

The technological aspect of Globalization

Most people associate Globalization with technological change, the quality and speed with which the current technological revolution is changing the world. The information technology, the computer technology and the gene technology are the three most dynamic technologies in the contemporary world. They are fundamentally altering the way we are doing things, whether at home, in industry, in commerce or in Government. F-commerce and E-mail are becoming part of the daily lives of those who are entering into or are part of this new technological age.

In all the excitement about the new technology, there is one aspect of it that is often missed out. And this is that technology is not a neutral factor of production, as most people believe. It is based on the capitalist law of ownership, the law that those who own technology also control part of production and have a claim on part (often the more substantial part) of the profits that arise out of it. Technology does not come free. An individual might copy a computer programme and use it for free, but he/she has then committed a legal offence. It is in any case not an option open to large enterprises or to governments. Most of the technologies associated with Globalization are patented and are owned by the inventor or, as is more usual, those who paid for its creation. And these are mostly large transnational corporations (TNCs) located in industrialised countries. Globalization is driven by a new generation of technology that is owned by corporate capital.

Once again, a concrete example may be useful. A country can choose to ignore modern technology, but only at a cost. At the same time if it chooses to modernise its technology there is also a price to pay. For example, Zimbabwe can continue to use the present ozone-depleting refrigerators. If, however, an international trade regime demands certain standards of refrigeration that are “environmentally sustainable”, a subject still under negotiation, then Zimbabwe can face legal action in the World Trade Organisation (WTO) for violating trade law if it still chooses to use the old technology. For it to conform to the new standards, it has to change all its refrigeration plants and equipment as well as refrigerators in domestic homes. It will need to buy or lease the new technology from one of the few companies in the world that have control over the new technology. It will then have to enter into a technology agreement with the technology supplier, either in a joint venture or in a rent deal. Thus, Zimbabwe’s refrigeration industry will not only transform technologically, but also in terms of ownership and in the control of the market and in the distribution of profits. Depending on the technology agreement, Zimbabwe could either surrender part of that industry to a foreign corporation, or pay quite substantial monopoly rent to the technology supplier.

This is only an illustrative example to show that “going technological” or “integrating into a Globalized world” is not simply a case of changing one kind of refrigerator for another. It also means changing the ownership patterns of production and the allocation of profits of production and marketing. This is never an easy option because it has other complex economic, social and political consequences. The example of refrigeration is chosen because there is currently a battle raging between Indian refrigeration industry and the monopolies that control the new refrigeration technology. India is prepared to purchase the new ozone-friendly technology off the shelf, if allowed. But it is not. The refrigeration monopolies do not want to simply sell their technology. They want to use their technology as a tool to capture a share of the Indian market; they want a piece of the cake. There is thus a veritable battle for the control of the huge refrigeration market between Indian industrialists and foreign technology suppliers. Property and standards regimes have become a weapon for the control of the market. In the present globalizing world the battle for the control of the market rages between nationals of a country and foreigners who own technology or have the advantage of mobilising greater quantities of capital.

The sequencing problem and its human implications

No country can completely isolate itself from the Globalized economy. However, the extent to which and the speed with which it should integrate into the Globalized market is difficult to determine. It is, up to a point, a policy matter. This is known as the "sequencing" problem, how a country sequences its entry into a Globalized market, at what pace and at what cost. The example of refrigeration is a simple one. It deals with a visible commodity. The harder parts of the process of Globalization are the less visible ones. When and at what speed does one open up one's capital market to Globalization, for example?

One of the reasons for the sudden collapse of the Thai economy in August 1997, leading to a chain reaction that brought down stronger economies such as those of Korea and Indonesia was that Thailand opened up its capital market too prematurely. It did so without first installing a strong banking regulatory system. Actually this is now wisdom after hindsight. It had also a weak property market that was based on speculation. Bank loans from off-shore sources lent-on to enterprises with fundamentally unsound asset bases built on a booming speculative property market rendered the domestic currency very vulnerable to speculation. Thus, when financial speculators decided to take advantage of it, the Thai reserve Bank failed to protect the currency. The result was that the Thai economy went into a spin and the "contagion" spread to several neighbouring countries taking them down as well. Precisely those economies that were most integrated into the globalized markets were the ones that were the most vulnerable to speculative attacks.

The human dimension of this crisis is not captured in economic statistics. When the South Korean economy melted down in 1997-98, it was the Korean State that came down heavily on its own local banks and enterprises at the command of international capital: The IMF moved in and, encouraged by its key stakeholders, exercised conditionality on the South Korean State about how the economy was to be baled out. Thousands of small and middle enterprises (SMEs) hit the rock and sank. In one month alone, in December 1997, 3,000 small to middle companies in South Korea collapsed. Most of the local banks in the region were forced to close down, and taken over by the large finance and investment banks from the United States, Europe and Japan. Thousands, perhaps millions, of the local people were thrown into the ranks of the unemployed.

What happened in East Asia was a repeat, on a larger scale, of what had happened in Mexico three years earlier. In December 1994, there was a run on the Mexican peso. The IMF and the United States intervened with approximately US$40 billion to shore up the currency. Who were they protecting? Not the Mexicans as it turned out. They were protecting American banks and speculators. The Mexicans paid a heavy price for the 'bail out'. The fall in peso meant that Mexican assets were devalued in the world market. Later American and other foreign capital owners came back again picking up these assets with less than a third or a quarter of their original value. The result was that the Mexican middle class that owned these assets was hollowed out of their assets. Almost overnight a section of the middle class was wiped out.

Russia too, lured by Western capital, chose to integrate its economy into the Global market in what is known as the "shock therapy". The result was that its economy, badly prepared to absorb such therapy has virtually collapsed. To be sure, Globalization is a reality and one has to deal with it, but in a sensible manner. How a country sequences itself into the Globalized economy is an extremely important matter. It is an issue to which this Report will come back again.

The "Free Market" is not a Utopia

The "free market" is like a swimming pool. It is necessary first to put your toes in it to test the water before diving. Even the European Union is not blindly integrating its agriculture into the free market. Indeed this is one of the principal reasons for the collapse of the WTO Ministerial meeting in Seattle in December 1999. If the EU's policies are indefensible from a free market ideological perspective, the truth of the matter is that Europe is not about to jump into the pool of the free market without carefully weighing the political and social consequences of such a step. It is a question of "sequencing", knowing when, how and with what speed one wants to jump into the free market. The free market is not a utopia.

No country in the world, not even the United States, is fully integrated into the global market. It cannot afford to do so politically or economically. Integration, like most things, is a relative concept. (In fact, in terms of ratio of trade to GDP, Zimbabwe, with a very high ratio of trade turnover to GDP of about 66%, is more "integrated" into the global economy than the United States). As the simple truism goes, "it all depends". It is easier to integrate into the global market those sectors of an economy that are strong. Thus, the US wants a free market in the movement of capital, because it is strong in the capital market. But it does not want free market in the movement of steel and steel products because it fears that Japanese and Korean steel will undermine domestic steel plants and cause massive unemployment. This was another reason why the WTO Seattle meeting collapsed. The US steel and teamster workers unions wanted "labour standards" introduced in the WTO as a way of protecting their industries from competition from abroad. The third world countries, knowing that labour standards, like environmental standards, would be used for protectionist purposes against them refused to let labour standards be part of the WTO agenda. The third world, on the other hand, want a free movement of labour. The Europeans and the Americans do not want this, because it would swamp their countries with people "of colour" and exacerbate the social and political problems that already exist in their countries.

At the end of the day Globalization is about the control of the market, and through the market the whole economy. The Globalized economy is a "transnational" system largely under the control of big transnational corporations located in the industrialised countries. They use the control over capital and technology and the state power of their countries (the G7 states) to undermine the options available to weaker nations and weakereconomies. Globalization increasingly transforms weaker "national" economies into dependencies of the "transnational" economy. Increasing control by foreign direct investments (FDI) emanating from Transnational Corporations render the governments in - weaker countries unable to use policy instruments to control their economies. The TNCs, on the other hand, become ever more independent of local concerns, since they can exert the power of their capital over weak national states, and failing that they can use the many exit options they have. The Globalized twenty-four hour operation of financial markets encourages short-term investments and accelerates capital flows. Speculation in foreign exchange and derivatives creates a "virtual economy" which is practically outside the control of national governments. A country might resort to protectionist measures to defend the national economy. However, the costs of a protectionist closure, or partial closure, of domestic economy could be especially high for countries such as Zimbabwe that are dependent on export markets and imports of oil, technology and know-how.

Thus, to conclude, Globalization defies dictionary definition because it is not a "thing". Even modern technology with which many people associate Globalization is not a "thing". Technology is a relationship of production where those who own or control it also control a share of the market and the distribution of profits. The specific characteristic of contemporary Globalization is the daily movement of billions of dollars of speculative finance capta1 looking for short-term profits. It has nothing to do with production. Globalization can also be an ideology that ignores sequencing imperatives in the libaralization of national markets. Hence, Globalization is a process by which finance capital increasingly transforms weaker "national" economies into dependencies of a "transnational" economy under the control of the TNCs of the G7 countries. The human cost of this is the marginalization of the weaker sections of the developing countries, those who have no means to defend themselves, and subjecting them to a life of poverty and penury.

The "managerial" theory of integration into Globalization

For nearly forty years from the Great Depression of 1930s to about the early 1970s, Western countries applied Keynesian theories to prime their economies. Deficit spending was an important ingredient to kick-start economic growth. Countries in the West are now on a different growth curve, and they can dispense with Keynesian economics. They need to cut down their deficits. Indeed in the USA, currently, the problem is what to do with its enormous budget surpluses rather than budget deficits. But Zimbabwe is not on the same growth curve as the USA or the UK. And above all, the Zimbabwe State has a social responsibility towards its population to provide them with education and health facilities of which they have been deprived all throughout the colonial period. This is not a defence of budget deficits, but an argument for not making a fetish Out of it, and to view it in its proper historical and socio-political context. One needs, in other words, to examine what the budget deficit is used for, before taking a position on whether it is a positive or negative step for the economy.

To be sure, budget deficits fuel inflation. But inflation itself is a complex phenomenon. The solution to the problem of inflation cannot he monetarist, or the balancing of the budget, although in the short term these may be necessary to control runaway inflation. To prescribe monetarist solution to inflation is to simplify matters that really belong to the realm of production. The solution has to do with production of enough material goods to satisfy the basic needs of the people. It has to do with economic planning that puts people to productive employment so that there are enough material goods in the market, and enough purchasing power in the pockets of the people to buy those goods. An economic policy, such as the Economic Structural Adjustment Programme, that leads to de-industrialisation, throws people out of job, and shrinks the domestic market is as much a cause of inflation as budget deficit. Indeed budget deficit may be a necessary social tool to reach Out tO the poor who have no other means of making a living. Budget deficit is a dependent variable, and what it depends on is a complex of factors besides the economic.

In a widely quoted speech delivered on 7 January, 1998 at the WIDER Annual Lecture, Helsinki, Finland, Professor Joseph Stiglitz, the former senior Vice-President of the World Bank, cast into serious doubt the Washington Consensus. The lecture was wide-ranging and challenging, but the gist of what Stiglitz had to say was that the WC-based policies were "incomplete". He said that the proposed policies for many third world countries were often "misguided". They reduced management of economics to five "fundamental" economic variables — budget deficit, balance of payments, inflation, interest rates, aiYd trade deficits. These form the core of the WC. If you have these five fundamentals right, you are supposed to be on the road to growth and development. They overplayed the role of monetary and fiscal tools, and ignored the role of financial markets as a destabilising force. They tended to downplay the importance of stabilising output and employment. He said that WC's various methods of controlling budget deficits "have drawbacks", and that there was no optimum level of budget deficits — these depend on circumstances and the sources of finance. And so on. (Joseph Stiglitz, 1998). Many African scholars have been saying the same things for over two decades without being heard (Mkandawire and Soludo, 1999).

A significant argument against looking at the economy from a purely "managerial" or technical point of view, as is the economists' wont, is that contrary to their assumptions, the various classes of society are not passive recipients of government policies. They influence the policies where they have the resources and the skills to carry out their lobbying work. They resist these policies when they do not have the power to influence policies. Or they adapt. The rich and landed gentry adapt differently from the poor and the landless. When maize prices go down, for example, the landed gentry shift to horticulture for export or to game ranching for tourism. The poor innovate their own devices for adaptation and survival in a hostile environment. The much talked about informalisation of the economy, for example, is not government policy, much as governments pay lipservice to the ingenuity and innovativeness of the informal sector. Informalisation is a reaction of the poor and the middle classes to hardship, and an attempt to survive. Thus, the formal sector industries may complain about the importation of second-hand clothes as damaging their enterprises leading to closing down of factories and sacking of workers. But in times of rising prices of basic goods, the poor have to survive and second-hand clothes, often smuggled from across the border, is one among many means of survival. One section of the poor, those in need of clothes, appear thus to be working against another section of the same poor, those now unemployed. But both aspects are part of the glohalisation process over which the poor have little control.

Complex social and political issues cannot be reduced to an economics that simplifies reality, reducing complex issues of domestic and international politics to monetary and fiscal issues. "Managing" Globalization is not a purely economistic exercise. It is not something that can be undertaken by the government acting on its own, since there are many stakeholders, often with contradictory interests and demands. In fact, "managing" globalisation is a wrong concept; it trivialises the problem, and renders it as a "policy" issue for governments. It relieves other sections of society from responsibility. It also exonerates from blame powerful external forces, such as the 1M the World Bank and the TNCs who have considerable influence in small economies such as that of Zimbabwe.

Need to shift the parameters of debate in Zimbabwe

The analysis presented in this report does not attempt to exonerate governments. Governments, in most cases, do not need the World Bank and the IMF to make "had" policies. Most governments, driven as they are by the class interests of those in power, are perfectly capable of making their own anti-people policies. But the Bretton Woods institutions, and the "experts", are active agents in encouraging governments to make these policies.

The issue of accountability of government decisions is an important one. Matters of budgetary control and the management of public funds are significant issues relating to accountability. In 1997/99 the ZCTU and civil society were able to use the issue of the budget to sound political use, and to raise relevant matters of governance and democracy.

What the ZCTU and civil society were doing, however, is different from what neo-liheral economists and institutions of Global Governance such as the IMF and the World Bank tend to do. The latter make a fetish out of economic categories, such as budget deficits and subsidies, which they regard as "market distortions". The Zimbabwean neo-liberal economists still believe they can prescribe economistic "solutions" to problems that are deeply political and embedded in a history of inequity. Political problems require political solutions. While a theoretical case can be made against, for example, budget deficit financing or subsidies, their relevance depends on specific conditions and objectives. The debate has to move away from economistic generalisations that appear to provide "concreteness" to the subject matter under consideration just because they are couched in a statistical and "scientific"-looking language. But they are nowhere near providing solutions to deep-seated, structural problems of the country. Worse still, their arguments become a grist in the mills of the IMP, the World Bank and the TNCs whom they portray as either benign bystanders or as neutral agents of "poverty eradication programmes". The debate initiated by Stiglitz has unfortunately not filtered through to Zimbabwe.

On the question of “management”, there is another difference between domestic political critiques of Government and the WB/IMF and their local spokespersons. The latter are caught up in a contradictory logic. On the one hand they advocate free market solutions to economic problems, and yet on the other hand they critique the Government for not “managing” the free market. To illustrate, take the example of the role of the Grain Marketing Boards. These are expected by neo-liberal economists on the one hand to function on commercial lines and on thF other hand to provide a social net in situations of scarcity, two contradictory demands. (see B. Raftopoulos, T. Hawkins and N.

Matshalaga, “Drought Management, the Economy and NGO Responses in Zimbabwe,” in the 1997/98 Experience, UNDP, 1999). The neo-liberal economists’ attitude to Government management of the economy is the same. They would not have Government intervene in the operation of the “free market” since this, they say, leads to “price distortions”, and yet they would have Government intervene by monetary and fiscal measures to control inflation. When pushed, they fall back on the argument that the Government should not have gone to the Congo or that it should not have succumbed to the demands of the war veterans for compensation. And here they enter the realm of the political on which they are the least qualified to make judgements.

Box 1.2
Globalisation and Its implications on Social Development in Zimbabwe

Increasing globalisation and its intricate linkages with modern technology permits the interests and powers of other nations, as well as those of the economically powerful multinational corporations, to penetrate deeply into the lives and decisions at local level. Those developments have made action and initiatives by local communities, interest groups and national governments increasingly difficult. As all economies, both large and small, increasingly depend on international trade, national economies have become less amenable to direction by domestic economic policy.

As the realities of globalisation continue to unfold, the eradication of poverty in the world through decisive national actions and international co-operation, has become an ethical, social, political and economic imperative of humankind. The Government of Zimbabwe (GoZ) has taken decisive action and committed itself to creating an enabling economic, political, social, cultural and legal environment that will enable people to achieve social development. Considerable effort has been directed towards creating an economic environment that promotes more equitable access to income as well as promoting open markets while intervening where necessary to counteract market failure, ensuring fair and ethical competition and enhancing long-term productive investment.

In this regard, GoZ has put in place policies to counteract market failures in the area of social development. Such policy measures include:

- The adoption of the PAAP as the framework within which all poverty alleviation will be implemented and co-ordinated.
- In 1998 the GoZ incepted the ZIMPREST, an economic reform programme that seeks to give priority to social development, alongside economic development.
- Designing of social safety nets to cushion the poor and the vulnerable against the negative impacts of structural adjustment.
- Increased government participation in micro finance to increase access to credit for the poor as well as promote self-employment.
- Increased government responsibilities in protection of vulnerable groups against shocks like drought,
- disease, etc. through social protection mechanisms which include drought relief, free food distribution, child supplementary feeding, public assistance, etc.
- Institution of price controls on seven (7) basic commodities; i.e. producers have to get government approval before increasing prices.
- Land reform as the key to both poverty alleviation and political stability.

The globalisation process will undoubtedly increase the vulnerability 0f certain socio-economic groups, especially the poor, as they do not possess the means of production. Several measures have, therefore, been undertaken to ensure that such groups get adequate economic and social protection during periods of vulnerability.

GoZ has increased its involvement in social protection against catastrophic shocks. In addition to the successful interventions during drought and epidemic disease situations, Zimbabwe now has a National Social Security Scheme that seeks to cushion households against income loss at old age, death and injury at work. A National Health Scheme is also under way.

In an effort to widen the scope of existing social support mechanisms, Government is also in the process of designing a National Social Protection Strategy for Zimbabwe that seeks to assist households better manage risks of income loss, unemployment, disease, etc. An integrated poverty monitoring and analysis system to strengthen the poverty monitoring capabilities of all key players in this area is also being developed and this will ultimately find its way into the internet information highways.

One of the major negative consequences of globalisation is unemployment. In Zimbabwe there are no adequate social protection mechanisms against unemployment, which is one of the key outcomes of the country's efforts towards social, economic, political and cultural integration with the rest of the world. The several social support mechanisms that are currently in place have not succeeded in adequately bridging this market failure. Thus, our commitment to promote the goal of full employment as a basic priority of our economic and social policies and to enable all people to attain secure and sustainable livelihoods through freely chosen productive employment and work is not being realised.

One of the key areas where a lot of ground has been covered as Zimbabwe integrates into the global village is that of gender. The need to integrate gender- sensitive national policies into social development has emerged to be one of the strongest dictates of globalisation. The country has gone a long way in promoting equity and equality for 41 women and men in terms of guaranteeing fair distribution of work opportunities and respecting workers' rights, with special attention to equal treatment of women.

In this regard, GoZ ratified the following 110
Conventions:
Convention 100: Equal Remuneration, 1951;
Convention 29: Forced Labour, 1930;
Convention 105: Abolition of Forced or Compulsory
Labour, 1957;
Convention 45: Underground Work (Women), 1980.

Zimbabwe has not ratified the following important
Conventions:
Convention 111: Discrimination (Employment and Occupation) Convention, 1958 (However, domestic legislation provides for protection against any form of discrimination in employment and occupation).
Convention 170: Night Work, 1990.
Convention 143: Migrant Workers (Supplementary
Provisions) Convention of 1975. (However,
Zimbabwe has a foreign recruitment policy that seeks to protect the rights of migrant workers as well as enhance skills transfer to indigenous people).
Convention 103: Maternity Protection Convention (revised) of 1952. Although it is generally felt that Zimbabwe should ratify this Convention, domestic legislation on maternity is one of the best in Southern Africa. The Labour Relations Act (1985) provides for maternity leave as well as shorter working hours for breast-feeding mothers. The problem is to first make domestic legislation conform to the Convention and we are in the process of redressing this problem. The proposed Harmonised Labour Bill gives a standard salary/wage payment of 100% for women on maternity leave.

Since independence, GoZ has been committed to achieving universal and equitable access to quality education, the highest attainable standard of physical and mental health and universal access to primary health care; to respecting and promoting our common and particular cultures; and to striving to strengthening the role of culture in development. The country has made significant achievements in implementing national strategies and timetables for eradication of illiteracy, universalisation of basic education, and health. Emphasis has been on life-long learning, with priority for women and girls, and strengthening linkages between vocational training and the labour market. The nation has also made significant achievements in ensuring equal education opportunities for women and for people with disabilities, and providing education for indigenous people that is responsive to specific needs and culture and ensuring universal access to basic health, water and sanitation, nutrition and preventive health care, achieving agreed international targets for reducing child and maternal mortality. With the growing HI V/AIDS problem threatening the nation's survival, attention has also been directed towards strengthening education, prevention, care and support services in relation to HIV/AIDS and strengthening global action against disease.

However, the new economic order, whose operations are now under the strong influence of globalisation, have resulted in real declines in resources allocated towards these efforts. Inflation and unemployment have reached peak levels, while the exchange rate and business confidence have reached their all time low. This has in turn reduced income accruing to the fiscus, which is the major source of finance for these interventions.

The winds of democracy have also led Zimbabwe to give serious consideration to the issue of governance. The current constitutional process has become the key indicator of our commitment to promote social integration by fostering a stable, safe and just society based on the promotion and protection of all human rights, non-discrimination, tolerance, respect for diversity, equality of opportunity, solidarity, security and participation of all people including the disadvantaged and vulnerable groups and persons. This process will go a long way in promoting full respect for human dignity and to achieve equality and equity between women and men, and to recognise and enhance the participation and leadership roles of women in political, civil, economic, social and cultural life and in development.

In conclusion, the country is facing serious challenges, as it cannot shield itself against the objectivities of globalisation. The main challenge is to identify counter measures against the negative impacts of globalisation, especially on vulnerable groups. There is also need to develop a poverty-sensitive business culture among both national and international organisations. All this calls for a holistic approach in combating the negative impacts of all integration processes.

Mn. Florence Chitauro
The Minister for Public Service, Labour and
Social Welfare

The domestic critiques of poor management of the economy by Government, such as civil society organisations and the ZCTU for example, base their argument on a different premise. For them "management" includes intervening in the market to politically sort out problems that the market creates. And for them the Congo and the war veterans issues are legitimate issues of political debate.

The managerial, or technicist, concept has made inroads even in the notion of governance. The WB has redefined the role of the state from the minimalist to the effective state. Devesh Kapur has made a thorough critique of the WB Report. He said that the Bank has turned even the issue of governance into a technical issue. "A most curious aspect of the WDR's conception of the state is the virtual absence of politics in the analysis of an entity which is political at its very essence." (Kapur, 1998)

Time has come to shift the debate from neo-liberal economistic discourse to looking at the political economy of Zimbabwe in a more sophisticated, historical, structural and humanist manner. It is one issue that civil society should address. The other is the "sequencing" issue discussed earlier. Once again, the "sequencing" debate in economic circles is purely mechanistic. It deals with the matter of opening up to Globalization as if it is purely a matter of "good" or "bad" policy. What is lost sight of are the human (or perhaps not so human) actors that are behind this or that policy. When Zimbabwe liberalised its trade to the "opportunities" of Globalization in the early l990s, it was acting under the advice of IMF "experts" whose general mandate is to open up developing countries' economies to the global market. Also a section of the private sector in Zimbabwe put pressure for trade liberalisation. Some of them are now complaining about premature liberalisation, or badly sequenced liberalisation. They are now calling for protection against the entry of "foreigners" (especially those from South Africa) taking over the domestic market. Serious analysis must explain who and why certain sections of domestic society advocate integration into the global economy, and why others resist it.

These are important matters of politics as well of economics. At a national level, one could choose to go for "instant Globalization", and hand over the economy to foreign corporations in the hope that they would look after the welfare of the people. Or one could go alone, isolate oneself from the rest of the world, hoping that one would manage without trade or new technologies. Or one could work out a balance between these two extremes. But this "middle path" calls for a particular kind of political economy. At the very least it requires a strong and skilled political leadership that understands the opportunities and dangers of Globalization and knows how to steer the ship of state between the two extremes. It calls for a dedicated national "owning class" that knows how to take advantage of the new technology without surrendering control of the economy over to the foreigners, but one that also knows how to give workers a fair share of the added value of production. It requires a skilled working class that knows how to protect the wages of the workers whilst giving critical support to the local owning classes in their negotiations with foreigners. Without a national consensus of all "stakeholders", a nation could get into deep waters. And that is the story of Zimbabwe.

In the final analysis, Globalization cannot be reduced to a technical phenomenon. Talk of 'the world becoming smaller', and the emergence of a 'global village' obscures the fact that Globalization is a political and social phenomenon, as well as a technical and economic one. It involves, and implicates, states, international organisations, domestic political organisations, businesses, unions, households as well as cultural, health and educational systems. Zimbabwe is a microcosm of the global village; some live very well, and have been experiencing an increasing standard of living over the past 20 years. But, as the Report will show, others, the poorest, have experienced falling social standards as a direct result of the political economics of Globalization. The cost of integrating into Globalization is borne by precisely those who have the weakest defences against the system, those that are vulnerable, those that are not organised, or cannot organise. Neo-liberal economic theory suggests that the workers and peasants must bear the "short-term" costs so that the economy grows enabling them to then benefit in the "long run' Zimbabwe's experience shows that this assumption is based on a gross misunderstanding of Globalization.

Box 1.3
The Challenge of Globalisation: A Trade Union Perspective

During the last decade, the integration of the world's economies, globalisation, entered a new phase. While the process is by no means new, it is its intensity and qualitative aspects that distinguishes it from the past. The technological revolution, especially in information and communications, has transformed the world of business. New technologies have sharply reduced transportation, telecommunication and other related costs of business, thereby hastening the pace of economic integration. In the process, economic distances have shrunk, and co-ordination problems have been substantially reduced such that it is now a lot easier and more efficient for multinational enterprises to organise production in different parts of the world.

The demise of the Eastern Bloc certainly helped those pushing for a new global world economy based on faith in markets — neo-liberalism. Their confidence was boosted by the fall of the Soviet bloc, that had until then provided an alternative approach.

Most unfortunately, globalisation is increasingly presented to developing countries as something they cannot avoid, or for that matter influence. In other words, globalisation is given as certain as the sun rises in the east and sets in the west.

But we can simply take it as given, especially when it is so clear that globalisation is being pushed by or on behalf Multilateral Enterprises? The emphasis is increasingly placed on the rights of these corporations. In other words, the push for profits has become the be-it-end-all of the global economy, leaving the majority in abject poverty.

Sadly, the neo-liberal agenda that drives globalisation takes us way back to Adam Smith, the Father of Capitalism. Smith's conviction was that society was better served when individuals were allowed to be driven by their animal spirit, greed. It is this spirit, which to some extent had been exorcised during the intervening period, that is being revived under glohalisation. Globalisation is in this regard regressive, in that even the countries that are its most ardent supporters, namely the UK and USA, are not implementing a neoliberal agenda in their countries. In fact, they have rejected the philosophy by electing into power left- inclined governments. This contradiction in itself, is the most repulsive aspect of globalisation.

The abuse of market power by monopolies has been acknowledged from time immemorial. Yet under globalisation, most developed countries that had established anti-trust (monopoly) regulations, now relax them to facilitate their corporations to rule the world. Powerful nations from the North, which do not believe in 'free trade', sell it as the only option for developing countries. It is such blatant contradictions that alert us to the dangers of globalisation.

For countries such as Zimbabwe, that have been implementing an Economic Structural Adjustment Programme (ESAP), globalisation is an experience they can relate to. Since 1991, the Zimbabwean government has been implementing ESAP, which entailed a radical shift from a highly regulated economy to one driven by market forces. All markets had to be deregulated to facilitate competition.

Unleashing market forces in a situation characterized by inequality results in the rich getting richer, while the poor get poorer. The provision of basic needs has been relegated as greed has taken over. In the case of workers, capital, and especially foreign capital, has been liberated, while labour has been sacrificed. Employment and income insecurity have become the norm, with corporate affluence co-existing uneasily with labour squalor. This does not bring stability as workers will always challenge injustice and exploitation. In 1997, Zimbabwe witnessed a spate of strikes emanating from poor working conditions.

The Zimbabwean experience is a microcosm of what is happening at the global level. The poor countries will hardly benefit from globalisation. It is such polarisation of the global economy, and in particular, the concentration of wealth in a few countries, enterprises and individuals that will create instability. The poor will not stand by and watch the rich plunder their economies at will. That is certainly the lesson from the World Trade Organization (WTO) Seattle meeting of December 1999. Civil society organised around effectively against neo-liberalism and the introduction of a comprehensive round of trade negotiations that would quicken the integrations of their economies into the global one.

The lessons from the South East Asian crisis of 1997 also highlights the paradox of globalisation. On the one hand, it offers some opportunities, while on the other it implies vulnerability to crisis emanating from any part of the global network (contagion). If one part sneezes, the rest will catch pneumonia.

As trade unions, we will continue to join hands with other progressive organisations in fighting for justice and the restoration of basic needs and human dignity as the most important principles that should guide national, regional and international development. We need to put the human being back at the centre of development, and not profits. The need to engender popular participation in development will remain our clarion call as unionists.

Morgan Tsvangirai, Secretary General
Zimbabwe Congress of Trade Unions (ZCTU)

- CHAPTER II -

ZIMBABWE'S RESPONSES TO THE CHALLENGE OF GLOBALIZATION

From Colonialism to UDI "Nationalism"

Colonial integration of Zimbabwe (formerly Rhodesia when under British and autonomous rule) into the global economy, and the manner this was done, explains much of Zimbabwe's continuing poverty. The main feature of the colonial economy was the creation of a disjunction between production and consumption. That which was integral and organic to domestic organisation of economic life, and reproduction of social life, was forcibly disrupted, and a hiatus created between production and consumption, as well as between economic production and social reproduction. The best resources of the land — agricultural products and minerals — were exploited and exported, whilst the local population was left to fend for itself, the best it could, with second or third best available resources. The population was fragmented with the bulk of the people living off marginal lands in rural areas whilst the able-bodied, mostly men, were integrated into a commercial, mining and urban economy.

The colonial state supervised the execution of the breaking down of the traditional "natural" system of farming, and the integration of the colonial economy to the global system. It imposed a settler class of farmers to act essentially as an agent class to carry out its will and to channel and discipline domestic labour. The historical function of this agent class was first to service the colonial interests and secondly to sustain itself as a rather self-indulgent settler community.

After 1926, however, this community began to assert its own will, culmunating in the Unilateral Declaration of Independence in November 1964. Despite sanctions, the then Rhodesia remained integrated into the world market through the South African backdoor and sanctions breakers such as the British oil and armaments corporations. But the sanctions did hurt. In response to sanctions, the UDI government turned inwards and reduced its dependence on the outside world to its minimum. Ironically, the UDI period was also one of the most "nationalist" periods of Zimbabwe's history, though that "nationalism" was narrowly based on an ethnic minority that excluded the black majority and hence could not be sustained

This inward-oriented political economy had three essential aspects. One was for the State to continue to nurture the commercial farming class, based mainly on maize and tobacco, crçated during the colonial period. Barely 400 out of the nearly 4,000 commercial farmers were able to sustain themselves, and that too, with heavy state subsidies. In other words, about 3,600 (or 90 per cent) of them were, in fact, insolvent "debt farmers". They were perpetually in debt to the banks and/or the input suppliers, and they were periodically bailed out by the state through the writing off of their debts.

The second was for the UDI State to institute an import substitution industrialisation. It managed to secure capital, technology and oil by building a network of links with "sanctions breakers", paying premium prices for the necessary imports. This created a class of industrialists who developed and serviced the domestic market and produced up to almost 600 separate consumer items for local consumption, as well as some of the military equipment to fight against the "guerrillas". Ironically, it is this class of industrialists who are today probably the most "nationalist" section of the Zimbabwean middle class, and who seek to protect the domestic market from being taken over by "foreigners", especially those from South Africa.

The third essential plank of the UDI political economy was the cheap food policy. Food is a wage good. It was necessary to keep its price low in order to keep down the cost of industrialisation, and to supply an urban and mining population that does not grow its own food. Whatever profits the "debt farmers" managed to squeeze out of their farms in good seasons were essentially because they paid farm workers so little, often in kind rather than in cash. The contemporary poverty of communal areas and of farm-workers in commercial areas lies in this structured relationship between rural masses and the privileged classes created during the colonial period, through the UDI period, and extended right up to the present period.

From UDI to State Paternalism

At independence, Government prioritised two main tasks. One was to consolidate political independence by democratising the system of governance, and the other was to redress some of the worst social inequities inherited at independence. The social programme made great strides in expanding health, education and safe water access to the general population, but became difficult to sustain in the face of declining economic performance. The State continues to concentrate on redressing the inequalities as its main focus. Fiscal policies were put in place to this effect and for a decade all social indicators went up. This was a time when rather than changing the logic of UDI economic policies, some redressing was done. But overall the attitudes UDI had of protecting the white minority were only partially corrected to benefit the poor.

The democratisation of the system of governance took essentially the Westminster model, together with a few Marxist-Leninist structures especially in the relationship between the State and the ruling Party. However, the task of consolidating national independence ran into serious difficulties. The response to the potential separatist problem in Matabeleland divided the society and the nation. The reverberations of that conflict continue to surface the political landscape from time to time, and the manner in which it was handled still remains a sensitive issue. However, the bringing together of the two main political parties (ZANU-PF and ZAPU) into a united front did help consolidate political independence.

By 1990, major trends in public health indicated that:

- Infant mortality was reduced from 79 to 66/ 1000, with rural: urban differentials reduced (MoHCW 1997)

- General under five year old undernutrition (weight for age) improved from 21% to 12% underweight, with undernutrition still highest in large scale farm, communal and resettlement areas.

- Maternal mortality had fallen from an estimated 145/ 100 000 in 1980 to 68,7/ 100 000 in 1990 (MoHCW 1997).

- Childhood infections due to immunisable diseases were significantly reduced, while viral infection, specifically HIV, increased, and other conditions, such as respiratory infections and diarrhoea persisted at a relatively constant level throughout the decade.

- Immunisation cover of children expanded from 25% fully immunised in 1980 to 78% by 1991 (MoHCW 1997), although with difficulty in sustaining outreach services to reach marginal groups.

- Tuberculosis declined markd1y in the 1980s, falling to 1% of total inpatient admissions for under one year olds and reaching a relatively stable 5-6 000 cases per year by 1989

- Sexually transmitted infections plateaued at about 850 000 new episodes per year.

Many of these health gains were brought about by direct public sector intervention. In the 1980-82 environment of increased incomes, real changes in land and access to credit and improved producer prices, households contributed in labour, in materials, in feeding programmes and in community based workers to health and social development. This coincided with increased public sector investments in social development. Health services explicitly reoriented their approaches towards primary health care (PHC) models that prioritised prevention and accessible and appropriate first line care. Hence coverage of PHC interventions such as antenatal care, child spacing, diarrhoeal disease control, child nutrition, promotion of safe water supplies and sanitation and immunisation expanded rapidly, while measures were also taken to expand accessible primary curative care through development of an essential drugs list, through deployment, training and reorientation of health personnel to primary care services, particularly in rural areas, and through reorganising health systems to give centrality to district health systems.

Government made further contributions towards social protection through programmes such as the Child Supplementary Feeding Programme (CSFP) which fed, at its peak, a daily energy rich supplementary meal to over a quarter of a million children in over 8000 communal area feeding points. The programme was also used to stimulate community growth monitoring, promotion of high-energy foods and appropriate weaning practices, regulation and control of breast milk substitutes and promotion of breastfeeding and detection and feeding of children with faltering growth.

Even under the 1982 — 1988 situation of stagnant or falling incomes, public investments offset declining incomes by making services accessible and affordable to poor households and reducing household expenditures on social consumption. In the 1980s public investments generally complemented household capacities, and public investments in social development, particularly education and health, were probably the most significant contribution towards poverty reduction in the decade. Many health programmes demanded mobilisation of, and information to, communities, making the interface between the community and the health services one of the most critical ingredients to the expansion of health interventions. This interface was strengthened through the establishment of community health workers, local health committees and investment in outreach health activities. These changes were also backed by a significant reallocation of resources to and within the health sector. As a share of government spending, health stayed at about 5,2% throughout the decade. Real per capita public spending on health increased from Z$10,50 in

1980 to Z$18,17 (Davies 1997). Capital expenditure also expanded substantially, through the upgrading of rural services, generating tensions in adequately supporting the staff and recurrent needs of these services

Zimbabwe's strides in democratising access to education, particularly at primary and secondary school levels post independence are well known. During the first five years of independence (1980— 1985), the expansion rates were 6,16% at primary school level and 6.61% at secondary school level. The expansion rate dropped however at both levels during the period 1986-1990 to 1.37% and 4.52% for primary and secondary school levels respectively, and during the period 199 1-1995 dropped further to 0.45% and 0.30% respectively (MoESC 2000).

The number of primary schools increased from 2,401 in 1979 to 4,234 by 1985 and 4,723 in 1999, and teachers increased from 28,455 in 1980 to 63,718 by 1996, 66,502 by 1998 falling thereafter to 59,973 in 1999. Quality of staff improved over the period, as the level of untrained teachers fell from 60% of primary school teachers in the mid 1980s to less than 20% today. This expansion was a combined contribution from Government, local responsible authorities, donors and parents. School Development Associations (SDAs) and School Development Committees (SDCs) formed the vehicle for parent involvement in the provision of infrastructure, vehicles, salaries and other costs.

At secondary school level, expansion rates were even higher. Enrolment increased from 66,215 in 1979 to 148,690 by 1981, rising to 786,154 by 1995, and further increased to 834,880 in 1999. The number of secondary schools increased from 177 in 1979 to 694 in 1981 (an increase of 292.10% in three years). By 1985 there were 1 215 secondary schools, rising to 1,512 by 1990 and 1,548 in 1999. Most of the expansion occurred in rural areas. In the 1980's up to 83-85% of Grade 7 graduates went into Form One.

In the area of the economy, Government tried to balance the demands of maintaining production and productivity on land, in industry and in the mines on the one hand, and on the other hand raising the standard of living of ordinary workers and communal farmers and bringing them into the mainstream of democratic politics. Here the paternalistic state was at its strongest. It not only legitimated the formation of trade unions, but also set certain core labour standards. One of its acts at independence was to abolish the Master and Servants Act, and to set minimum wages, thus doing away with the totally arbitrary wage-setting system of the pre-independence period. Furthermore, workers could not be sacked without the permission of the Ministry of Labour and Social Services. Workers' Committees were set up at work places as primary instruments of collective bargaining, and where workers were too weak or fragmented, the Government instituted a system of Employment Councils where it constituted itself as the third party between the workers and the employers in order to negotiate a "fair" return to workers' labour.

The state operated, essentially, within an inherited political economy in which it continued to facilitate the production of export commodities — tobacco, cotton, tea, etc. Also, since it had inherited a small, but respectable, industrial base from the UDI period, it set out to ease conditions for agriculture, industry and mines to acquire foreign inputs and equipment. Also, it continued with the cheap food policy as a way of subsidising industrialists' wage cost. Consequently, despite increases in workers' wages in the early years, these were never enough to enable them to live beyond mere subsistence. A life of poverty and penury for the workers was thus embedded within the structure of the economy regardless of government's efforts to humanise the system. When, later, under ESAP, the social services were cut down, the wages of workers were not enough to sustain them, creating additional strains on the task of consolidating national independence.

What is significant is that the mode of "humanising" poverty changed after 1990. Before 1990, it was through a welfare state approach. After 1990 it was through "safety nets" incorporated in the Economic Structural Adjustment Programme (ESAP). What led to this? The government sought assistance from the IMF. The first stand-by agreement with the IMF in 1983 led to the devaluation of the dollar and other measures of austerity. Apart from technical assistance, the IMF's seal of approval was also seen as a way of attracting foreign capital. Thus, a few years after independence, the inward-oriented political economy with a strong domestic market, changed into an economy that heavily relied on market forces and global capital.

Liberalism with a "human face"

A welfare approach could not be sustained and indeed provoked domestic deficit financing. Import liberalisation created balance of payments problem. Government introduced foreign exchange rationing as a means of dealing with the situation. However, in an open economy, there was no control of seepage of value out of the country through transfer pricing and over-invoicing of imports. By 1989, gross private fixed investment was only 10.9% of GDP, suggesting that net investment was very low. (Davies, 1999)

The first stand-by agreement with the IMF in 1983 led to the devaluation of the dollar and other measures of austerity. It also included a set of liberalisation measures that might have created an open economic environment. However, without proper preparation. The end result was a faulty design and implementation of reform measures.

Once the state externalised its problems, an export-oriented strategy was a necessary sequel. The alternative would have been to develop a strong domestic market based on local demand and empowering the poor. This route was not taken. Instead, the government reversed the essentially internally oriented state of the UDI period and into an externally oriented one.

The adoption of the economic structural adjustment programme (ESAP) in 1991 entailed a fundamental shift from the state intervention system to one largely driven by market forces. (Sachikonye, 1997; Kanyenze, 1999; Loewenson, 1999). The reform programme referred to as ESAP was first announced in the Budget Statement and an accompanying statement, Economic Policy Statement: Macroeconomic Adjustment and Trade Liberalization (GOZ, 1990), in July 1990. A more elaborated statement, Zimbabwe: A Framework for Economic Reform 1991-95 (GOZ, 1991), was published in early 1991 as an input into a meeting of donors held in Paris in February that year. It was only after the Paris meeting that there were pledges of financial support from donors.

The political dynamism for development henceforth shifted with more dependency on foreign support. The assumption was that ESAP would raise investment levels, thereby facilitating higher growth rates, employment creation and uplifting the standard of living of the majority of the people (GOZ, 1991).

The key targets of ESAP were to:
• achieve GDP growth of 5% during 1991-95;
• raise savings to 25% of GDP;
• raise investment to 25% of GDP;
• achieve export growth of 9% per annum;
• reduce the budget deficit from over 10% of GDP to 5% by 1995;
• reduce inflation from 17.7% to 10% by 1995;

To achieve these, the Economic Reform Programme (ERP) had as its main components competition enhancing measures including trade and exchange rate liberalisation, domestic deregulation and financial-sector reform and institutional reforms pertaining to fiscal reform. The fiscal reforms encompassed fiscal and parastatals' deficit reduction, privatisation and commercialisation of public enterprises.

It also included, significantly, measures to mitigate the social costs of adjustment through the Social Dimension of Adjustment Programme. It established a Social Development Fund (SDF) which provided for financial assistance to households earning less than Z$400 per month to help them meet the increased user costs for education and health associated with ESAP. It also provided a small income supplement to offset the effects of deregulation of basic food prices. The SDF also provided introductory training courses and soft loans for those retrenched that wanted to start new businesses.

What is significant about the "social fund" concept is its implied recognition that the cost of adjustment would have to be borne by the poorer classes. Paragraph 72 of the 1990 Policy Statement reads:

"Structural adjustment programmes are usually accompanied by social problems, especially to the vulnerable segments of the society such as the poor, and unemployed. With market forces determining price levels, in the short-term prices are bound to increase beyond the reach of the poor and this can lead to social unrest. Government will therefore take measures to cushion the poor against such possible adjustment effects." (GOZ, 1990, p18)

There was already the recognition of the possibility of "social unrest". There was also a shift from state paternalism to donor paternalism. From then on social security was a function not of state budget but of external funding. The allocation to the SDF from the central government budget rose from its initial Z$20m in 1992/93 to Z$lSOm the following year, but fell to Z$SOm by 1995/96. The donor funding which had been anticipated in support of this programme also fell short of expectations.

Zimbabwe thus adopted a policy reform framework over whose content and pace of implementation it eventually lost control. In 1985-90 its economy was not on the edge of collapse or in need of rescue from outside. ESAP was a conscious policy decision of the State. It is not true to argue that the State went into negotiations with the IMF as a "weak" party and was forced to swallow a bitter pill. The government believed that by entering into the process of liberalisation, Zimbabwe would secure foreign investment, which would bring growth. This growth, it was assumed, would in the "long run" trickle down to the poor. This did not happen.

To conclude, coming out of the womb of colonialism, the UDI State attempted to create an internally oriented political economy, but one which was unsustainable on account of its narrow ethnic base and exclusion of the majority. It was followed by the independent state, whose main hallmark was welfare paternalism in the early years, when it made impressive gains for the poor. However, not too long after independence, government turned to financial capital to help it integrate into the Globalized economy in the belief that foreign capital is the engine of growth and prosperity.

Twenty years down the line, the economy is in a parlous state; the nation is fragmented; the poor are even poorer. Over time, even the ESAP advocates came to the conclusion that the ESAP program was badly designed; it was not simply a problem of implementation.

- CHATPER III –

LAND, FOOD SECURITY AND POVERTY

The story of land

The Colonial formula declared all land as public. Radical title to land was vested in the state with the combined power of eminent domain, i.e. power to acquire land for public need, and power of disposition, i.e. power to alienate and allocate land. The original impetus for Individualising, Titling and Registering (ITR) land had come from Kenya. The strategy was to create a yeoman farmer class with stake in the political regime. Tan Smith had used this strategy adroitly in Rhodesia. One of the problems of the post-independence Government in Zimbabwe is precisely its failure to create a middle class on land with loyalty to the state, or alternatively, a radicalised land tenure system that empowered the poor peasantry. Whether Government was frustrated in this by external forces or because it was too feeble to nationalise land is still debatable.

On the land issue time has almost stood still. At independence of the total landmass of 39 million hectares, 33 million hectares were used for agriculture divided into 16 million hectares for commercial farms owned mostly by individual white farmers, 16.4 million hectares for communal farming, and 1.4 million hectares for the so-called Purchase Area Farms owned by black yeomen farmers. Over the first ten years of independence the ownership and land tenure structure of agriculture has remained more or less the same. Major land reform was foreclosed by the Lancaster Agreement, which precluded the state from taking over land except on a "willing seller and willing buyer" basis, or if the farms were deserted by their owners. Government had planned to resettle 162,000 families during the period 1982-84, and 75,000 families during 1986-90, but by the mid-1990s, only 52,000 families had been resettled. (S. Moyo, 1999)

The argument that land is best left in the hands of the present commercial holders on account of their higher productivity escapes the point that this productivity is maintained on the basis of high capital intensity of production and management. Much of the farm inputs consist of imported products (such as tractors, fuel, combine harvesters, fertilisers and seeds) this means that a considerable portion of the value added in agriculture is sent abroad. Also, because commercial farmers have shifted in the post-independence period from maize to horticulture and from cattle to game ranching, their contribution to food security has considerably lessened, and their employment of farm labour has declined. Hence, both equity concerns and practical common sense on the issue of food security call for radical land reform.

Demobilisation of an inchoate movement of the landless

In the early years after independence the landless took matters in their hands and there was widespread squatting on white farms. But the State swiftly moved in to disperse and demobilise them. In fact, there has not been any significant land movement in Zimbabwe. In areas such as Manicaland and in the Zambezi Valley in Mashonaland Central the seeds of such a movement did exist, especially among women farmer groups that had organised themselves during the Chimurenga war to protect their production and to supply the "guerrillas" in the forests and mountains. But this inchoate movement never fully matured. Many of the former guerrillas were given land in the resettlement farms and organised as co-operatives. In the communal areas the State created support structures to bring small to middle peasants into the commercial sector. Western donor agencies moved in with substantial money into the co-operatives and the communal areas to provide credit and help build rural infrastructure. But with the best intentions the net effect of their rural intervention was to politically neutralise a significant section of the former fighters, help develop a group of middle class farmers, and effectively demobilise the peasantry without addressing the problem of the landless. (Tandon, forthcoming). In Matabeleland, during the conflict in the early post-independence period, peasants were organised largely to protect themselves against the army and to ensure food supplies. Prominent among these was the Organisation of Rural Associations for Progress (ORAP), which was a genuine peasant movement. However, these tended to absorb the landless in some of their productive and welfare activities. The landless were, then, effectively demobilised in the first twenty years since independence.

Women on Land

On the other hand, a section of the "effectively landless", namely women farmers have managed to keep the land issue alive on the national political agenda. Their concerns have been articulated by a number of Non-Governmental Organisations, especially women's groups and human rights activists. Women constitute the bulk of the farmers and food producers but until recently they had only derivative, not original, usufruct rights to land through their husbands, if they are married or through their fathers, if unmarried. As a result, many women in the communal areas fear divorce and widowhood, which could result in instant poverty

(Chenaux-Repond: The Economic and Social Situation of Widowed and Divorced Women Permit Holders on a Model A Resettlement Scheme, undated). Resettlement areas and land that may be taken over by the State provide the possibility for women to secure land. They are still handicapped by the fact that they do not have the financial means to acquire land. They also suffer from other discriminatory policies and practices, such as in the provision of credit and extension services. Furthermore, communal land cannot be owned on a freehold basis by anyone, male or female.

The land issue is further gendered by the division of labour in rural areas, and across classes. For example, peasant women provide cheap casual and permanent labour to communal, resettlement and commercial farmers across the board, whereas men labour on communal, resettlement and commercial farmland primary holders and owners.

However, over the years women have made much progress through their lobby organisations. One of these is the Women's Action Group which, among others, was involved in the formation of the Women and Land Lobby Group. Under the new Land Policy they can now register land in their own right (Gita H. Welch, communication, 29 February 2000).

Box 3.1
The Formation of the Land Lobby Group

"The Women's Action Group assisted in the formation of the Women's Land Lobby Group, a coalition of civic organisations, individuals and women's organisations whose objective is to lobby the government to give women the same Heights as men to the ownership of communal and resettlement land.

Until recently, the government was reluctant to consider joint title to land for married couples as a matter of policy and to ensure that single women not only have rights to land on papers but also in practice.

Land is the most fundamental issue surrounding Zimbabwe policies, society and the economy. Land was the central issue during the liberation war that led to Zimbabwe's independence in 1980.

Through our work, the government has now agreed that women can access land. That's a success for us."
Selina Mumbegegwi, Director, WAG.

Emergence of a black middle class on land

The land issue was largely postponed to the late-1990 period. A small but politically significant section of the ruling elite, in the meantime, managed to acquire farms of their own, either through direct purchase or (mainly) through state patronage. (S. Moyo, 1999). Many of this new generation of (black) farmers have gone into eco-tourism, ostrich farming and horticulture. However, unlike the tobacco and maize farmers who were the backbone of the UDI regime, this new generation of black middle class farmers does not form the core of the Party in power. Nonetheless, they are influential both in political circles and in State bureaucracy to have dampened State enthusiasm for radical land reform.

Government action on Land since 1997

Direct action by the landless and land poor peasants and farm workers in June 1997 finally pushed a foot-dragging Government into action. In sporadic events, they burned a few farms and threatened some white farmers with violence. This triggered debate on the land issue. On the eve of the ZANU (PF) Congress in Mutare in October, the State announced compulsory land acquisition of 1471 farms — 21 owned by TNCs, 2 by parastatals, 250 by black Large Scale Commercial Farmers (LSCFs) , 100 small black farms, and the rest white owned LSCFs. As expected there was immediate protest by white farmers. The Commercial Farmers Union (CFU) announced that if their farms were "seized", the country would suffer terrible loss amounting to: Z$5.2 billion in crop loss; Z$4 billion in export loss in tobacco, beef and cotton; and a drop in employment from 327,000 to 180,000. A visiting UK Minister, Mr. A. Lloyd, announced that the UK had no obligation to fund land reform. The World Bank expressed concern that such an action would jeopardise productivity and food security, and the IMF suggested that this would send the wrong signals to future investors in Zimbabwe. They were not the only ones to protest. The General Agricultural and Plantation Workers Union (GAPWUZ) announced that if land acquisition was not properly handled one million workers would lose jobs and foreign workers (mainly from Malawi and Mozambique) would become squatters. (Munyani, The Worker No. 53, December, 1997).

As the threat of land acquisition became imminent, the Commercial Farmers' Union offered to immediately release 1.5 million hectares and announced that it had secured a loan of Z$lSm from donors for the following purposes: Z$lOm for compensation and poverty reduction, and Z$Sm for dams & irrigation. The loan was to be repaid by the state at terms that were not specified. The offer was thus not taken up by the state. Following CFU's proposal, Zimbabwe's international rating went up (Financial Gazette, S February,1998) showing how intimately the land question was linked with investor confidence in the country.

Several efforts were subsequently made, with the mediation of the UNDP, to bring together the Government and the donors and other stakeholders for a systematic resolution of the question. However, the process was interrupted by the land question becoming part of the proposed changes on land in the Constitution. It provided for Government's compulsory acquisition of lands. With the popular rejection of the proposed Constitution in February 2000, the land question is once again put on abeyance. In its aftermath the war veterans are threatening land seizures and have actually moved on to some white farms. This has dramatised the situation and thrown it back into the cauldron of partisan and racial politics.

Conclusion

The failure to resolve the land question remains at the heart of rural discontent. A number of factors account for this failure. Primary among these was the weakness of the liberation movement in its negotiations on the land issue at the Lancaster House independence Agreements. Subsequently, the Government failed to take bold and firm action to nationalise land immediately after the end of the ten-year moratorium because it was afraid of the reactions from the donors and the IMF/WB who argued that such an action would send "wrong signals" to foreign investors. Thus, the unsuccessful attempt to create "enabling conditions" for foreign investment as part of the effort to take advantage of the "opportunities" of Globalization has been a major factor in Government's failure to carry out a radical land reform. In the background to this were two additional factors: one was the emergence of a landed gentry among the political and bureaucratic elite that lost enthusiasm for land reform. And the second was the effective demobilisation of the land movement through the incorporation of the landless in various co-operative and communal development and relief programmes, until we come to the present moment when the war veterans appear to have become the land movement that never was.

The failure to carry out radical land reform also means that the potential of the vast majority of the people who live off land has not been used. Principally among these are women farmers whose derivative or secondary claim to land rights remains one of the major stumbling blocks to the development of productive forces in rural Zimbabwe. Rural areas have also become recipients of the overflow from the urban areas in the wake of ESAP. Land hunger has forced several land-poor communities to resettle themselves on commercial farms around the country. Land pressure in the communal areas has worsened the ecological situation. Vast areas of land are now denuded of forest cover and have become fragile and vulnerable to desertification.

Food Security

Food security in the Zimbabwe context has at its core, questions over the production, pricing, marketing and consumption of maize and other food crops on the one hand, and that of reproduction of labour on the other.

Unlike developed countries where food production is largely a commercial activity, in Zimbabwe it also means subsistence production for the bulk of the rural population. The effects of Globalization therefore have to be measured both in terms of food security and the sustainability of the livelihoods of rural people. The free trade argument that Zimbabwe should secure food from the international market if it is the cheaper source and turn to exportable products such as ostriches and cut flowers is a dangerous argument. It not only endangers national food security but also threatens to put out of land millions of people for whom food production is both a source of immediate food as well as a source of income.

In the colonial and UDI period, the Government subsidised commercial food production to ensure cheap maize for industrial and urban workers, while people in the communal areas were left largely to fend for themselves. In the immediate post-independence period, Government provided infrastructural facilities, inputs and credit to encourage communal areas to produce maize for the market. The communal farmers responded enthusiastically in what became a success story in food production in Africa. One of the reasons for the success was that the State set the floor prices and provided a guaranteed channel, the Agricultural Marketing Authority, for the marketing of most agricultural produce except tobacco.

In the 1990s, Government began to relax its controls on the agricultural sector, and to apply market principles to food production and marketing. The 1991 Government Economic Recovery Programme contained extensive discussion on food, agriculture and rural-urban balance. It recommended the use of price signals and increased private market activities to promote agricultural growth, incentives to private farmers to produce cash crops for export, relaxation of restrictions on maize sales, and rationalisation of the Grain Marketing Board (GMB). Two policy statements relating to agriculture were published in the 1990s, Zimbahwes Agricultural Policy Framework 1995-2020 (GOZ, 1995) and Agricultural Policy in Zimbabwe under the Economic Reform 1994-1997 (GOZ, 1996). These elaborated on the centrality of the market mechanism for the pricing and marketing of agricultural produce.

Food insecurity and vulnerability to market forces

In the 1980s, there had been a phenomenal growth of extension services and credit to communal areas. These were drastically curtailed during the 1990s. The nineties also saw a substantial reduction in the subsidies on farm inputs. The centralised crop purchasing system of the early eighties was gradually abandoned, and the farmers were left to locate their own markets. Because of communal farmer's immediate need for cash, they thus became hostage to middlemen, and were forced to sell at market-dictated low prices which, in turn, reduced their incomes and purchasing power. On the other hand, the absence of an incentive price policy for certain crops explains the fact that commercial farmers gradually shifted away from maize production for domestic consumption to export crops, especially horticulture. From a largely self-sufficient food-producing country, Zimbabwe now entered an uncertain period in terms of food security. Over the decade, government has also reduced its role as a grain reserve holder, and thus its options in ensuring food security. This shift is reflected in a fall in strategic grain reserves, declining from an average of 26% of total production in the 1980s to that of 20% in the 1990s (Chitiga 1999).

Zimbabwe's maize requirements amount to about 2.5 million metric tonnes per year. In recent years, however, maize production has declined from 2.6 million metric tonnes in 1996 to an estimated 1.5 million metric tones in 1999, resulting in maize imports. Under a new arrangement reached in 1996, it was agreed that the farmers, GMB and other players would negotiate a producer price. However, following the massive depreciation of the Zimbabwean dollar during the second half of 1997, this was abandoned. The depreciation of the Zimbabwean dollar raised the input costs to a point where they undermined the viability of producers. The country has thus become hostage not only to the vagaries of the market hut also to foreign exchange fluctuations. The Strategic Grain Reserves are at their lowest level since independence. Following the food riots of January 1998, Government had to introduce price controls on maize meal. This experience illustrates the dangers of a food-system that is dependent on imports for inputs and final products; shocks elsewhere in the economy can severely disrupt food supplies through exchange rate effects. This is a hallmark of food insecurity.

The following two illustrations demonstrate the effects of the market on food and export crop production. Table 3.2 shows the trends in maize production for the period 1986-99, and Table 3.1 shows the trends in horticulture production (Kanyenze, 2000). As can be seen, horticultural production has shot up phenomenally, while maize production has declined. In a liberalised world, the market rules, and the market is not sensitive to the demands of food security. It only responds to the opportunities for profit.

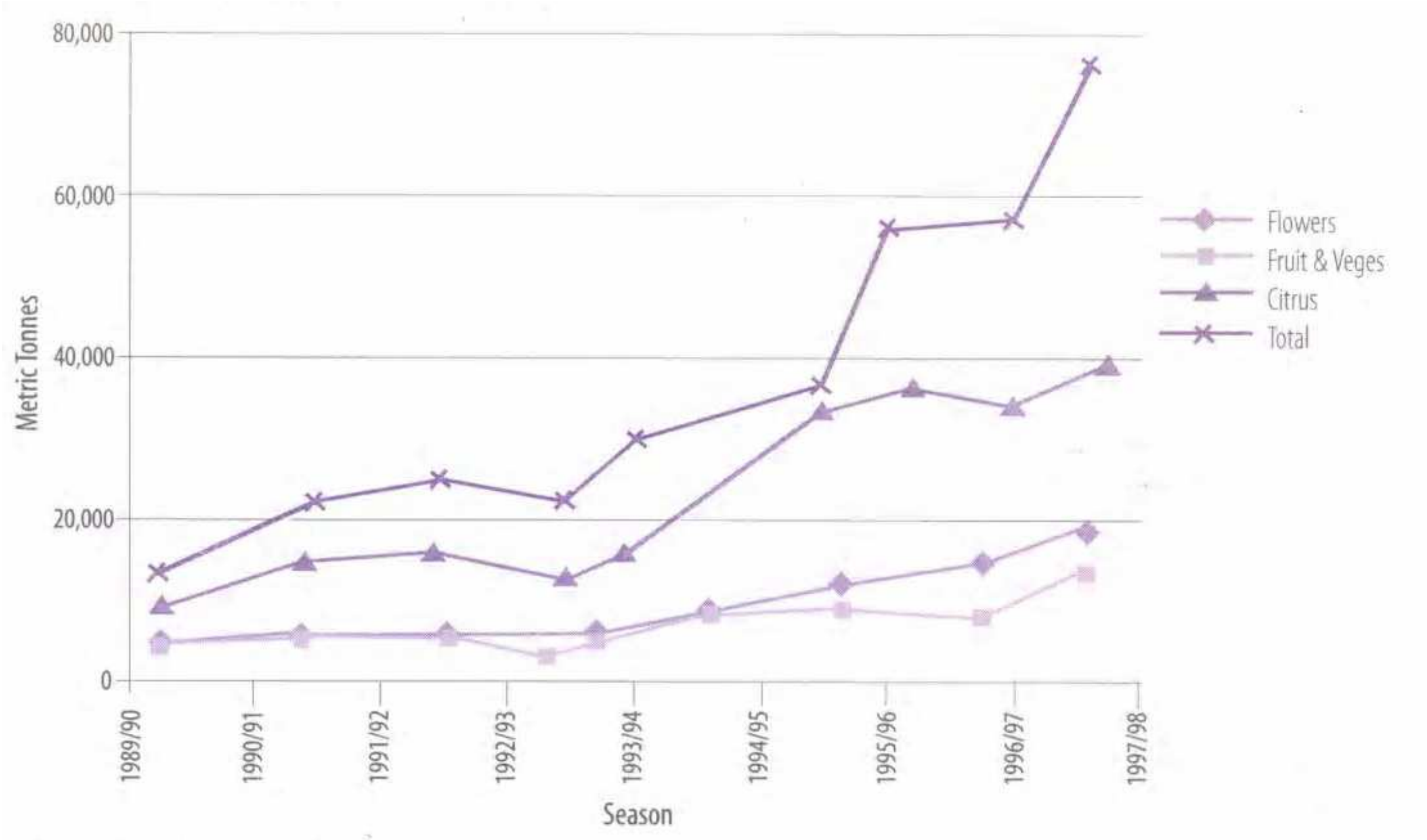
Table 3.1
Trends in Maize Production in Zimbabwe, 1986-99

Harvest Year	Production (mt)	Area (ha)	Yield (kg/ha)	Maize per person
1986	2,412,000	1,314,000	1,836	0.29
1987	2,253,100	1,299,500	601	0.13
1988	1,931,200	1,198,300	1,700	0.25
1989	1,993,800	1,149,800	1,336	0.21
1990	1,585,800	1,101,200	1,159	0.21
1991	361,000	881,000	1,051	0.16
1992	2,011,850	1,238,000	903	0.04
1993	2,326,200	1,401,200	1,734	0.20
1994	839,600	1,397,900	1,612	0.22
1995	2,609,000	1,535,000	1,734	0.08
1996	2,192,170	1,641,000	1.440	0.23
1997	1,418,030	1,223800	410	0.19
1998	1,519,560	1,446,400	1,625	0.12
1999*	1,093,700	1,211,100	1,660	-

Source: Adapted from Ndleya,Kanyenze and Munenio, 1999
NOTE: * denotes estimate

The decline in food production affected other grains besides maize. While maize declined at a rate of about 2%, sorghum declined at 3.3%, groundnut at 6.1% and soyabeans at 4.8% (Oni, 1997). These declines are mainly because of falls in crop yield per hectare among the communal farmers. Following the removal of subsidies on fertiliser and other agro-chemicals, their prices shot up by over 300% in five years. As a result, fertiliser use by smallholder farmers declined, as a share of national fertiliser consumption, from 24% to 22% between the pre-globalisation and glohalisation periods. (UNGTAD/LJNDP, 2000). In order to maintain their income levels, farmers are forced to extend their agricultural areas. As table 3.2 shows, the area of land under maize has not fallen, it has actually intreased, but the yields have fallen and maize consumption per person has fallen drastically.

Figure 3.1
Trends in Horticultural Production, 1989/90-1999



Source: Ministry of Lands and Agriculture**.**

One positive effect of liberalisation, however, has been the emergence of hammer mills in rural and urban areas. These have not only broken the hold of large grain millers but also brought more nutritious brands of grains closer to the people. On the other hand, the big monopoly millers and oil-extracting companies using their financial muscle have run the middle and small-scale millers and oil-extracting companies aground. Also, since the big millers now depend on imported grains because of inadequate local supplies they are vulnerable to global market forces and changes in the exchange rate. They face serious problems of survival. The increase in their input costs was a major factor in the increase in the price of maize meal following the devaluation of the Zimbabwean dollar in November 1997.

Rural food security becomes hostage to market forces

Another effect of the liberalisation of the market and deregulation is that food moves from surplus areas to urban areas where profits are to be made instead of to food-poor rural areas where the need is the greatest. In the absence of adequate strategic grain reserves to provide food in food deficit areas, this flow has exacerbated food insecurity in rural areas. The suspension of the Grain Loan Scheme in 1999 signals the state’s growing inability to meet these food security commitments, as it at the same time accommodates price and market reforms simultaneously. The establishment of a National Nutrition Task Force in the late 1990s has enabled intersectoral dialogue on resolving such issues, which have both national and international dimensions. (Chitiga, 1999)

It is estimated that there are 1.2 million people residing in moderately and highly food insecure communal areas, with 40 out of 174 communal areas classified as food insecure, and 20 as highly food insecure. In general the average cereal production for the 1990s (2.0 million metric tonnes) is less than that for the 1980s (2.4 million metric tonnes), affected not only by drought but also by costs and availability of fertiliser and pest control. As the country imports grain to meet consumption requirements, the devaluation of the Zimbabwe dollar makes these imports expensive and puts pressure on the already unsustainable budget deficit. (Chitiga, 1999)

Devaluation of quality of food consumption and food riots

Box 3.2
Zimbabwe's Agricultural Sector in the Era of Globalisation: Prospects and Challenges

Clobalisarion broadly embraces a converging commonality in economic processes especially those related to trade/marketing world wide. This phenomenon presents challenges and opportunities to the domestic market and agriculture in particular. This is moreso for agriculture in Zimbabwe in view of the agrarian nature of this economy. Zimbabwe's agriculture has to fully integrate into the global system in order to remain viable. This entails linking to foreign markets; adapting production systems to match the rapidly changing and complex consumption patterns; improving physical infrastructure to be more responsive to the distributional demands associated with glohalisation; harmonising policies and legislation to comply with international commitments; and, developing skills, knowledge and experience to adequately participate in global activities. The requirements are too many to mention. However, the bottom line is that there is too much pressure in too short a space of time to adjust and adapt to a rapidly changing environment.

Although the farmers are largely in control of the four internal marketing fundamentals which are the product, price, promotion and distribution the major exogenous forces which influence success in global trade are to a large extend uncontrollable. These include culture, legal and political environment, economic stability, technology and foreign policies. Thus, in this context globalisation has brought with it several challenges and opportunities. The establishment of the World Trade organisation and the bringing of agriculture under multilateral rules and disciplines offers export opportunities to our agriculture. It is envisaged that this measure will reduce protectionism in agriculture which hitherto was highly protected. Zimbabwe having a competitive advantage in this area may stand to benefit. Secondly, agricultural products being commodities offer greater opportunities for global trade as compared to branded products which require a vigorous promotional campaigns at the introduction stage.

Globalisarion offers Zimbabwe a wider market. Within this market the consumer has increasingly become very complex and selective. Health, environmental and political aspects are increasingly becoming very important issues on consumption decisions. For example, all Zimbabwean beef entering the European market has for health reasons to be traceable. In order to comply with this new requirement Zimbabwean farmers would need to incur extra costs in putting up the traceability system. Furthermore, tobacco the long time major export crop for Zimbabwe is under threat. Health related anti-smoking lobbies are taking their toll. A decline in tobacco exports may not only threaten Zimbabwe's export revenue btit GDP growth as well.

At the World Trade Organisation Conference held in Seattle, United States of America, in November 1999 the American Government strongly pushed for inclusion of environmental standards in world trading rules and disciplines. Some European countries and Japan echoed this sentiment. This again implies that if such standards are adopted improved environmental management will be one of the conditions for the Zimbabwe agricultural sector to fully integrate into the global economy.

On the other hand there is now a general consensus that multilateral trade in agriculture will result in a decline in food subsidies which in turn will push food prices up. The global food security situation is envisaged to deteriorate. This is bad news. Secondly, Zimbabwels agricultural sector has been enjoying preferential treatment under the Lome lv convention. These preferences are expected to dry up under the integration of agricultural trade into the global system. Trade diversion to other countries is expected under the glohalisation process. Thirdly, with the advocacy for free and fair trade under the global system protectionist measures have evolved from direct controls and tariff barriers to more subtle mechanisms which include technical standards, customs measures, voluntary export restraints and health measures. This makes it difficult for Zimbabwe's rudimentary agricultural system to adjust.

The globalisation of technology has to a large extent created opportunities for the agricultural sector. Growth in the highly perishable horticultural industry was largely facilitated by technological development. Information technology and electronic commerce have facilitated the smooth marketing of flowers and vegetables in Europe. Technology has enabled the quick setting up of a horticultural industry in Zimbabwe hence quick integration into the global horticultural market. This has been achieved through the use of higher yielding varieties which easily adapt to various environmental conditions. At the global level there is increasing debate over the safety and environmental friendliness of some biotechnologies. This raises the challenge of whether Developing Countries should adopt new biotechnologies or wait until a thorough evaluation has been conducted.

In conclusion the integration into the global economy is no longer a choice but a must. This process will bring about opportunities for market expansion and may possibly improve trade in agriculture. Information technology has largely enhanced the globalisation process. There are mixed reactions on the development of biotechnology. The global enviromnent is complex, turbulent and rapidly changing all of which provide challenges to farmers especially those in the smallholder sector. Appropriate policies and support structures need to be put in place in order to facilitate the Zimbabwean farmers to integrate into the system.

Honourable K. M. Kangai
Minister of Lands and Agriculture

Poverty

Since the poor and the very poor spend the bulk of their income on food, 60 per cent of total consumption for the very poor, substantial increases in food prices worsen their economic situation. Prices of such essential food items as bread and sugar are estimated to have increased by 40 per cent and 50 per cent respectively in 1993 after the withdrawal of subsidies (Minot, 1994, p.6). To make matters worse, prices of such other goods and services as clothing and footwear, rent and rates, fuel, transport, and medical care also increased substantially (see Table 3.2).

Table 3.2
Consumer Price Index and Components (1990 = 100)

	Food	Clothing and Footwear	Rent, Rates, Fuel & Power	Medical Care	Education	All Items
1990	100.0	100.0	100.0	100.0	100.0	100.0
1991	122.6	122.7	117.9	116.3	127.6	123.3
1992	192.7	161.5	150.2	144.3	191.7	174.4
1993	267.4	185.6	204.4	169.3	211.6	223.6
1994	336.8	207.8	236.7	415.9	229.1	273.3
1995	429.3	239.9	276.3	496.0	258.5	335.1
1996	544.8	263.4	339.7	632.9	294.7	406.9
1997	640.5	292.3	412.9	734.0	392.3	483.6
1998	893.2	350.1	485.6	818.7	508.3	636.9
1999	1370.6	457.4	589.3	957.9	642.5	910.3

Notes: (1) average of monthly figures; (2) inclusive of sales tax and excise duties; (3) 199 to June only
Source: UNCTAD/UNDP 2000; Source cited: CS0, Quarterly Digest of Statistics, various dates.

Deepening and spreading Poverty

In 1995, the Ministry of Public Service, Labour and Social Welfare carried out a Poverty Assessment Study Survey (PASS). It defined poverty as "... the inability to afford a defined basket of consumption items [food and non-food] which are necessary to sustain life." According to the Survey, "Poverty in Zimbabwe seems very high with about 61 percent of the population living in households with income per person below a level sufficient to provide basic needs. About 45 percent of the households are living below the FPL, that is, they are not able to meet basic nutritional needs. Poverty is more prevalent in the rural areas with 75 percent of the households in the total poor category compared with 39 percent of the urban households. Nation-wide the sectoral distribution of poverty is about 84 percent total poor in the communal areas, 70 percent in the small-scale commercial farms and resettlement areas, 57 percent in the large-scale commercial farms and 39 percent in the urban areas."(p. xix)

The fact that over three-quarters of the rural people in communal areas are poor and cannot even meet their basic nutritional needs is a grim social reality whose human essence cannot he captured by a statistical number. It is a shocking figure by any standards. Furthermore, the Survey reveals that "among the very poor or poor population most of the households had female rather than males as the household head." (p. xx). Thus, women who put in much of the labour in the production of food for the nation and in the reproduction of Zimbabwe's population are, paradoxically, also the poorest. The gendered character of poverty in Zimbabwe, discussed briefly at the beginning of this report, is a factor that is often compounded by asymmetries of power in other dimensions, such as rural-urban relationships.

A further study by the Central Statistical Office (1998) suggests that the incidence of poverty in Zimbabwe has increased from 40.4% in 1990/91 to 63.3% by 1995/96. The incidence of extreme poverty, i.e. households that cannot meet basic food requirements, increased from 16.7% to 35.7% during the respective periods. If the price of development in the "long run" is necessary sacrifice by the poorer classes in the "short run", as neo-liberal theory suggests, then in human terms it is a seriously problematic argument, especially if it is only the poorer classes that make the sacrifices.

In a pre-Budget seminar in October 1999, the Minister of Finance revealed that "Poverty has increased sharply. Recent statistics indicate that 75% of all Zimbabweans are classified as poor and about 47% are classified as very poor." (Murerwa, 1999)

Consumption asymmetry and causes of poverty

In terms of percentage share of consumption by percentiles of population, the highest 20 per cent of the population accounts for over 62 per cent of consumption whereas the lowest 20 per cent, accounts for only 4 per cent (World Bank, 199gb). The above data relate to 1990-91. There are indications that since then income inequalities have grown worse. At the macroeconomic level, sharply reduced real wages redistribute income away from lower-income households to wealthier asset-holding groups. The share of GDP going to salaries and wages, which averaged just over 57 per cent in the 1980s, fell sharply to 45 per cent between 1990 and 1996. By contrast, profit share has risen from 41 per cent in the l980s to about 55 percent in the 1990s. (Davies, 2000, 34)

In the PASS study, the main cause of poverty was identified as unemployment or retrenchment, accounting for 38% of the responses, followed by drought at 29% of responses and low pay at 12%. Predominantly urban areas ranked unemployment and retrenchment as the major causes of poverty, followed by low pay and inflation. The predominantly rural areas quoted drought as the main cause, with unemployment and retrenchment as the other dominant factors.

Real wages have been declining in practically all sectors since liberalization. The decline in the real wages in construction, public administration, education and health has been particularly significant. Evidence suggests that there is a high degree of nominal wage rigidity in the face of high inflation (Davies and Rattso, forthcoming). Nominal wages appear to take as much as two years to adjust to increases in inflation. Declining real wages explain greater urban poverty and lowering of living standards, especially since per capita incomes and industrial productivity have not risen.

The human dimension of poverty: food riots

The dry statistical reality of the PASS and CSO studies translated itself into a grim social reality in June 1997. Over a ten day period, farm workers in the Mtoko farming area, 40 km north of Harare, resorted to direct action to draw attention to their situation. They took whatever farm instruments came into their hands, ran amok in small groups, slashing down fields, burning down tobacco barns, blocking rural roads, setting alight some cars belonging to white commercial farmers, and looting shops, mostly farm-owned. Interestingly, the action was joined in by the women and children as well as by men workers. The action quickly spread to the Darwendale area between Harare and Chinhoyi and in Macheke, Gweru, Chiredzi and Mutare. No organisation officially claimed ownership of the action, nor did anybody make any public statement of the objectives behind this action. In all likelihood it was a spontaneous outburst triggered by desperation. The police were slow to control the situation and the action petered out just as suddenly and mysteriously as it had started. Nothing happened for the next six months. Then, once again for two days, on 19-21 January 1998, farm workers in several farming areas around Harare joined in a nation-wide "stay-away" called by the ZCTU in protest against deteriorating condition of workers and the general population. This time there were also food riots in the city of Harare.

Conclusion

Land hunger, intensifying poverty and increasing food insecurity remain explosive issues in Zimbabwe. Their origins lie in colonialism that created a disjunction between production and consumption. The cheap food policy during the UDI period impoverished the communal area for the sake of industrialisation. After the end of minority rule, there was a noticeable improvement in food security and nutrition indicators. This was followed by a sharp decline in these figures following the introduction of ESAP in 1990. The current situation in terms of land, food security and poverty is inextricably linked to contemporary Globalization-related liberalisation policy measures and the quest for the elusive foreign investments.

- CHAPTER IV -

HEALTH, HOUSING AND EDUCATION

The image of a "safety net" is revealing in its underlying assumptions. It assumes that a section of the people will necessarily fall as a direct consequence of certain policy requiring a "safety net" to cushion their fall. As indicated earlier, this is exactly what the 1991 Policy Statement on the Economic Recovery Programme assumed. It is a statement worth repeating.

"Structural adjustment programmes are usually accompanied by social problems, especially to the vulnerable segments of the society such as the poor, and unemployed. With market forces determining price levels, in the short-term prices are bound to increase beyond the reach of the poor and this can lead to social unrest. Government will therefore take measures to cushion the poor against such possible adjustment effects." (GOZ, 1990, p18)

From the very beginning it was the intention of the Government to shift resources away from "soft social" sectors such as health and education, and divert these to the "hard productive" sectors on the assumption that growth came only from the "hard" sectors. No analysis was carried out on the link between production on one side and health and education on the other. From the beginning of the decade 1990 to 1994, in aggregate terms, real per capita expenditure in health fell from Z$14,78 to Z$9,05, in education from Z$37,83 to Z$30,44, while the real per capita Social Welfare budget fell by 32%. (Loewenson, 1999)

Health reversals

One of the main proposals introduced in social policy in the l990s was the "cost recovery" approach. In the 1989/90 budget Z$Sm were raised through health sector fees, representing 1.4% of the Ministry of Health allocation. By 1994/5, the first full fiscal year after cost recovery was introduced, fees raised $27m or 1.8% of the Ministry of Health budget. (Loewenson, 1999). User fees were rigorously enforced with the stated objective of improving the functioning of the referral system and avoiding inappropriate bypassing of primary care facilities.

As Table 4.1 (see pdf file in download section) shows per capita Government expenditure on health between 1980 and 1996 has declined drastically.

Table 4.1
Health Care Spending Allocation Per Head of Population, $ Per Person Per Year, Constant 1980 Prices

Year	Medical care	Preventative Care	Administration	Research	Total
1980	10.56	0.79	0.36	0.10	11.80
1990	8.62	1.49	0.77	0.07	10.74
1991	8.18	1.38	0.06	0.06	11.45
1994	8.99	1.19	0.25	0.05	10.11
1996	8.41	1.47	0.27	0.04	9.66
1985	9.65	1.23	0.23	0.05	9.96
1992	7.87	1.06	0.22	0.05	9.51
1993	8.45	1.05	0.22	0.04	9.14
1995	7.83	1.05	0.31	0.10	10.46

Source: Loewenson, 1999

Immediately after fees were raised in 1991 and 1993/4, declines were noted in hospital out patient attendance, prescriptions dispensed, admissions, X rays, fractures, lab and dental services (Renfrew 1992; Hongoro and Chandiwana 1994). These have also affected preventive inputs, as toilet construction and water supply programmes slumped due to declining access to cement and reduced outreach of environmental health workers. The increasing costs of mosquito spraying, seriously exacerbated by the decline of the dollar, are reported to have posed difficulties in making spraying sustainable. In a macabre imagery, a reporter, visiting Zimbabwe's hospitals, described them as turning into "patients' deathbeds". (Financial Gazette, 26 February, 1998, 6).

A more accurate description of the situation is that Zimbabwe has a three-tier health system — the private and profitable sector that caters for a tiny minority in the urban areas, the dwindling public system that caters for a part of the urban poor, and the 40,000 members of the Zimbabwe National Traditional Healers' Association (ZINATHA) who are the main backbone of preventive and curative health in the rural areas.

The AIDS situation

One fifth (20,3%) of adults, or 10% of the total population were reported in 1996 to be HIV positive. By 2005, 1,2 million people will have died due to AIDS, about a tenth of the population, with 73% of annual deaths due to AIDS. AIDS cases will probably only begin to decline after 2010, about 8 years after HIV prevalence begins to decline. For Zimbabwe, the main impact of the epidemic in terms of illness and death is thus projected to take place in the 15 year period between 1996 and 2010. (Loewenson, 1999)

HIV prevalence varies across the country: urban areas have 2.5 times higher rates than rural, particularly centres on major transport routes and borders (Mutare 38%; Beitbridge 46%). In some urban areas such as Harare and Bulawayo there are indications that HIV prevalence may be declining, while rural rates are increasing (NACP/STIJMoHCW 1998).

AIDS cases peak in the 20-29 year age group for females, and in the 30-39 year age group for males. Female adolescents have a 5 times higher HIV risk than male, with early onset of sexual activity in young females and sexual activity between adolescent females and older men driving the spread of HIV into the next generation (Woelk 1997).

One of the most tragic effects of this early adult mortality is the increase in the number of orphans. From 15 000 orphans in 1990, the population of orphans under 15 is projected to rise to almost a million by 2005. For children, this may lead to increased pressures for child labour and street work while the care of orphans in every tent household places a further burden on households and social systems (Mark etal 1997).

Burden Placed on Households: As a result of AIDS, households have devoted increased time, money and resources to medical and dependent care, special diets and transport needs. Poor households not covered by any form of social security or medical aid bear a greater burden (Hanson 1992). AIDS was estimated to have cost peasant households in 1997 a total household cost of $482 million (Kwaramba 1997). Cost containment approaches in the health care system and the consequent shift to home based care have placed an additional cost burden on households already stressed by the labour and income losses due to AIDS, as well as raising problems in the quality of care and the management of HIV risks of caretakers (Woelk et al 1997). Households have sold land and cattle to finance these costs and reduced consumption levels of other household members, including removing children from school (NACP/MoHCW 1998).

Households have lost revenue due to AIDS from loss of labour, reallocation of productive labour to care-taking, reduced remittances due to death of wage earners and shifts from cash to subsistence crops. The death of a breadwinner due to AIDS in peasant areas has been shown to lead to a 61% fall in production (Kwaramba 1997), while loss of wage incomes has been reported to have significant poverty effects (MPSLSW 1995).

The demand for wage remittances and public assistance has thus increased with AIDS, in a situation where real formal sector incomes are falling and public assistance has been found to be inadequate, poorly financed and with coverage rates of 20% or less of the target population (Chisvo and Munro 1994).

Cost to the Economy: Within the productive sectors, losses in labour quality and quantity are spread across all categories of employment, and estimated to cost an average of between US$20 and US$200 per worker per year in formal businesses. (Loewenson l999a; ILO 1995, NACP/MoHCW 1998). Workplaces have had more frequent and longer periods of absenteeism, losses in skills and experience, diminishing returns to training investments, with an overall shift to younger and less experienced workers. Loss of trained people has reduced returns on training investments and potentially reduces output and incomes, if inadequately managed (Forgy 1993).

AIDS has also led to increased demands on and costs of spending for health and social welfare and the increased claims on and costs of insured benefits (Muirimi 1998). The epidemic has also affected the health sector, with rising demand for and costs of curative inputs and increasing pressure on health budgets. (Loewenson 2000)

Changing Priority at National Level: Because the burden of AIDS can be transferred effectively to households, it has assumed a lower priority at the level of national policy and responsibility. While HIV prevention costs less than its impacts, with the cost of impacts between 3 and 33 times higher than the cost of prevention, the uncertain economic environment, the ambiguous impacts on productivity, the moderating effect of unemployment, flexible labour markets and relatively low skills demands have often made AIDS a lower priority than other immediate business challenges (Loewenson and Whiteside, 1997).

These factors have led to a shift in AIDS costs from macro-economies to firms and from firms to household level. Hence while AIDS has been estimated to cause a 0,3% point reduction in the rate of GDP growth annually (NACP/MoHCW 1998.), it would appear that that in the short term costs are relatively greater or more evident at enterprise and household level than in the macro-economy (Loewenson and Whiteside 1996).

An important report by UNIFEM (2000) shows that in terms of community experiences of disease, past and present, HIV/AIDS has emerged as the most serious concern. Government, however, has made considerable progress in recent years leading in December 1999 to the adoption of the HIV/AIDS national Policy. This policy is laudable for three reasons. First, it acknowledges that a multi-sectoral approach is required to deal with the pandemic, and it calls for the involvement of government, the private sector, NGOs, community based organisations, churches, the media and international partners to take up the challenge of fighting HIV/AIDS. Second, the national policy affirms the importance of respect for human rights of people living with HIV/AIDS. Too often, communities have responded by stigmatising and isolating these groups — that discrimination against them is prohibited is an important step forward. Thirdly, the gendered character of the HIV/AIDS epidemic is explicitly acknowledged in the National Policy.

Women and girls are differentially and increasingly affected by HIV/AIDS. UNIFEM reports (2000) that women are more at risk because:

- Sexual transmission of the disease is four times more efficient from men to women than women to men;
- Because of their economic dependence on men, it is difficult for women to refuse unsafe sex or negotiate safer sex;
- Double standards encourage men to have many sexual partners, with the result that more women, even those who are monogamous, are at risk.

Compounded by power asymmetries between men and women, the lack of an affordable women-controlled method of infection-prevention, and poor intra-gender communication, these factors have contributed to an alarming rise in the female HIV/AIDS infection rate in Zimbabwe. A source of hope is that the government's National HIV/AIDS policy will transform these concerns into action, with such proven policies as peer and community education initiatives.

Education and Declining Budgets

The low priority given to education in the I 990s, justified lower resource commitment to education on the grounds that these have to be shifted to the more "productive" sectors of the economy, the hard sectors such as industry and agriculture. This assumption goes against the grain of contemporary development theory. It is generally agreed that the heavy investment in education by countries of East Asia was one prime reason for the creation of a more developed and egalitarian society. Education builds critical and scientific thought that is as necessary for development as factories and farms.

Recurrent public-sector expenditure on primary and secondary education has been allowed to decline by more than 30% from 1990 to 1994 while that of Higher Education grew by about 1% in 1994/5 fiscal year above its 1990/1 level (Chisvo and Munro, 1994).

These policies have affected the quality (and quantity) of education, and that this impact has been gendered. Large increases in school fees necessitated by the cost recovery measures in education have also impacted negatively on females (Nilsson, 1995). The results of the Third Round of SDA monitoring survey found that among reasons given for not being at school, "because it was too expensive" was mentioned more frequently in all age groups for girls than boys (Government of Zimbabwe, 1993). While intra-household gender relations, and the different economic benefits of boys and girls are often used to explain gendered education outcomes, they may not, however, tell the whole story, as the following data show.

Table 4.2
Dropout Rates by Grade and Gender: 1990-97
Source: Ministry of Education and Culture (Unpublished Data)

	Grade 1		Grade 2		Grade 3		Grade 4		Grade 5		Grade 6	
	M	F	M	F	M	F	M	F	M	F	M	F
1990	45	7.1	0.9	0.1	2.1	0.5	2.8	1.4	6.2	6.1	1.5	2.8
1991	143	10.3	5.5	3.9	6.0	4.0	5.4	2.7	3.2	0.7	6.9	8.1

1992	10.3	11.0	3.5	4.2	3.7	3.3	2.8	3.1	0.4	1.1	7.1	2.3
1993	10.0	14.3	6.7	5.8	6.3	5.6	5.3	6.2	3.7	5.0	3.2	6.3
1994	8.5	8.9	2.0	0.5	0.8	0.3	1.2	1.1	4.2	4.2	2.4	1.6
1995	11.5	12.3	4.9	4.6	4.3	3.8	3.1	1.7	1.0	0.2	2.5	3.4
1996	12.2	12.6	5.2	3.3	4.8	3.5	3.4	2.6	0.6	1.4	5.5	4.6
1997	12.1	13.2	4.4	3.3	3.4	3.7	1.9	2.5	0.2	1.1	5.9	8.7

The dropouts are highest for grade 1. In the grades with the highest dropouts, the rates are higher among girls relative to boys, as conventional wisdom would dicrate. There is more to this story than meets the eye, however. Between grades 2-5, the male drop-out rates are consistently higher than the female rates. This runs counter to the wisdom that education attendance is male-biased. In most cases, the rates have an upward trend as from 1994. In almost all the grades, the drop out rates peaked in 1993, most likely as a result of the 1992 drought. It is beyond the scope of this report to speculate over the explanation for this data, but it does give pause to the simplistic suggestion that, because of their future economic value, households invest in boys in preference to girls. Intra-household gender relationships are more complex and nuanced than economistic approaches allow.

By the end of the decade the transition from Grade 7 to Form one had fallen to 70% of all those who completed Grade 7. Drop out rates in secondary school reached a peak at form 4, averaging 92% for males and 93,4% for females over the period 1990-1997 (Kanyenze 1999).

Deteriorating Quality of Education: Early childhood education and care (ECEC) expanded rapidly in Zimbabwe immediately after independence. More attention was also placed on the continuation of education — or what happens before and after school
- in the preparation of children for the competitive and skills driven global environment. Since 1991, however, the pace has slowed down with coverage of ECEC at only 30% of the 3-5 year old children in 1997 (Nherera 2000). Coverage of quality ECEC facilities is limited by the voluntary status of ECEC, the unregistered and unmonitored nature of the majority of ECEC centres; the unqualified, low paid and voluntary nature of many ECEC teachers (estimated at 29% in 1997); the distances to centres; the prohibitive fees charged by many ECEC centres and the lack of public sector investment in this area (Nherera 2000).

In 1997 Government allocated only Z$5,7 million for 7 400 rural ECEC teachers allowances (or Z$64 per month), leaving the sector seriously underfunded and poor communities not well organised to supplement the difference (Nherera 2000). Children from poor households, who have even greater need for a stimulating environment in their early years, thus have paradoxically least access to ECEC. Given the important influence of mothers in early childhood education and care, lower access to ECEC in poor communities is exacerbated by lower female literacy in women (75,12%) than men (86,06%), and the lack of community access to playground equipment, toys, books and other materials. This has led to ECEC remaining one of the more neglected sectors in education.

The main options for formal post-school tertiary education and training include teachers colleges, vocational training centres, and universities. The number of teachers training colleges increased from eight in 1980 to fifteen by 1997, with an increase in total output per annum from 618 in 1981 to 5497 in 1997 (Ministry of Higher Education and Technology, 1997 in Nherera 2000). Female enrolment increased to near parity with males by the 1990s. Although the AIDS epidemic will demand training, teacher training is now approaching saturation point, and the focus is shifting to improved quality through degree programmes.

Technical and vocational colleges expanded rapidly after independence with 110 000 enrolments at both Government and non-Government colleges by end 1997. The number of universities has increased from one in 1980 to seven by 1999, with a total enrolment of 13 868 in 1997, 80,8% of this at the University of Zimbabwe. The Zimbabwe Open University, which opened in 1993 with an enrolment of 6 000 was projected to increase its enrolment to over 12 000 by the year 2000. An estimated 190 private colleges enrol approximately 70000 students.

While this tertiary level expansion appears impressive, there are issues that need to be addressed for meaningful outcomes from the increased numbers: The quality of many of the private colleges is highly variable and poorly monitored. In contrast the public sector institutions face serious resource limitations in meeting demand. The aggregate enrolment numbers mask disparities between males and females in access to education, particularly at higher levels, not mitigated by safety nets such as the Social Dimension Fund. Interestingly, at the tertiary level, performance ratios between men and women are reversed. Again, this challenges existing simplistic and economistic understandings of gender. For more on this, see next chapter.

Post school skills formation is provided formally through apprenticeships and vocational training. The intake of apprenticeships have fallen by 38% from their 1991 peak of 2072 to 1286 by 1997. Employers, facing economic difficulties, have cut back on apprenticeships, while even those who qualify find difficulties in accessing employment (Kanyenze 1999). The Social Dimensions of Adjustment Programme did put in place in 1993 an employment and training programme, but this has focused almost entirely on retraining retrenchees and by 1995 had reached about 28% of retrenchees. The programme excluded school leavers. In 1996 the revised Poverty Alleviation Action Programme widened the support to rural and urban poor. While this may benefit youth more directly, particularly through programmes such as the Community Action Project, there is as yet inadequate information to assess its outcome as of now. (Kanyenze 1999).

While policy inZimbabwe provides that children with disabilities should be integrated in the main stream school system, the lack of special provisions to cater for specific needs of disabled children, e.g. in the form of ramps for wheelchair users, facilities for hearing aid users and white cane users, and lack of teachers trained to work with disabled children make this difficult to implement, particularly in already under-resourced schools in low income areas.

These gendet social and spatial disparities in access have not been resolved in the 1990s, even as attention has shifted from quantitative to qualitative changes in education (Interministerial Committee on SDA monitoring 1997). The rising costs of education to households and the public sector, declining public allocations for education and the pressure on use of available resources to sustain basic infrastructures and personnel rather than capital and resource investments are in direct conflict with the demands for more skilled, educated and technology competent citizens under Globalization.

Aggregate figures hide gender disparities, which the Social Dimension Fund does not address. This is discussed in the next chapter.

Case Study: Conditions of Communal and Farm Workers

A thin line separates communal farmers and farm workers

Communal and farm workers' poverty is part of the larger rural poverty, but it has specific characteristics. The distinction between communal and commercial farm labour is difficult to sustain in reality. The situation of communal labour and farm wage labour is similar — the "ownership" of land in communal areas constitutes a mere illusion that obscures the fact that communal farmers too are as much exploited by the system as commercial farm-workers. In fact, "free" family labour in communal and small farms is often more severely exploited than wage labour in commercial farms. In other words, as far as the category of farm labour is concerned, the distinction between "communal labour" and "paid wage labour" is only one of form than of substance. Indeed, in many cases, the people involved are the same. In many agricultural areas, farm labourers move in and out of the dual system — the commercial wage-labour and communal self-labour systems — as the whim of agricultural seasons and the needs for cash income, dictate. If the peasants anticipate a good season they would prefer to stay in their own farms rather than to go for wage labour. This explains why, in spite of chronic unemployment in rural areas the commercial farmers often face labour shortage during especially good seasons. This constant flow of labour from communal to commercial areas, and vice versa, has generally increased over time, especially as the incidence of casual labour, especially of women in agriculture, has intensified since 1990(Tandon, 2000).

Leaving aside this constant movement between communal and commercial lands, it is in the nature of farming that there can never be "full employment" for the bulk of the farm workers all the year round. Depending on the nature of the crop, such as tobacco, cotton, maize, or animal life such as cattle, crocodiles, and ostriches, on the farm, the concept of "farm worker" becomes a very elastic one. At independence there were approximately 600,000 farm workers in this rather imprecise category of "wage workers", neither fully employed nor out of employment, neither fully communal nor fully commercial. The "hard core" farm labourers on more or less permanent employment cannot be more than 20% of that number. A 1996 survey of farm workers revealed that for every farm worker who actually laboured on the farm on a more or less regular basis, there were at least another five who lived in the "compound", sometimes employed as casuals, often living off farm as dependants (Tandon, 1996).

The "compound", a typical colonial institution that has extended to the contemporary period, is essentially a communal "reserve" area brought right into the commercial farm. For the farmer, it is a pool of reserve labour close at hand. For the farm worker, it is a way of keeping a family household together. It is also a particular type of social structure in which the women play a central role in the preservation, renewal and reproduction of labour. Besides working as casuals, which they do more often than men, women also pick fuel from nearby wood forest, fetch water, cook food, brew beer for their male partners, rear children, educate them, engage in "income-raising activities" such as keeping poultry, and grow "subsistence" vegetables near their normally pole and dagga huts. Even when the women bring home income, the compound is a man's world. In many cases, especially in the case of migrant labour, the compound is all they have by way of a "home". The worker has no claim to permanence in this "home", and on being fired or retired s/he has to go hack to the communal area. This can happen any time, and so renders the worker extremely vulnerable to employer pressures or sanctions in case of industrial disputes.

Food, Health and Housing Condition of Farm Workers

A 1996 study (Tandon, 1996) documented the living conditions of farm workers. The next three tables (Tables 6.1, 6.2, and 6.3) (See pdf file in downloading section) paint a graphic picture of the condition of farm workers in Zimbabwe.

Table 4.3
Frequency of Food Consumption by Farm Workers

	Daily (%)	3-4 times a week (%)	1-2 times a week (%)	Seldom (%)
Bread	0.3	5.7	42.9	51.1
Meat	0.7	2.1	183	78.9
Poultry	0.1	1.2	19.0	79.7
Fish	1.3	3.6	14.9	80.4
Milk	3.1	8.8	35.8	52.3
Eggs	0.1	0.7	10.3	89.0
Fruit	2.9	2.0	10.9	84.2
vegetables	66.7	19.4	13.5	0.4
Beans	3.9	2.1	27.0	67.0

Sample size: 1541 respondents. Figures may not add to 100% due to rounding.
Source: Tandon (20001

The table does not give data on the consumption of sadza, which is the daily staple for all workers. As can be seen, it is only green vegetables (mostly rape and tomatoes grown around the living areas) that provided relish for most of the workers. Out of the 1,529 workers we interviewed, rape and tomatoes comprised the main daily "relish" for 1,020 or 66.7% of them. The most serious missing elements in their diet are proteins and vitamins. Nearly 80% of the workers interviewed have seldom had meat, fish, poultry or eggs. Only about a third of the workers were able to add beans to their diet, once or twice a week, but for the bulk of them, beans were a luxury. Many workers, usually women kept poultry near their homesteads, but the chicken and the eggs were for sale to better-off workers or junior level management rather than for self-consumption. In other words, poultry keeping constituted an "income generating project" for supplementing the poor income of the workers. Few workers and their families consumed milk; the data in the table refers mostly to workers on dairy or mixed farms.

The next negative aspect of farm workers conditions of living, after their poor diet, is their poor housing. It is quite normal for most farms to accommodate more people than are immediately or strictly required for farming. There are many reasons for this. Rural areas generally, and farming areas in particular, become refuges for the urban overflow especially in times of increasing urban unemployment. Thus, in the sample of farms in the 1996 Survey (Tandon, 1996), there were 21,642 workers engaged, full-time and parttime, in actual work at the time of our survey. However, in the compounds there were a total of 60,180 people, including wives and children of the farm workers, i.e. almost three times the number of workers.

TabIe4A
Type of Housing for Farm Workers

	HOUSING			OVERALL DESIGN			WALL/Saga	
	No of people on farm	No. of Housing units	House holds/ unit	Modern	Trad Rondavel	Semi-conical	Brick	Pole
STATE	4265	832	5	56	17	7	58	15
TNC	4543	1019	4	50	1	14	50	0
LSCF(W)	29578	3798	8	146	412	38	257	295
LSCF(B)	77	16	5	20	12	0	22	10
MSCF(W)	18853	2935	6	134	248	44	193	194
MSCF(B)	2202	349	6	33	97	15	42	78
SSCF	662	202	3	20	134	4	73	81
TOTAL	60180	9151	7	459	921	122	695	613

Source: Tandon (2000)

[TNC = Farms owned by Transnational Corporations; LSCF(W) = White owned Large Scale Commercial Farms; LSCF(B) = Black owned LSCF; MSCF(W) White owned Medium Scale Commercial Farms;
SSCF = Small Scale Commercial Farms]

Clearly the largest single design is the traditional rondavel types. 61.3 % of the houses, every two out of three houses, are of this design. The housing on the farms owned by the State and the TNCs tend to be generally more "modern" than in other types of farms. However, quite a significant number of the houses in the farms owned by the ttansnationals are still of the metal semi-conical types that one finds predominantly in the mining sector. These are really hot-houses in summer and refrigerators in winter, and are far less comfortable than the traditional rondavel types.

Table 4.5
Incidence of Respiratory Disorders Among Farm Workers

	Workers	Asthma	Bronchitis	Cough	Heartburn
STATE	80	8	23	16	23
TNC	66	3	27	11	21
LSCF(W)	579	121	219	191	317
LSCF(B)	77	7	29	32	32
MSCF(W)	425	82	186	136	160
MSCF(B)	145	16	37	39	67
SSCF	157	37	42	40	72
TOTAL	1529	274	563	465	692

Source:Tandon (2000)
[TNC Farms owned byTransnational corporations; LSCF(W) white owned Large Scale Commercial Farms; LSCF(8) Black owned LScF; MSCF(W) White owned Medium Scale Commercial Farms; SSCF = Small Scale Commercial Farms]

Once again, the figures speak for themselves. A surprising number of workers, nearly a third, complained of bronchitis, whilst nearly 15% of them complained of asthma.

Conclusion

The previous chapter provided evidence of deteriorating food situation of the poor, and the fact that the poor have increased in numbers as well as in terms of evidence that the condition of the poor has worsened in areas of health, education and housing since Zimbabwe's deepening integration into the Globalized economy. Some of the worst affected are also among those least able to protect themselves from the consequences of Globalization. These are the communal poor, the farm workers and women and children. It is to the situation of women and children that the Report now turns.

- CHAPTER V -

WOMEN, YOUTH AND CHILDREN

Women, Youth and Children

"Development with a human face", was a notion developed in the late 19&Os and in early 1990s in response to the social havoc wreaked by first generation World Bank structural adjustment programmes. 'Social nets' were the policy intervention designed to prevent the extensive human cost of SAPs. Yet these measures crucially did not address fundamental structural issues of poverty and power relations.

The UNDP Human development paradigm has contributed significantly to open the debate. It has provoked the need for looking beyond economic growth per se. It has been able to articulate the need for a focus on poverty alleviation as a policy objective rather than an after-thought of economic growth.

Aggregate figures mask gender asymmetries

In Zimbabwe the aggregate enrolment numbers in schools and other educational, vocational and training institutions camouflage disparities between males and females. These are not addressed by safety nets such as the Social Dimension Fund (Nherera 2000). Girl children perform more poorly or are under-represented in the sciences. At tertiary level, for example, females constitute 20% of science students, 13% of Veterinary Science and 2% of Engineering students. Female performance in the sciences and mathematics at secondary school level is significantly lower than that of boys.

It is the same with poverty. Aggregate poverty figures do not bring out the 'invisible' or 'hidden' position of an individual or a group in the hierarchies of class, gender, ethnic or other inequalities. Thus while the experience of poverty is both shared and distributed within families, and all suffer, some suffer more than others. While a household may not fall within the defined absolute poverty line, and therefore not eligible for relief assistance, for instance, yet within that household, women and female children may be relatively more deprived than the male and adult members. (Beneria and Bisnath, 1996)

Box 5.1

Power relations as a determinant in women's poverty

It is critical to incorporate in this analysis an understanding of gender relations and power. Gender relations are relations of power between women and men that partially determine the terms on which they socially interact and the manner in which they access different resources. Gender relations are revealed in a range of practices, including the division of labour and resources, and through ideologies and representations such as the ascribing to women and men different abilities, attitudes, desires, personality traits and behavioural patterns (Agarwal: 1994, quoted in l3eneria and Bisnath, 1996, pp 12-13).

Poverty tends to be more intense at intra-household level than across households. Intra-household resource allocation within the extended African kinship network system is also a crucial determinant of the complexity of poverty. Recent studies on some urban households' livelihood shows that in conditions of family food basket scarcities, male members of the family generally get more food and the best food parts (Kanji: 1995). This finding is collaborated elsewhere in the country, especially the findings from the annual National Sentinel Surveys (1993a) on national health and nutrition carried by the Ministry of Health and Child Welfare (MoHCW) under UNICEF financial support.

Another dimension of women's well being or lack of it is related to the unequal distribution of work and leisure according to gender. Time allocation differentials are an important component of measuring poverty differences between men and women, especially the time spent on various activities and workload intensity. The time constraint factor is particularly critical in rural energy conservation, collection of resources such as wood and water, and environmental management. Women work longer hours than men in most countries of the world and often carry a disproportionate share of the burden of coping with poverty. A comparison of time use for women and men in rural and urban communities reveals that women spend an average of 20 percent more time compared to men working in the rural areas and six percent more in urban areas. This difference is often a result of women's reproductive roles, their greater responsibility for agricultural work in family-owned or family tilled farms and barriers to their entry in urban labour markets.

Women also generally assume multifunctional roles:
a) As food producers for family and often for the market;

h) As reproducers: of families, households, the nation, the labour force within and across generations;
c) As health-care providers: the national health cost burden, especially the growing health-care burden of AIDS is being transferred to women, in both rural and urban communities;
d) As knowledge carriers and providers especially in rural areas. Women's knowledge of indigenous agricultural and food production activities and technologies is often not recognised or is underrated.
e) As welfare recipients: there are many welfare programmes targeted at women than they are at men.

Structural adjustment and women

Already under "normal" circumstances an unequal burden of work falls disproportionately on women. The pressures of structural adjustment have intensified women's workload. Women and young girls carry the heaviest burden of economic adjustment because of their reproductive roles and because of the sexually. defined household division of labour. Women's workload has intensified since the beginning of the decade with increased participation in formal and informal labour markets. Women often assume the responsibility for 'making ends meet' when real incomes fall. This is accomplished through what has been called 'packaging', a term referring to the performance of several jobs in either or both the formal and informal economic sectors, typically resulting in an intensification of women's workloads. (Ruzvidzo, 1999)

Women also begin to assume responsibilities for the household at a much younger age than men. The PASS study referred to in an earlier chapter revealed that ".. close to 25 percent of the households were headed by persons below 30 years of age." The 1992 census also revealed that there were more female than male-headed households in the under 15 years age group. This suggests that there are more girls getting married and or taking charge of orphaned households in the under 15 years age group than the same male age group throughout the country.

Table 5.1
Distribution of Households by Poverty Category and Gender of Heads of Household at National Level

National Poverty Category	Males No.	%	Females No.	%	Total No.	%
Very poor	5136	40	3311	57	8357	45
Poor	2379	18	890	15	3269	17
Non-Poor	5479	42	1602	28	7081	38
Total	12994	100	5803	100	18707	100

Source: PASS Study, 1995, Harare, Zimbabwe

Recent studies carried out in Zimbabwe on the effects of ESAP on urban households' livelihood shows that, under adjustment, male members of the family generally get bigger and better food portions, thus improved nutritional status compared to female household members. Males also tend to receive preferential treatment when it comes to household health care than females (Kanji: 1995). This finding is also collaborated elsewhere in the UNICEF country studies. The findings from the annual National Sentinel Surveys on national health and nutrition carried out by the Ministry of Health under UNICEF funding show that male infants (the birth for weight indicators) are better fed in comparison to female infants.

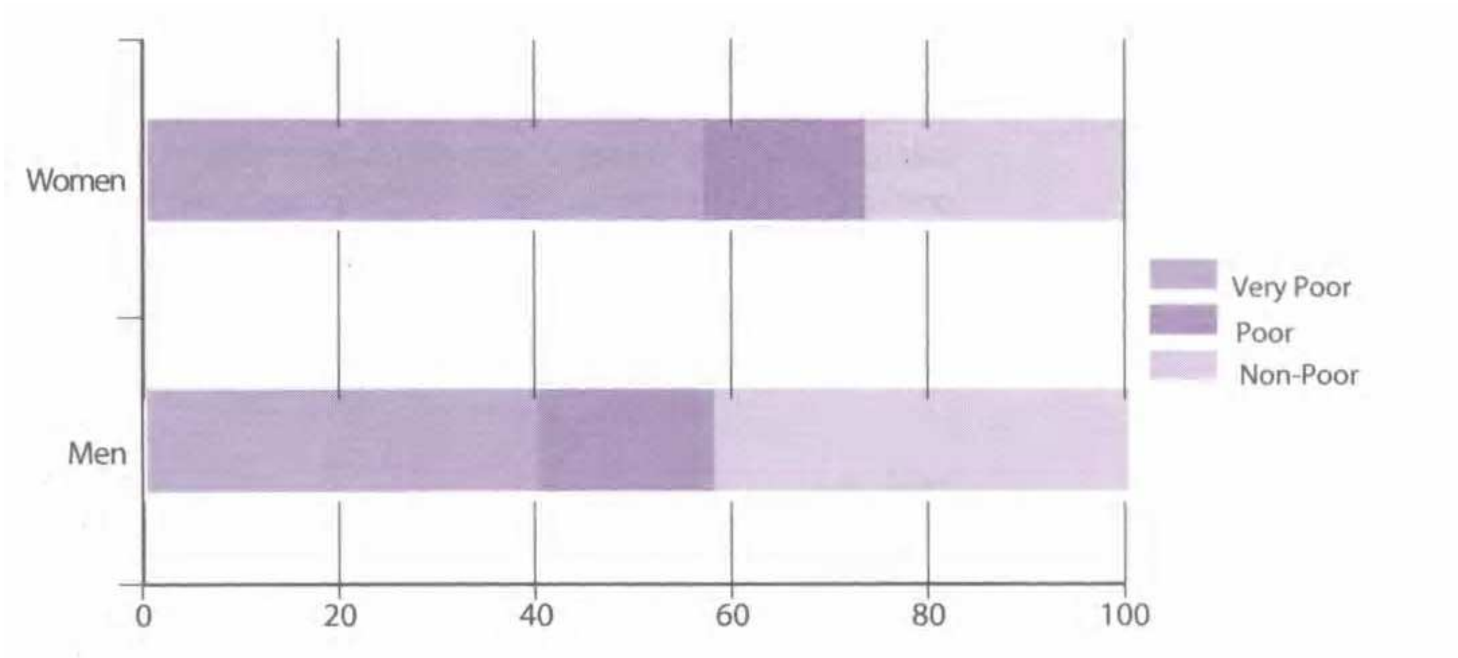
A study by Brand et. al. (1992) recorded an intensification of women's responsibilities within the household. Female informal sector workers, though they depend on an unstable market, contribute a greater share to household expenditure.

Policies and strategies developed to assist the 'poor' have often focused on men's roles or on patriarchally-dominated institutions such as the household or the family, with the assumption that women would benefit equally as men. A common example of this tendency is establishment of social investment funds to assist women during ESAP that have presupposed that women will benefit alongside men from project implementation. When projects are thus carried out specifically for women, they are most often formulated from limited, stereotypical, and essentialist notions of femininity. The projects consequently reinforce women's subordinate positions within households and communities, for example, the micro-enterprise projects that promote low-paid craft production for women without training them in marketing or other better paid skills.

The Zimbabwe Women's Bureau (1991) found that the pressure to earn extra income was particularly felt by women who carried the responsibility for the basic consumption needs of the family. Chipika êt al. (1996) showed that public-sector real earnings fell to as low as 34.4% of their 1980 level in 1993/4. Since the majority of these lower positions are occupied by teachers of whom 40% are women, the fall in real incomes may have also hit women hard (UNDP, 1993 as cited by ZWRCN, 1995).

Various studies have shown that gendered employment in the ESAP period manifest itself as casualisation of female labour, denial of maternity leave, women as the first to be retrenched, or made to do unpaid labour. (Kanyenze, 2000) As figure 5.1 demonstrates, these social patterns have long term consequences, as evidenced by the importantly gendered distribution of income, and deprivation, in Zimbabwe.

Figure 5.1
Gendered Distribution of Poverty at the National level



Source: PASS Study, 1995, Harare, Zimbabwe

Positive developments in the women's movement

Women's movement in Zimbabwe has made huge progress in terms of advancing their rights and getting their voices heard in policy-making organs of state as well as in the broad society at large. Much ground has been covered by an activist approach that has helped to raise the consciousness of rural as well as urban women on matters related to health, education, social services, jobs, sexual harassment, rape, judicial practice, legislation, and so on. Furthermore, there are now a number of publications (books, journals, periodicals, teach-in publications, etc.) that have made considerable impact on the intellectual discourse on gender and gender-related issues. National, regional and global networking has reached new levels of action. These are the positive sides of Globalisation.

Box 5.2
The women's Action Group in Zimbabwe

"Women were sexually abused, women in Zimbabwe never had any rights. They could not own land and access credit facilities on their own. Women needed some husband to vouch for them. For single women, it was almost impossible to get a mortgage loan. Women were treated as second class citizens. Women's position remained the same as in the colonial period. But through WAG we have managed to raise awareness on the rights of women in society in general.

We are no longer frowned at when we talk about women's rights in any place. Nobody still thinks you are mad when you demand women's rights. You can now challenge the decisions that are made in the society if they leave out women. Gender issues that can now be discussed with anybody."

Sauna Mutnbengegwi

Youth and Globalization

In Zimbabwe children typically grow up in extended families. As adolescents and young people leave their natal households for employment they start forming their own households. In a study carried out in Mataheleland it was found that females start forming their own households at much earlier age than males. For example, in rural areas in the 17-19 age group, 6% of the males and 14% of the females were heads or spouse of the heads of households; for the age group of 20-24 the corresponding figures are 22% and 45% respectively. (Meekers and Wekete, 1997).

These figures could be interpreted differently, however. They show that for the age group 20- 24,78% of the males and 55% of the females have yet to form their own homes. The females tend to stay mostly in their natal homes and the males typically leave the homes in search for employment. It is common to observe rural areas almost totally denuded of young male adults, the population largely consisting of older people and children of both sexes and young adult females. This is a legacy of the fragmented economic system created under the colonial period and perpetuated under the UDI period. In the immediate post-independence period the rapid expansion of primary and secondary schools in rural areas helped to hold the young people a little longer in the rural areas, although it is difficult to get hard evidence to support this. What is known is that with the introduction of fees for schools, the young people are forced to leave school at an earlier age than in the preESAP period. This may, in turn, have contributed to an increased net rural to urban flow.

Table 5.2
Percentage of Young People Still at School in Matabeleland

	Urban		Rural	
	Male	**Female**	**Male**	**Female**
10 – 14	97.6	93.6	89.0	89.5
15 – 16	77.8	74.4	52.4	54.1
17 – 19	43.2	24A	21.1	14.4
20 - 24	5.4	4.5	4.8	1.6

Source: Adapted from Table 4,1 of Meekers & Wekwete, 1997

As the table 5.2 shows there is drastic fall in the number of young people still at school after the age of 16. The fall is even more dramatic after the age of 19, especially in the case of young females. Given the precarious nature of employment, most of the young people are jobless as the table 5.3 shows. For the overall age group 15-24, only 31.2% of the males and 24.3 % of the females have jobs in the urban areas. The corresponding figures for the rural areas are 16.7% and 13.9%.

Table 5.3
Percentage of Young People in Employment in Matabeleland

	Urban		Rural	
	Male	**Female**	**Male**	**Female**
10 – 14	-	5.3	5.8	7.3
15 – 16	-	23.9	15.2	15.3
17 – 19	48.2	34.5	28.2	16.7
20 - 24	31.2	24.3	16.7	13.9

Source: Adapted from Table 5.1 of Meekers & Wekwete, 1997

Put differently, about 69% of the young male between the ages of 15 and 24 and about 76% of young females in the same age groups are unemployed in urban Mataheleland. For the rural areas, the corresponding figures are about 83% for the male and about 86% for the female youth. These are quite staggering figures by any standards. The question remains as to what these young people are actually doing. There is an inherent bias in the statistics towards formal employment, and there can be little doubt that many are engaged in informal activities. Particularly with HIV/AIDS, many young people, particularly young women, are involved in unpaid care work. This area, however, requires more investigation for us to understand better the situation of young people in Zimbabwe.

Children's Face of Poverty

The International Labour Organization (ILO) puts elimination of child labour as a core labour standard. (ILO Declaration on Core Labour Standards, June 1998). The Labour Relations Act has only two paragraphs on child labour, mainly to say that children have right to education and security, and those under 16 should not be employed. Yet it is generally known that children are among the most exploited, abused and dis-empowered, especially those who come from poor homes. The poor constitute between 66 per cent and 75 per cent of the households in Zimbabwe. We are therefore looking at a huge population of children who are under-nourished, under-cared, under-protected, and vulnerable to abuse and exploitation, more than the visible core of "street kids" would lead us to imagine.

Unlike other vulnerable sections of society, he it on grounds of gender, ethnicity or disability, children are further disadvantaged by their inability to speak for themselves or to organise themselves. There are no lobbying groups among children, and they are not represented in the Parliament. Within households, especially poor households, they have even less power than women and are almost completely at the mercy of their adult family members or relatives. This is not to say that child abuse is rampant. The difficulty is of getting empirical data that would quantify the extent and nature of the abuse except for the occasional story in the media. Poor households in rural areas find it necessary to put their children to work to supplement incomes. It is difficult to get figures for child labour because parents are reluctant to give such information. (CSO official, quoted in Sunday Mail, 25 January, 1998.

Among the most active advocates for children is UNICEF. Two of the important functions of UNICEF in Zimbabwe are raising awareness about children's rights, and de-stigmatising HIV/AIDS. UNICEF work goes beyond the consequences of policy decision on children's well-being. They have contributed to the analysis of the root causes of poverty. Their support to continue poverty surveillance and poverty monitoring in general has increased awareness about the need for a more comprehensive diagnosis of the current situation. UNIFEM is particularly concerned about the impact of budgetary allocations on children's welfare.

Box 5.3
Children and HIV/AIDS

- UNICEF estimates that AIDS produces 60,000 new orphans each year
- The proportion of orphans is projected to reach 1.1 million or 1/3 of all children under 15 years of age between 2000-2005
- According to USAID by 2010 Zimbabwe's life expectancy will have dropped to approximately 30 years due to the HIV/AIDS menace,

Conclusion

Aggregated figures of poverty, education and employment mask real differences between gender, age and disabilities, and between rural and urban areas. Poverty both within the household, and within rural and urban areas, is a function of power asymmetries and lack of resources as well as of history, culture and inherited institutions. It is also clear that the situation has worsened for women, youth, children and people with disabilities or AIDS in the Globalization-led policies that have reduced state support for these sections of society. They bear a disproportionate burden of market-driven policies since they do not have the financial means or independence to function in the market.

FINANCE, TRADE AND INDUSTRY

The previous chapters show that the poor in Zimbabwe, an absolute majority of the population, are paying an astronomical price for Zimbabwe's economic integration into the Globalised market. In both quantitative and qualitative terms, the price that the rural poor — in particular communal peasants and farm workers and among them especially women, youth, children and persons with disabilities — pay for the promise of a better future is an outrage.

Box 6.1
Globalisation: At what cost?

Is such a price demanded of the people for integrating into the process of Globalization morally justified? The evidence before us presents a prima fade case of violation of practically all the human rights conventions one can think of. Is such a state of affairs vindicated by the promise of a better future that forms the essence of ESAP and of integration into the Global system?

As indicated earlier, the ESAP project anticipated that structural adjustment would be "accompanied by social problems, especially to the vulnerable segments of the society such as the poor, and unemployed." It added that "With market forces determining price levels, in the short-term prices are bound to increase beyond the reach of the poor and this can lead to social unrest." In fact, what exists is a fragmented society that seems to have lost confidence in the regime itself. Regime is a wider concept and is related to the norms and rules of society as well as to the administration of government.

It was noted earlier that instead of putting faith in the people, the Government had opted in 1990 to put its faith in international finance capital and its institutions of Globalization, namely the IMF, the World Bank, the WTO and the TNCs. Was this trust justified? If it was, then this chapter bears the burden of proving or disproving the case. For the poor were asked to make the sacrifices so that there is economic growth and out of this growth they would eventually be not only compensated but also rewarded for their sacrifices.

The crisis of Economism

There are some inherent difficulties in addressing this question. It is evident to all, including the government and the people, that ESAP has failed, that the effort to integrate the economy into the Globalized system has taken a heavy human toll without a corresponding gain or even an indication that things might improve for the better in the future. In this kind of situation, it is easy to slip into faultfinding and finger pointing. In view of this it is necessary to sort out two methodological problems in order to enable an objective and balanced analysis of the present situation in Zimbabwe.

One methodological problem is the confusion between description and prescription. It is too easy to go from one to the other, and indeed unavoidable. To a descriptive statement, for example, that the export sector has not performed as well as it should have, it is important to explain why and then to go on to suggesting how the matter should have been handled. If the situation is not understood in its complexity, it is easy to slip into a policy dialogue putting the blame for lack-lustre export performance on one government policy or another, or more usually, lapses of policy and/or its implementation. This is not to exonerate the Government, but there are at least two problems here. One is that much of the discussion is from hindsight. The second is that the inter dependence among multiple variables that shape the economy is so complex that almost any argument can he sustained by skilful logic. When economic logic fails, it is easy to lapse into the explain-all catch- phrase called "governance" that almost excuses the analyst to go further than pointing fingers at the corruption of Government officials.

The second methodological problem was referred to earlier, namely, the economistic bias of much of the discussion on the poor performance of the economy. There are two problems here. One is that much of the economic dialogue is within the Washington Consensus paradigm. This paradigm, as the erstwhile Vice President of the World Bank, Joseph Stiglitz reminded us, boils down to five economic "fundamentals" — budget deficit, balance of payments, inflation, interest rates and trade deficits, A few more indices could be added, such as savings and investment rate and the exchange rate, but Stiglitz's argument remains valid, namely that the paradigm is both narrow and disguises an in-built ideology in favour of the market and against the state. Furthermore, an analysis based on these "fundamentals" tends get into a circular loop, with one set of prescriptions dependent on another set which is then dependent on the first set.

A second problem with the economistic analysis is that it refrains from looking at people in their flesh and blood. Yet policies are made and complied with or resisted by people who constitute themselves into groups that influence the making or breaking of policies. To illustrate, the three strongest influences on the "budget deficit" in Zimbabwe in recent years are social expenditure, the payment to the war veterans, and the war in the Congo. The Washington Consensus "experts" and the Bretton Woods institutions have promoted the concept of "cost recovery" in the case of social expenditure. Thus when the Zimbabwe State intervened in early 1998 to control the prices of basic commodities, they lamented that price controls involved "going back" to "statist" intervention and constituted a "distortion" of the market, and would, furthermore, send "wrong signals" to foreign investors. Yet it is impractical and unreasonable (indeed inhuman) to expect the people, given their parlous state, to pay for the increased price of mealie meal. Most of them are already undernourished. It is equally impractical and unreasonable to expect the government to do nothing about it. What kind of government would that be? There is at least a minimum of responsibility that the state must have towards its citizens, Of course, the Government of Zimbabwe should have followed the logic of their action in controlling the prices by providing subsidies to the millers who were put against the wall on account of rising input costs with the dramatic fall of the value of the Zimbabwean dollaL This raises other issues related to budget deficits, financial volatility, the deregulation of agriculture, and the creation of dependence on external forces to bale out Zimbabwe in times of crisis.

Yash Tandon
International South Group Network (ISGN)

Debts, deficits and the savings-investment nexus

It is agreed that an economy to grow needs investment, and that investment must come either from foregone present consumption, i.e. savings, or from external borrowing or foreign direct investments (FDIs).

As part of the adjustment programme, a targeted savings rate of 25% of GDP per year, was introduced. Table 6.1 on next page gives the share of national savings and investment in relation to the GDP. It shows that the share of national savings in GDP initially declined from 13.8% in 1991 to 11.3% in 1992, (mainly on account of the severe drought of 1992), and then rose to 22.1% of GDP by 1994, before fluctuating unevenly on a year to year basis. In other words, the country had failed to generate enough savings for all those years, and therefore it could not meet targeted investments to fuel growth. Investment as a share of GDP increased consistently from 19.1% in 1991 to 23.5% by 1994. Thereafter, it fluctuated widely on an annual basis. By 1998, investment represented only 17.1% of GDP, against a reform target of 25%.

One of the major costs on Government revenue is the payment of public debts, a burden made heavier when this debt is owed to foreign creditors, and denominated in US dollars. This has risen from US$3.5 billion in 1991 to Us$4.9 billion by 1997 before declining to US$4.5 billion in 1998. External debt, which represented 43.6% of GDP in 1991, had climbed to 80% of GDP by 1998 (Kanyenze, 1999). The debt service ratio, consisting of payments of interest in relation to export earnings, has been consistently in the range of 25% to 30%. In other words, for every dollar Zimbabwe earned from its exports, 30 cents went out to service the debts and only 70 cents could be used for domestic purposes,either for consumption including imports or for investment. The ZIMPREST document suggests that 37 cents out of every dollar raised in revenue is going towards servicing the national debt.

Table 6.1
Savings and Investment as a Percentage of GDP, 1991 – 1998 (%)

	1991	1992	1993	1994	1995	1996	1997	1998
Savings	13.8	11.3	20.6	22.1	17.0	22.0	10.6	12.5
Investment	19.1	20.2	22.8	23.5	19.4	23.3	19.9	17.1

Source: Reserve Bank of Zimbabwe

It was expected that with the country adopting ESAP, there would be an inflow of foreign private capital to boost investment. This has not materialised. The high rate of inflation and macro-economic instability in Zimbabwe are the reasons often given for its failure to attract Foreign Direct Investments (FDIs). Other countries with single digit inflation, eg. Botswana, South Africa, who have fairly stable macro-economic environments have had marginally better FDI inflows, but in general terms Sub-Saharan Africa has not benefited much in terms of FDI flows, in spite of implementing economic reforms. (Kanyenze 1999)

Development aid and grants have decreased significantly in Zimbabwe. The low inflows of grants of Z$1.5 billion against a target of Z$2.7 billion owing to lower than expected disbursements of funds by donors, as well as a negative net foreign financing of Z$3.4 billion, against a target of Z$3.5 billion, resulted in extensive borrowing from the domestic market. A total of Z$13.2 billion was borrowed on the domestic market, against a target of Z$9.2 billion. (Kanyenze, 1999).

The combined effect of high budget deficits, depreciating exchange rate, decontrol of prices, removal of subsidies, poor supply response, delivered high levels of inflation. Inflation rose from 15.5% in 1990, peaking at 42.1% in 1992, before falling to 18.8% by 1997. Following high imports, the absence of an agreement with the IMF, erratic foreign exchange policy, the Zimbabwe dollar suffered a massive depreciation of over 40% to the US$ on "black Friday" — 14 November 1997. This, together with the award of the war veterans compensation amounting to ZS500,000 in December 1997 and a monthly pension of Z$2,000 to each of the 50,000 ex-combatants, at the beginning of January 1998, caused inflation to rise sharply to 31.7% in 1998. The war in the Congo and the fuel crisis towards the end of 1999 spurred inflation even further. By October 1999, inflation had risen to an all time high of 70.4%. These high levels of inflation have necessitated the maintenance of excessively high interest rates, which remain above 60%, thus making it practically impossible for industry to borrow money for sustaining itself, let alone for development.

Zimprest targets budget deficit cuts to 6.5% of GDP by 2001; inflation to 5% by the end of 2000; GDP growth of 6% per annum for the next three years (i.e. 10% in non-drought years), employment generation of 42,000 jobs a year for the next three years, and a return of per capita income to the 1990 level. To kickstart ZIMPREST the IMF has agreed to release USDIOOm, and the WB and bilateral donors another USD9Om for balance of payments support. By any account the ZIMPREST targets are already unrealistic, indeed impossible, to fulfil, and their non-fulfilment could become the reason for further delays and argument between the Government and donors.

Effects of Trade Liberalisation

Globalisation attempts to enhance the role of the external sector in ecoiiomic development through competition (see GOZ, 1991 & ZIMPREST). Policies that focus primarily on the external trade regime include trade liberalisation, exchange rate policy and full convertibility and reducing barriers to foreign ownership and investment. The range of policies focusing on the domestic regime encompass the removal of investment sanctions, commercialising marketing boards, financial sector reforms, labour market reforms and deregulation of all controls, including price controls.

Measures taken to liberalize trade

In Zimbabwe, trade liberalization was implemented faster than any other part of the reform package and faster than envisaged in the initial policy document. At the beginning of the reform process in October 1990, a restricted Open General Import Licence (OGIL) system was introduced to enable the cement, packaging, textiles, and mining industries to source imported inputs. In February and July 1991, the list was subsequently expanded and an unrestricted OGIL system was introduced in December 1992 to cover close to 20% of imports. The implication of this unrestricted OGIL system is that no imports licence is required to import goods on the OGIL list. Foreign exchange allocation was phased out, leaving tariffs as the only direct protection to local industry. The exchange rate was allowed to depreciate in real terms in order to encourage a shift of resources to the export sector and sustain export competitiveness, in addition, a number of new export incentives were introduced.

The Export Revolving Fund (ERF), which was established in 1983 to assist exporters with imported inputs in order to enable them to meet verified orders, was replaced by the Export Support Facility (ESF). This was established to provide foreign exchange for importing raw materials required by exporters who did not have enough ERS resources. Additional measures included the introduction of foreign currency — denominated accounts (FCDAs) in June 1993 allowing the individual to freely participate in the market for foreign exchange at market determined rates. This effectively liberalised the current account transactions for individuals, which was later extended to corporations. (Kanyenze, 1999)

Since the devaluation of the Z$ in December 1982, Government adopted a managed exchange rate policy whereby the Z$ was allowed to depreciate against a basket of undisclosed currencies. An Export Retention Scheme (ERS) was introduced in October 1990 to enable exporters to retain a part of their export earnings. This was expanded in April 1993 by raising the original retention rate from 5% for mining and agriculture and 7.5% for the other sectors to 50% for all sectors. Originally, the retained earnings were to be utilised to import raw materials and capital goods for the exporter's operations. However, this was modified to enable exporters to use ERS entitlements to import almost any goods and key services, in addition, these entitlements could be freely traded through local commercial banks and authorised dealers.

In addition to the shift from quantitative restrictions to tariffs (tariffication is part of the obligation undertaken under the Uruguay Agreements), tariff rates have been reduced. An average nominal tariff of 16% was reported in the Trade Policy Review of Zimbabwe for WTO of December 1994. This figure did not include the import surcharge of 15 %, which was subsequently reduced to 5%, although not abolished as was expected. The effective nominal average tariffs which include surcharges, rebates etc. have fallen substantially since the start of the reform programme (Tekere, 1999).

In short, the government appeared to have done all that was necessary to liberalise and facilitate trade. The results were quite telling.

Zimbabwe is integrated into the Globalized economy more than most

Following these measures, trade has increased from 50.6% of current price GDP in 1990 to 110.9% by 1998. This is quite remarkable. Figure 6.1 shows trade as a percentage of current price GDP for selected years, 1980-98.

If trade figures indicate the level of integration into the global market then it is clear that this has been a largely post-1990 phenomenon. In other words, Zimbabwe is now even more fully integrated into the global market than even the United States or the European Union. But since such a level of integration is not corresponded by evidence of any real growth in the economy, it proves that there is no real correlation between trade integration and growth.

Convertibility and reducing barriers to foreign ownership and investment. The range of policies focusing on the domestic regime encompass the removal of investment sanctions, commercialising marketing boards, financial sector reforms, labour market reforms and deregulation of all controls, including price controls.

Measures taken to liberalize trade

In Zimbabwe, trade liberalization was implemented faster than any other part of the reform package and faster than envisaged in the initial policy document. At the beginning of the reform process in October 1990, a restricted Open General Import Licence (OGIL) system was introduced to enable the cement, packaging, textiles, and mining industries to source imported inputs. In February and July 1991, the list was subsequently expanded and an unrestricted OGIL system was introduced in December 1992 to covet close to 20% of imports. The implication of this unrestricted OGIL system is that no imports licence is required to import goods on the OGIL list. Foreign exchange allocation was phased out, leaving tariffs as the only direct protection to local industry. The exchange rate was allowed to depreciate in real terms in order to encourage a shift of resources to the export sector and sustain export competitiveness. In addition, a number of new export incentives were introduced.

The Export Revolving Fund (ERF), which was established in 1983 to assist exporters with imported inputs in order to enable them to meet verified orders, was replaced by the Export Support Facility (ESF). This was established to provide foreign exchange for importing raw materials required by exporters who did not have enough ERS resources. Additional measures included the introduction of foreign currency — denominated accounts (FCDAs) in June 1993 allowing the individual to freely participate in the market for foreign exchange at market determined rates. This effectively liberalised the current account transactions for individuals, which was later extended to corporations. (Kanyenze, 1999)

Since the devaluation of the ZS in December 1982, Government adopted a managed exchange rate policy whereby the Z$ was allowed to depreciate against a basket of undisclosed currencies. An Export Retention Scheme (ERS) was introduced in October 1990 to enable exporters to retain a part of their export earnings. This was expanded in April 1993 by raising the original retention rate from 5% for mining and agriculture and 7.5% for the other sectors to 50% for all sectors. Originally, the retained earnings were to he utilised to import raw materials and capital goods for the exporter's operations. However, this was modified to enable exporters to use ERS entitlements to import almost any goods and key services. In addition, these entitlements could be freely traded through local commercial banks and authorised dealers.

In addition to the shift from quantitative restrictions to tariffs (tariffication is part of the obligation undertaken under the Uruguay Agreements), tariff rates have been reduced. An average nominal tariff of 16% was reported in the Trade Policy Review of Zimbabwe for WTO of December 1994. This figure did not include the import surcharge of 15 %, which was subsequently reduced to 5%, although not abolished as was expected. The effective nominal average tariffs which include surcharges, rebates etc. have fallen substantially since the start of the reform programme (Tekere, 1999).

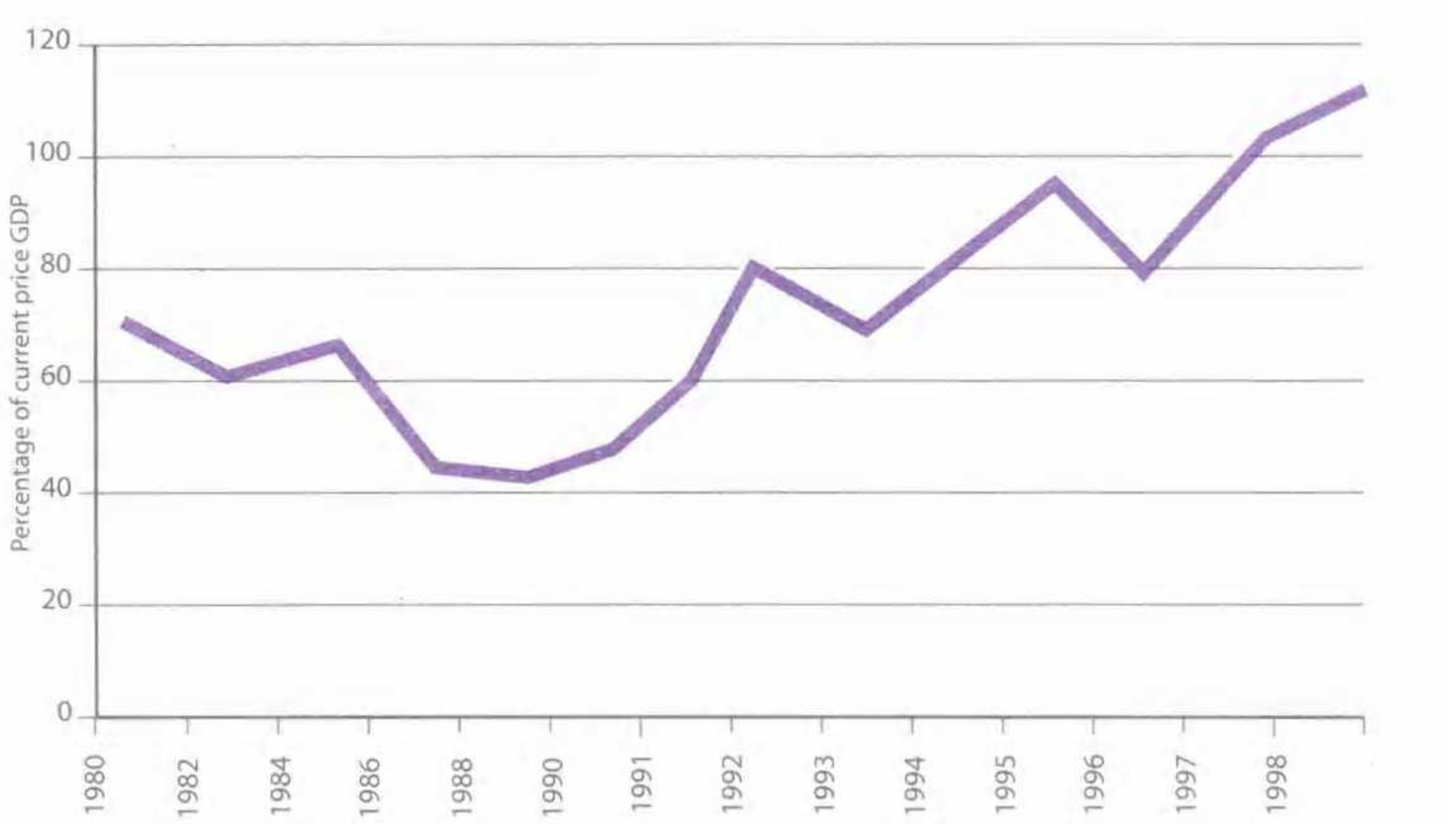
In short, the government appeared to have done all that was necessary to liberalise and facilitate trade. The results were quite telling.

Zimbabwe is integrated into the Globalized economy more than most

Following these measures, trade has increased from 50.6% of current price GDP in 1990 to 110.9% by 1998. This is quite remarkable. Figure 6.1 shows trade as a percentage of current price GDP for selected years, 1980-98.

If trade figures indicate the level of integration into the global market then it is clear that this has been a largely post-1990 phenomenon. In other words, Zimbabwe is now even more fully integrated into the global market than even the United States or the European Union. But since such a level of integration is not corresponded by evidence of any real growth in the economy, it proves that there is no real correlation between trade integration and growth.

Figure 6.1
Trade (Exports and Imports) as a percentage of current price GOP



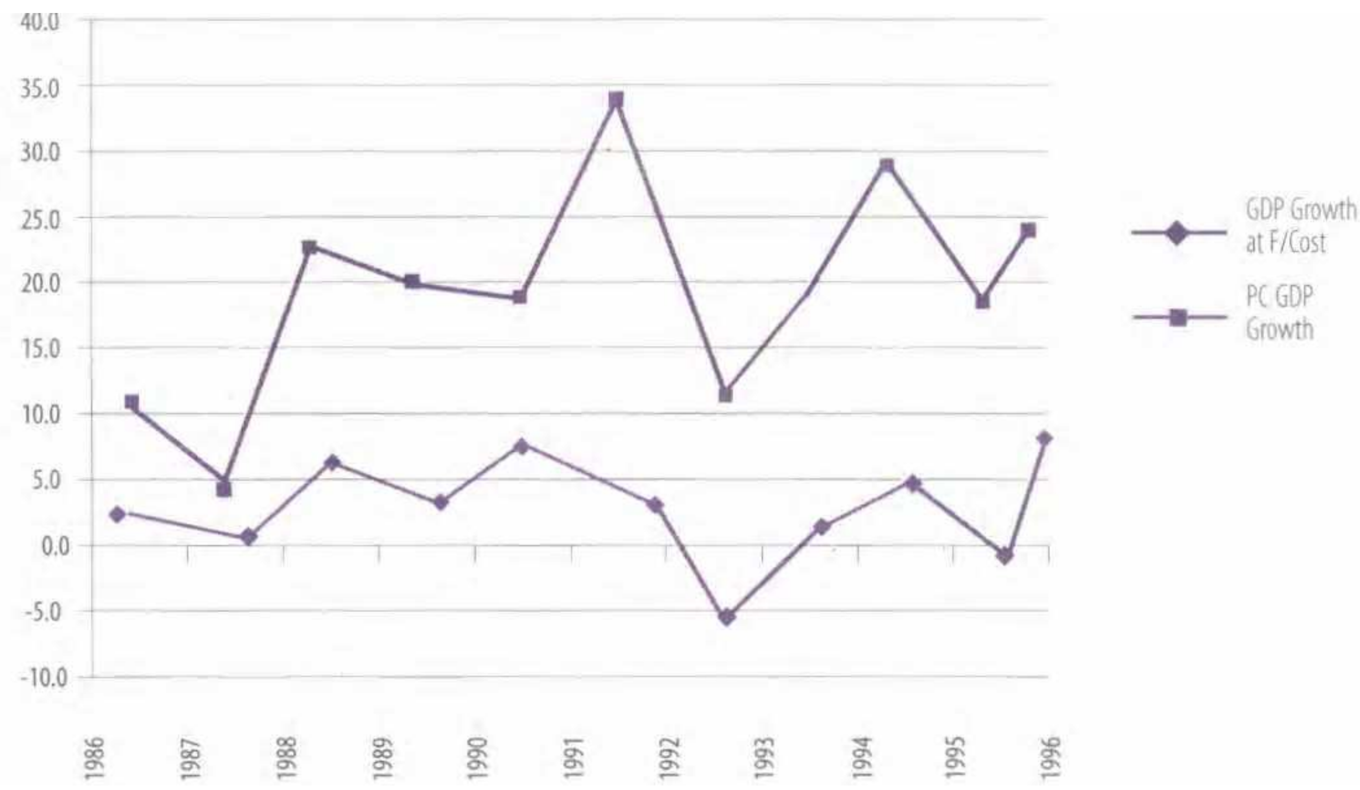
Source: Adapted from UNCTAID/UNDP study on Globalization, Draft Report, 1999, Table l, p19.

As many economists now argue, it is not the degree of integration that is significant, but its quality. During the colonial period, Rhodesia was more thoroughly integrated into the global, namely British colonial, economy than the UK itself was within the global economy. The reason why integration does not necessarily result in growth is because it depends on the profitability of a country's exports. If it specialises in "sunset" industries such as agriculture, minerals, textiles and clothing with low value as compared to "sunrise" industries such as telecommunications and computers with high export value, then no matter how deeply a country is integrated into the global economy, it will remain underdeveloped. (Tekere, 1999).

Declining per capita growth

If trade liberalization was supposed to bring growth, there is no evidence that it did. On the contrary, growth per capita declined as figure 6.2 shows.

Figure 6.2
GOP and per capita growth (1980-98)



Source: Central Statistical Office, Quarterly Bulletin of Statistics, various dates

At factor cost and taking 1990 as the base year, the figures show that the largest per capita growth was the first year (1981) after independence, when it shot up from 1901 in 1980 to 2026 in 1981. Then it fluctuated unevenly until 1990 when it was still considerably higher than in 1980. Since 1990, there has been a steady decline in the per capita growth rate. In 1998 it stood at Z$ 1790 compared to Z$1977 in 1990 and Z$ 1901 at independence.

So if trade liberalisation did not bring about growth, what other effects did it have?

Fall in output and consumption

In the short run, trade liberalization caused a fall in output and employment. A consumption boom led to a substantial increase in imports and a growing trade deficit. Rattso and Torvik (1998) isolated the effects of trade liberalization and included that the deficit and the deindustrialization associated with it are the high short-run price of liberalization, even if the long-run effects may be favourable' (p. 336). They believe that trade liberalization may have created uncertainty, which can well reduce further investment, including FDI, and accelerate the process of dc-industrialization.

Rise of imports and fall of exports

Instead of increasing exports, it is imports that have been rising. Export performance during the reform period has been minimal. In US$ terms, exports grew at an annual average rate of only 2.1% during the period 1991-98, against a targeted rate of 9% per annum. Imports rose at an annual average rate of 4.9% during the same period. The Reserve Bank argues that the absence of a correlation between the 1997-98 currency fall and export performance is due to the heavy dependence on imported raw materials, intermediate and capital goods. The import content of the manufacturing sector lies in the 10-65% range. Given this high import content, most firms are adversely affected by the depreciation of the exchange rate, implying exchange rate depreciation has double-edged effects. (Weekly Economic 1-Iighlights),(October 15, 1999, Vol.1, No.30). Interestingly, it also argues that given the huge depreciation of the exchange rate that occurred in 1997 and 1998, "the record of export performance, so far, does not provide justification for using the exchange rate to stimulate exports." Not surprisingly therefore, the current account deficit, which has fluctuated on an annual basis, persists. (Kanyenze, 1999)

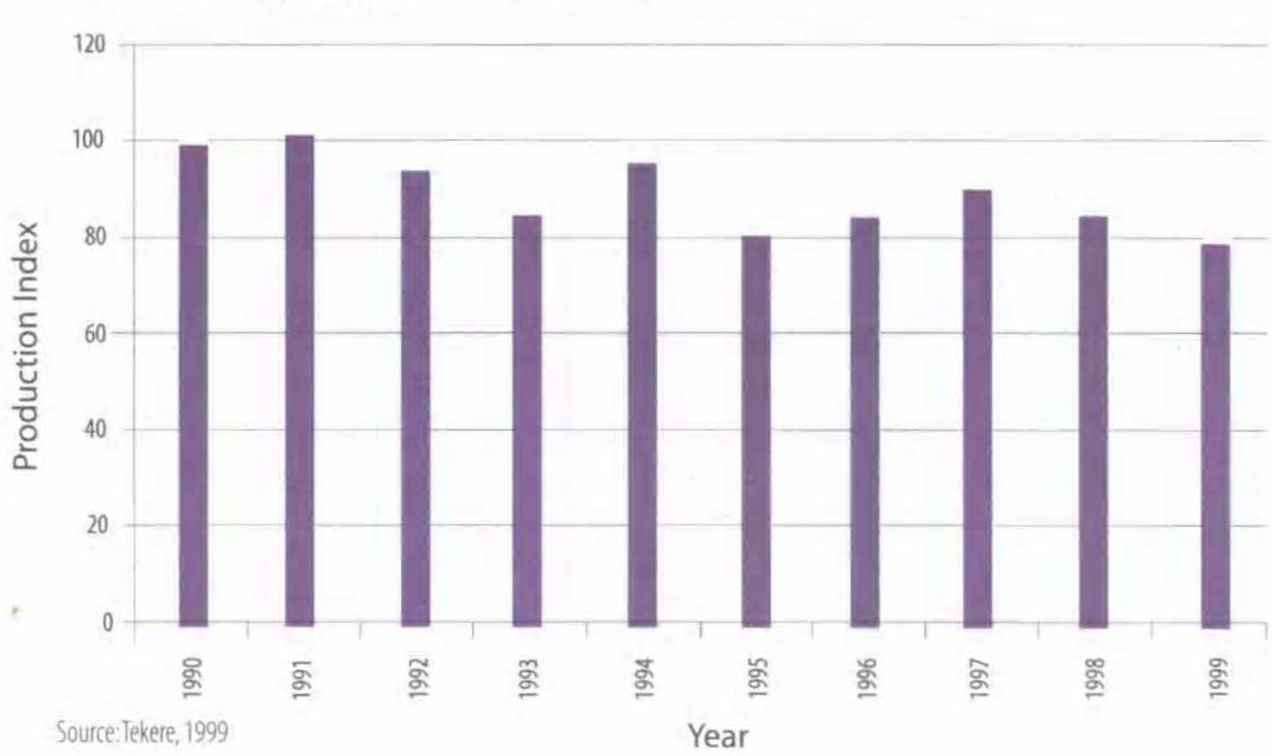
De-industrialization

Manufacturing was the most protected sector before the trade reforms and thus liberalisation has had the most negative effects on this sector in the form of dc-industrialisation. In 1997/87, manufacturing's share of

GDP had fallen to less than 16% for the first time since 1960 compared to an average of 25% in the l97O-80s. The sector has completely stagnated since the introduction of ESAP and relaxation of import controls. Manufacturing value added that peaked in 1991 has fallen by 12% in the last 7 years and it's forecast to decline further. The high interest rates and cost of foreign currency have penalised manufacturing to an extent that even good rains that usually stimulate manufacturing growth will not manage to stir recovery of this sector. The slow down in manufacturing output was largely attributable to the weak performance of textiles, clothing, footwear, wood and furniture, paper, printing and publishing and transport and equipment. Moderate growth was registered in foodstuffs, drink, tobacco and non-metallic mineral products.

It is important to note that protectionist measures by Zimbabwe's neighbours, particularly South Africa, and difficulties in adapting to new competitive advantages explain the outcomes. Zimbabwe industry is learning fast from its mistakes and realising there is a need for transformation of productivity inputs. Figure 6.3 shows that manufacturing production has been the main victim of liberalisation policies introduced in 1991.

Figure 6.3
Manufacturing production index (1990 = 100)



outcomes relating to manufacturing export performance have emerged Three major (Tekere 1999).

- First, agro-processing emerges as high growth sub-sector between 1990-95 with dairy products recording, 18.5% average growth, meat products, 21%, grain foodstuffs, 40.2%, other foodstuffs, 11% and beverages, 86.2%. This indicates the potential

- Zimbabwe's agricultural base to generate export competitiveness in an open market economy and in the absence of serious externalities,

- Second, traditional and high technology industries emerge as low growth sub-sectors. The worst performance among traditional exports are iron and steel, 21% negative, ferro alloys, 6.7%, textiles, 7.3% and clothing, 11.2%. High technology exports such as machinery, electrical machinery and transport equipment experienced slow growth revealing Zimbabwe's technological weaknesses.

- Finally, resource based manufactured exports such as metal products, leather, hides, wood and furniture responded positively to economic liberalisation. Exceptional growth of 130% for every exports is a result of the very low initial base as revealed in the table.

Agriculture is the single largest contributor to export earnings, accounting for in excess of 40% of total export receipts. At the commodity level, tobacco is the single largest export earner, accounting for 26% of total export earnings in 1998. Given the dependence of agriculture on rainfall patterns, the whole economy is therefore vulnerable to weather patterns. If one combines agriculture and mining, they contribute 67.1% of exports. In view of the dependence of the mining sector on highly volatile world commodity markets, this implies the economy is highly vulnerable to exogenous factors.

Internally, the removal of price controls which has resulted in producer prices going up has benefited agricultural communities who have access to markets and with the ability to shift into alternative cash crops, such as horticulture. The emergence of seasonal price differentials has also benefited those farmers with access to irrigation facilities or on-farm storage and who can afford to wait to sell after harvest once prices have increased, particularly those of tobacco and maize.

Prices of non-tradables rise faster than those of tradables

Given that a real depreciation of the exchange rate was achieved until 1998, neo-liberal theory suggests that the relative prices of tradable goods are expected to rise relative to those for non-tradables, effectively shifting the domestic terms of trade in favour of the former. Table 7.2 traces the trends in the prices of tradable and non-tradable goods for the period before economic reforms (1986-90) and the reform period (1991-97). The implied GDP deflators were used to trace movements of prices (Kanyenzi, 1999).

Table 6.2
Trends in Prices of Tradable Relative to Non-Tradable Goods, 1986-97 (Annual Average rates of % change)

Sector	1986-90	1991-97	Differential ((1991-97) - (1986-90))
Tradables:of which	18.7	22.0	3.3
Agriculture	11.2	29.9	18.7
Mining	27.9	13.6	- 14.3
Manufacturing	17.1	22.6	5.4
Non-Tradables: of which	14.5	22.5	8.0
Electricity & Water	19.8	31.2	11.5
Construction	12.8	21.5	8.7
Finance	10.8	23A	12.6
Real Estate	14.5	15.7	1.2
Distribution	11.1	22.9	11.8
Transport	18.2	20.1	2.0
Tradables:of which	18.7	22.0	3.3

Source: Calculated from National Accounts: 1985-97, CSO, July 1998.
Notes: Only sectors driven by the profit motive are included For the GDP deflators, 1990=100.

Following the period of economic reform (1991-97), prices rose much faster than during the pre-reform era. Overall, prices of non-tradables rose faster than those of tradables, which is not in line with theoretical predictions. Agricultural prices rose the fastest (18.7 percentage points) following the introduction of economic reforms.

Mineral prices are the ones that did not move in line with theoretical predictions, decelerating from an annual average rate of growth of 27.9% during the period before reforms (1986-90) to 13.6% during the reform period (1991-97). Mineral prices have been depressed for the greater part of the 1990s owing to excess supply. This therefore raises fundamental questions regarding the efficacy of encouraging developing countries to pursue similar policy prescriptions (e.g. exchange rate depreciation). The fallacy of composition, whereby pursuing such policies results in excess supply, resulting in depressed prices, retrenchments and increased poverty (Kanyenzi, 1999).

Impact of joining the WTO

The creation of the World Trade Organization (WTO) in 1995 coincided with the end of Zimbabwe's economic reforms in which it carried out autonomous and unilateral trade liberalisation policies supported by the adjustment programme. By the time commitments taken under WTO came into effect, Zimbabwe already had a much more liberal trade policy. Controls on imports and foreign exchange had been removed, tariffs reduced, the domestic markets dc-regulated and the environment for foreign direct investments improved. Given this background, Zimbabwe viewed trade liberalisation within WTO as complementary and supportive international instruments to buttress national efforts. It was expected that Zimbabwe's trade and investment liberalisation would not only succeed but more importantly result in economic growth, employment creation, increased exports and integration of the country into the world economy. (Mbegaholawe C, 1999). Thus, the approach taken by Zimbabwe in the WTO was to 'lock in' trade liberalisation measures initiated within ESAP into the WTO agreements. These measures involved

- tariff binding and tariff reductions,
- tariffication of non-tariff barriers in agriculture,
- reductions of some domestic support measures and subsidies
- provision of greater market access to other WTO members
- liberalisation of financial services and
- removal of import licenses.

As a developing country, Zimbabwe enjoyed some concessions regarding compliance, longer implementation periods, and exemption from some commitments, grace periods and technical support towards meeting its obligations. There was optimism that Zimbabwe's WTO membership and liberalisation would bring about benefits such as the stimulation of economic growth, improvement of social welfare and reduction of poverty.

However, over time, Zimbabwe discovered that the WTO had indeed added further burdens of compliance on it, such as on Trade Related Intellectual Property rights (TRIPS), Trade Related Investment Measures (TRIMS), and Sanitary and Phytosanitary standards. Furthermore, the possibility that labour standards and matters such as the environment, competition policy, public procurement and industrial tariffs may be pushed on to the agenda of the WTO at the behest of the G7 countries have made Zimbabwe wary of the WTO. The initial optimism has thus worn down. Benefits to Zimbabwe have been affected by its inadequate participation in the permanent process of reviews of Uruguay Round Agreements that take place in various bodies of the WTO. Some of these reviews have effects of changing the nature of balance and/or establishing new rights and obligations for members.

In fact, the WTO has not brought any new benefits to Zimbabwe. On the contrary as an occasional importer of food, it has to face the increased price of grains in the global market because of the increasing liberalisation of agriculture and the removal of subsidies. Tariff escalation and tariff peaks continue to be serious barriers to market access to Zimbabwe manufactures and processed goods. They also continue to reinforce its role, as that of other developing countries, as sources of raw materials. For example, developed countries' tariffs on cigarettes is much higher than on unprocessed tobacco while tariffs on textiles and clothing is higher than those on raw cotton exports. Also, the WTO induced trade liberalisation has led to the narrowing of the differences between Gençralised System of Preferences rates and Most Favoured Nation rates (these being two different tariff schedules, the former of which favours developing countries) and between GSP and Lome rates (the Lome schedule being the preferences extended by the EU to former colonies, including Zimbabwe) thus undermining Zimbabwe's tariff based preferences and market access. (Tekere, 1999)

Zimbabwe and Lome

One of the issues that have come to the fore is the termination of the preferential system that Zimbabwe enjoyed in the markets of the European Union under the ACP-Lome Agreements. The EU has taken the occasion to argue that any post-Lome agreement must he WTO-compliant, effectively ending of the system of preferences.

Exports to the EU currently account for about 36% of the country's total exports and cover both traditional and non-traditional product lines. Major export products to the EU are tobacco, iron and steel, cotton, meat products, precious stones, clothing, trees, plants, cut flowers, sugar and confectionery while the main imports from the EU comprise machinery, vehicles, electrical machinery, chemical products, cereals, photographic products and inorganic chemicals.

Furthermore, under the Convention's Beef and Veal Protocol, Zimbabwe has a preferential tariff quota that allows it to export 9 100 tonnes of beef into the EU annually. Under the Sugar Protocol, Zimbabwe's preferential tariff quota stands at 30,225 tonnes annually supplemented by a variable Special Preferential Sugar quota which in 1997/98 season was 29,744 tonnes. The country has been able to fully utilise its quotas as well as the special preferential sugar quota but the beef quota was not fully utilised for the past four consecutive years on account of failure to meet the required safety standards.

The ACP-EU in February 2000 concluded an agreement for an effective 8-year successor to Lome, at the end of which all preferences will disappear. This is likely to further hurt the export performance of Zimbabwe's exports. It does not appear likely that in such a short period Zimbabwe can either restructure its export sector or acquire alternative markets to absorb its present exports at the competitive prices that the non-preferential markets demand.

Also of relevance to Zimbabwe is the recently concluded free trade agreement (FTA) between South Africa and the EU. What effects this will have on Zimbabwe depends on the relative importance of preferences enjoyed by Zimbabwe's exports in the SA market relative to EU exporters and in the EU market relative to SA exporters. In the immediate future, the impacts will depend on the relative phasing of South Africa's tariff reductions under the SADC Trade Protocol and the SA-EU ETA and Zimbabwe's future trading relations with the EU relative to the phasing of the EU's tariff reductions under its agreement with SA. The long-term impact will depend on whether there will still be preferences for one party over another at the end of the liberalisation processes under the SA-EU ETA, the SADC Trade Protocol and whatever post-Lome agreement Zimbabwe negotiates with the EU. It is clear, however, that the opening up for EU imports into Zimbabwe will have more negative than positive effects. There will be serious adjustment costs, firm closures, job losses and resulting poverty.

Negative effects include the displacement of some Zimbabwean exports on the SA market by those from the EU, particularly given the Common Agricultural Policy. There is also the possibility of subsidised EU goods "sneaking in" to Zimbabwe via South Africa and avoiding duty. Zimbabwe's exports to South Africa which would be subject to increased competition from EU exports once tariff barriers are equated are (in decreasing order of importance) wood manufactures, furniture, metal goods, textiles, machinery, paper articles, organic chemicals, non-metallic minerals, transport equipment and footwear. Further there would be losses of revenue to the state, high burden on customs to administer rules of origin, investment diversion from the region into SA and general erosion of preferential market access for Zimbabwean goods in both SA and the EU. The absence of safeguard measures in the agreement to cover non-SACU/SADC states and the undue burden placed on the already weak Zimbabwe's customs system is a major concern. The positive effects include the opportunity provided by the cumulation provisions, increased competition and other trickle down dynamic effects. A number of products of export interest to Zimbabwe are excluded from the general tariff liberalisation within the EU-SA agreement which at least preserves Zimbabwe's preferential access in SA for these products vis-a-vis the EU and other countries outside SACU/SADC. (Telcere, 1999)

SADC and COMESA

Since the 1990s, all COMESA and SADC countries have been liberalising their trade and foreign exchange regimes unilaterally. However, the reforms have not led to macro economic convergence, policy harmonisation and stability which is necessary for closer economic and trade integration. There is also significant difference in the relative size of the economies that weaken liberalisation and induce negative responses to regional liberalisation in weaker countries.

In recent years, there has been a market shift from EU towards SADC and exports to the region now account for about a 30% of the country's total exports, while imports from SADC are over 40% of the total import bill. South Africa is Zimbabwe's single major import supplier as well as destination for exports in the world. In 1995, South Africa alone accounted for 85% of Zimbabwe's regional imports and in 1996 it accounted for over 90%. The trade balance between Zimbabwe and SADC is nearly 4 times in favour of the latter but without SA, the trade balance between Zimbabwe and SADC is nearly 3 times in favour of the former.

Effect of financial liberalisation

In view of liberalised current accounts, Zimbabwe agreed to abide by Article VIII, sections 2, 3 and 4 obligations of IMF's Article of Agreement on 2 January 1995. Through this acceptance, Zimbabwe committed itself to maintaining a liberalised current account. By so doing, Zimbabwe joined a select group of other members of the IMF that have fully committed themselves to these obligations.

Measures of financial liberalization

Exchange control regulations were substantially modified to allow for large increases in business and holiday travel allowances. The establishment of foreign exchange bureaux was allowed and the private sector was permitted to borrow up to US$5 million from abroad without having to seek the approval of the External Loans Coordinating Committee. Restrictions on remittance of new dividends by foreign companies were abolished in January 1995 with past dividends to be unblocked over a period of 3 years. To facilitate timely implementation of investment projects, domestic borrowing limits for foreign investors were removed. (T.Moyo, 1999)

Financial liberalization has been effected using the following measures:

a) The decontrol of deposit and lending rates and the removal of credit controls.

b) Removal of barriers to entry into the money and financial markets
c) Relaxation of foreign exchange controls to allow banks greater freedom in the control and use of foreign currency.
d) The introduction of Foreign Currency Denominated Accounts (FDAs). This measure has allowed individuals to freely deposit and transact in
e) foreign exchange at determined rates.
f) The opening up the capital market to allow foreign participation. With effect from June 1993, foreign investors were allowed to buy up to 25 percent of the equity of any company listed on the Zimbabwe Stock Exchange. The figure has since been revised upwards to 40 percent.
g) Foreign investors were also permitted to participate at the primary issue of the stocks and dividends from these investments qualify for 100 percent remittance.
h) Removal of restrictions on the use of surplus funds and the interest cap on them, freeing such funds for investment in the market at the ruling market price.
i) Lifting of restrictions on domestic borrowing by non-resident companies from 40 percent of shareholders' funds before 1994 to 100 percent beginning 1994.
j) Revision of the Reserve Bank Act in order to eliminate segmentation and to increase competition in the market (in progress). Financial reforms occurred simultaneously with other reforms such as trade liberalization, price deregulation and the liberalization of agricultural and labour markets.
k) The reduction in the prescribed asset ratios of insurance companies and pension funds from 60 to 55 percent was also some effort to reduce control of the financial market.

The Reserve Bank raised initial capital required to open up a commercial bank from $ 15 million to $ 50 million (now $100 million) and from $ S million to $ 25 million for building societies.

Institutional expansion and increase in asset base of banks

New entrants into the banking sector include four new discount houses between 1991 and 1997, two new building societies between 1992 and 1996, and six new merchant banks between 1993 and 1997, although with two mergers in 1997 and also two new commercial banks in 1997 together with one finance house in 1996 (Reserve Bank Quarterly Economic and Statistical Reviews, 1992-1997).

Venture capital companies such as the Venture Capital Company of Zimbabwe and Takura Investments have, for the first time, introduced venture capital business on the market. The high interest rates from the reforms have increased savings mobilisation by a number of institutions. They have also made loan portfolios more attractive. This is reflected in the growth of the asset base of a number of institutions. Estimates based on figures from several Reserve Bank Quarterly Economic and Statistical Bulletins indicate that the combined asset base of the whole banking system of Zimbabwe has increased from the low figure of $4.4 billion in 1985 to $11.0 billion in 1990 and further to $82.1 billion by June 1997. For insurance companies and pension funds, the asset base is estimated to have increased from $5.8 billion in 1990 and $ 38.1 billion in 1996 (NSSA included). Projections indicate that the figure is likely to rise even further to $ 44.1 billion in 1997.

Total deposits of the financial institutions rose from $ 3.8 billion in 1985 to $ 9.7 billion in 1990 and further to $ 47.2 billion in June 1997. On average, savings with financial institutions have been growing at 12 percent. Savings from financial institutions have been growing from $ 2.9 billion in 1985 to $ 7.0 billion in 1990 and further to $ 32.3 billion in June 1997. This trend bodes well for investment in that this could help raise target investment.

The entry of new banks has increased competition. The competition has made many financial institutions to he more innovative for instance, the introduction of Automated Teller Machines - ATMs linked to ZIMSWITCH, has improved service provision. Commercial banks have improved their efficiency due to the increased competition. Estimates indicate that their cost of funds declined from 18.4 percent in January 1995 to 10.6 percent in July 1997. (T.Moyo, 1999)

Negative effects of financial and capital liberalisation

However, there have been some negative developments. The collapse of an indigenous merchant bank in 1997, namely the United Merchant Bank, reflected a failure to survive in the competitive environment. Poor management, bad lending based on political rather than economic criteria largely explained the bank's collapse.

Defaults by Small-to-Medium Scale Enterprises (SMEs) were rampant due to financial distress. Some of the company closures and retrenchments of labour which took place at the height of ESAP were attributed to the fact that these enterprises had borrowed cheap in the '80s and were now having to repay at more than triple the rates. Since the 1990's, high interest rates, coupled with exchange rate adjustments since 1990, has greatly increased the cost of capital for both domestic and foreign investment, negatively affecting returns on capital and forcing the postponement and cancellation of numerous investment projects.

The high nominal interest rates also adversely impacted on the operations of long term lending institutions as investors, attracted by higher rates of return on the short-term money market, switched portfolios to the higher-yielding money market instruments. Building societies, finance houses, and the Zimbabwe Stock Exchange experienced outflows of funds as savers switched portfolios to that market. The impact was so bad that around 1992, building societies had to suspend mortgage activities. Activity on the Exchange declined drastically with the industrial index falling from a peak of almost 2000 points in 1991 to just below 900 points by December, 1992.

The portfolio shift described above also brought a serious challenge to monetary management-namely the high excess liquidity on the money market. As a result, the central bank has been adjusting clearing and settlement arrangements in order to try and push this excess money out of the money market. Furthermore, the liberalisation of the exchange and trade regimes has generated huge inflows of capital from offshore borrowing and private sources causing excessive monetary expansion. This led to the adoption of a tight monetary policy by the Reserve Bank, resulting in high nominal rates.

Reforms have also made it increasingly difficult for SMEs, small informal borrowers to access credit. Banks are more risk averse and will insist on collateral security as a basis for lending. Furthermore, it also appears that urban areas have benefited more from the entry of new institutions into banking. This has exacerbated inequity between rich and poor, the urban and rural communities.

As a result of the growth in competition, banks have tightened up their lending criteria to make sure that they reduce chances of default. In this process, development lending has been more marginalised than before. A good example to illustrate this is the experience of the Agricultural Finance Corporation (AFC). The Corporation provided subsidised credit to farmers, both large-scale commercial and small scale commercial, communal and resettlement area farmers. However, diminishing support from budgetary sources made it imperative for AFC to go commercial. In the process however, it was decided that the new bank (AGRIBANK) would have to take over only those clients who were in good standing with the Corporation , were up to date with their repayments and had good prospects for success. The defaulting farmers who are mainly communal and resettlement area farmers were to be taken over by the Agricultural Development Assistance Fund (ADAF), a separate entity from the new Bank. ADAF literally has to start all over, develop a credit culture in its clientele and ensure the survival of indigenous agriculture in the face of dwindling fiscal support. Increasingly ADAF has to raise funds from donors because it is not a bank which can mobilise deposits from the public for on lending.

Another example of the negative impact of FLD in terms of human development relates to the restructuring of development-oriented institutions such as the Zimbabwe Development Bank (ZDB) and the Small Enterprise Development Corporation (SEDCO). The restructuring itself has some shortcomings in that the focus is not on the borrower i.e. how for instance, borrowers could be trained and supervised in order to ensure prudent use of loans. On the contrary, the strategy has been to shift the direction of the institutions' lending to less risky, more profitable sectors and even to insist on collateral security as a basis for lending. (T. Moyo, 1999)

Zimbabwe was not adequately prepared to deal with the challenges which were unleashed by the opening up of the financial sector. The supervisory and regulatory systems had to be amended in order to tighten up controls in the sector to deal with emerging problems of bad lending policies by some institutions. The collapse of the United Merchant Bank and the ripple effects which this had on the market, the near collapse of the Zimbabwe Building Society which eventually had to be placed under judicial management and the increasing trend towards mergers in the sector, contrary to the spirit of competition, are indications of some of the negative effects of financial liberalization in an environment where there were no adequate checks and balances.

The opening up of the Zimbabwe Stock Exchange to foreign participation whilst boosting the local bourse, has also created uncertainties which has made the economy vulnerable to shifts in investor sentiments. (T. Moyo, 1999) However, the steady growth of the ZSE is due largely to domestic investors. This augurs well for a more stable stock market.

In all, the opening of the financial and banking sector and partial liberalisation of capital market has created greater uncertainty in the financial sector and has increased the attractiveness of purely speculative as against productive investment. This is because the money market is higher yielding than the equity market. Financial liberalisation has brought in new, mostly foreign, players without bringing in much foreign investment capital. On the contrary, the financial sector has sucked up most of the local savings as well as off-shore speculative funds increasing their time deposits from a trivial $3.8 billion in 1985 to a staggering $47.2 billion in 1997. Liberalisation has increased competition and new instruments for financing enterprises, but it has also sent to the wall some indigenous banks that could not face the competition and indulged in unethical practices to survive. Financial liberalisation has not helped small and medium scale enterprises. On the contrary, development finance has become marginalised, and with the restructuring of the Agricultural Finance Corporation the communal farming sector no longer has a viable credit institution that can advance seasonal and development credit to them. Financial liberalisation has spawned the rise of a small but significant local financial oligarchy, one of the few groups that has benefited from Globalization. In sum, the overall effect of financial and partial capital liberalisation has been generally negative.

Indigenisation

One of the sustaining pillars of the East Asian economies has been a local capitalist class nurtured by the State. In Korea the state went out of its way to consolidate large enterprises and facilitate their growth into the domestic and then the export market through lavish credit, market , infrastructural and other facilities. In Malaysia, too, an indigenisation policy deliberately discriminated in favour of the "sons of the soil" in order to develop a local class of entrepreneurs with loyalty to the state.

Whether a similar policy of fostering an indigenous capitalist class is desirable or practical in a country like Zimbabwe (or even South Africa) is a debatable issue. Zimbabwe's economy is much more deeply embedded in the colonial structure than either Korea or Malaysia were. The history of discrimination against the entry of Africans into business or industry makes the generation of a starting point for an aspiring capitalist is much more difficult than in most of Asia. For example, the banking sector in Zimbabwe is still largely owned and/or controlled by foreign banks and finance houses. These are alleged to discriminate against lending to small and emerging entrepreneurs. On the other hand, a section of the educated elite had joined the struggle for liberation not to secure land but to become captains of business and industry. Soon after independence they were able to convert political power into economic assets by acquiring not only farms but also small businesses, hotels and industries, and they looked upon the state to provide them with facilities to take over at least parts of the economy.

In the 1990s, the urgency of indigenisation came to the fore, and led to the establishment of the Indigenous Business Development Corporation. According to the government policy on indigenisation, the concept "is the deliberate economic empowerment of indigenous Zimhabweans mainly through economic expansion," (GOZ, 1998). The programme aims at eliminating the socio-economic imbalances inherited at independence, thereby creating econothic justice among races and generating more wealth through economic expansion.

Government policy is to use privatisation as a vehicle for indigenisation. Government has deliberately delayed the privatisation of some national assets in the hope that over time, there would emerge a sufficiently strong indigenous capitalist class that could take over the privatised assets instead of handing them over to foreign interests. Within the President's office there is a Department for State Enterprises and Indigenisation. There is also a National Investment Trust (NIT) created for the purpose of building an asset base for indigenous entrepreneurs. However, delays in implementing policy decisions have compromised the rapid effectiveness of the NIT as an instrument for buying and warehousing shares on behalf of indigenous people. The President's Department also suffers from lack of resources to enable the project to make significant advances. Hence the process of developing an indigenous class of entrepreneurs with a critical mass large enough to take over public assets has been very slow. It has also been marred by allegations of corruption and political nepotism and favouritism. (Sibanda, 1999).

Leaving aside small and medium scale enterprises that are largely survival-kit outfits, and excepting for a few successful ventures like Econet, the indigenisation process in the private sector thus has not moved significantly enough to take advantage of the process of Globalization. If anything, the liberalisation of the market and the opening up of competition from well-placed businesses from Asian as well as from the more developed countries has intensified competition, reduced access to subsidized credit and made entry into new ventures even more difficult.

Small and Micro Enterprises

The majority of Zimbabwean enterprises are micro single-person operations, mostly in the informal sector. The formal sector is known to employ only about half a million workers out of the total of 1.6 million. Small and Micro-enterprises (SMEs) appear to have increased in numbers and importance since ESAP, representing annual growth in turnover of 28 per cent between 1991 and 1995. Small enterprises (employing fewer than 10 workers) grew faster than the medium and large enterprises, which may be partly because they are less affected by changes in the exchange rates and operate almost exclusively in the local market.

In the manufacturing sector SMEs contribute about 10.1% to gross output, 10.9% to net output, about 13% to employment and 11% to wages and salaries compared to 2.2%, 3.1%, 3.1% and 1.7% respectively in the mining sector. There are 2,100 agricultural cooperatives in Zimbabwe, employing about 350,000 people as owners and employees and supporting about 1.5 million family members. Thus SMEs and microenterprises play a critical role in respect of both output and employment.

Other studies, however, show that the number of SMEs have declined. The difference in data is probably explained by what kinds of enterprises are includçd in the study. A USAID study defines SMEs as business activities that employ 50 or fewer employees. For crop-agricultural enterprises, only those with sales of at least Z$2,000 per year were included, while for all other businesses, only businesses that marketed at least 50% of their product were included. According to the USAID study, the SME sector comprises of over 1.3 million enterprises, 66% of which are in manufacturing, commercial, or service activities. Mining and agriculture account for the remaining 34%.

According to this study, the number of SMEs increased from 867,784 in 1991 to 941,944 in 1993, before declining by 8.7% to 860,329 by 1998. While there has been an overall decline in their number, the urban-based ones increased by 0.3% (1991-93), 29.6% (1993-98) and 30.1% during 1991-98. The number of rural-based ones declined substantially during the period 1993-98 (-22.9%) and by 13.7% during 1991-98, despite growing by 12% during 1991-93. This may have been caused by the decline in real incomes, given that the rural-based SMEs mainly get their seed money from remittances from urban areas.

Employment (including proprietors) in manufacturing SMEs increased from 1,4 million in 1991 to 1,6 million in 1993 (14.5%) and 1,7 million by 1998 (an increase of 22% over the 1991 level). Despite declining by 2% during the period 1991-93, employment grew by 54.9% during 1991-98 in urban areas. In rural areas, employment in SMEs initially rose by 21.7% for the period 1991-93, before falling by 10.4% during 1993-98. The overall size of SMEs has grown from an average employment level of 1.6 in 1991 to 1.9 by 1998. (Kanyenze, 1999)

Home-based SMEs initially increased from 76.9% in 1991 to 81.2% in 1983 and 69% by 1998. Since 1993, the share of SMEs based on markets, roadsides and commercial districts increased considerably. As hardships increased, this may have been a strategy to get closer to the market. Sales and profits increased at an average annual rate of 4% during the period 1993 and 1998. Profits also rose in similar fashion.

The studies also show that firms that received credit are on average Larger, grow faster and are more profitable. It was however not clear whether these were larger, faster growing and more profitable because they received credit or whether the better performers are the ones that received credit. Women-owned SMEs hardly receive formal credit, accounting for only 10% of recipients, compared to 36.3% for male-owned ones and 53.7% for jointly- owned ones. Interestingly, however, the bulk of micro-loans, 65.2% went to female- owned SMEs, compared to 7% for male-owned ones and 27.8% for jointly-owned ones. Formal loans mainly go to urban-based firms (78.3), while the majority of micro-loans go to rural areas (53.4%).

Most SMEs are in low-profit sectors. In these sectors, profits were a sixth of that of the other sectors and entry costs were a tenth of those for low-birth sectors. Using regression analysis, USAID study found that during 1988-97, for every 1% increase in GDP growth, the SME birth rate decreases by 0.63%, implying SMEs increase during economic downturns. Most are created as a result of unemployment. Around 70% of low-profit sectors had a higher birth during the downturn of 1995 than in the recovery year that followed. In the high-profit sectors, in 60% of the cases, the birth rate is higher during downturns. This shows that SMEs are created mainly as a subsistence mechanism, and not in response to new opportunities.

In terms of the use of capital and response to domestic needs, the SMEs perform better than big companies and TNCs. However, in the context of Globalization that is oriented towards the export market, and financial liberalisation that is oriented towards speculative money market rather than productive investment, SMEs are deprived of the necessary access to credit and other facilities to provide for the domestic market and the basic needs of the people, which is where their strength lies. In -the absence of market incentives, government has not made a serious effort to help SMEs with credit, technical and market support.

Workers under Globalization

An important component of domestic deregulation was the liberalisation of the labour market. Labour market reforms were geared towards the decentralisation of regulations pertaining to the terms and conditions of employment.

Liberaliation and flexibilisation of the labour market

In line with the adoption of a market-driven strategy, the law applying to retrenchments was changed through Statutory Instrument 404 of 1990. This statutory instrument provides that any employer wishing to retrench should give written notice of his\her intention to the Works Council established for the undertaking. However, if there is no Works Council or if the majority of the workers concerned agree to such a course, the notice of intention to retrench must go to the state created Employment Council or Employment Board. The employer is expected to give details of every employee affected and the reasons for the proposed retrenchment. A copy of the notice should be sent to the Retrenchment Committee. If the matter is not resolved within a month, the issue is referred to the Retrenchment Committee. (Kanyenze, 1999)

Sweeping changes were also made to the law governing dismissals and disputes. Through Statutory Instrument 379 of 1990, workplaces and Employment Councils/Employment Boards were tasked with establishing employment codes. Once an employment code is registered with the Ministry of public Service, Labour and Social Welfare, statutory Instrument 371 of 1985 would cease to apply. However, Statutory Instrument 379 is silent in terms of what happens should both a workplace and employment council register an employment code. Through Statutory Instrument 356 of 1993, this issue was clarified. A works council was, through this amendment, allowed to register a code, notwithstanding that an employment council has applied or proposes to apply for the registration of a code. In the event that both the workplace and employment council have registered codes, the statutory instrument makes the code registered by the works council binding, implying the shop floor level arrangement supersedes any arrangement at the industrial level.

Other important changes arising from the 1992 amendments to the Labour Relations Act include streamlining of the dispute procedure, allowing for the formation of committees for managerial employees, abolition of the principle of "one industry one union or employers association," and slight amendments to the provisions on maternity leave. The cumbersome dispute procedures were amended to allow for quick decision-making. The number of stages to be followed in resolving a dispute was substantially reduced. The new structure is such that from the workplace, an appeal can be made to the employment council, from where the dispute may be taken to the Labour Relations Tribunal which was made full-time, and finally, to the Supreme Court. Time limits were also set for handling cases at all stages, which should quicken the resolution of disputes.

Effects of Globalization on wages Table 6.3 shows the trends in average real annual earnings for the period 1980-97.

Table 6.3
Indices of Real Average Earnings by Sector, 1980-97 (1980=100)

	1980	1982	1984	1986	1988	1990	1992	1994	1996	1997
Agriculture	100	164	143	137	130	130	70	75	85	19
Mining	100	130	113	116	113	116	97	90	113	110
Manufacturing	100	117	101	103	101	103	83	74	89	80
Electricity	100	110	90	93	96	94	79	85	129	133
Construction	100	120	107	98	85	78	57	46	6	68
Finance	100	103	85	87	89	93	89	78	99	76
Distribution	100	115	92	94	88	85	70	58	75	69
Trans&Comms	100	108	79	82	80	90	66	61	68	62
Public Admin	100	89	66	63	62	61	41	35	60	74
Education	100	59	69	73	77	82	64	49	75	82
Health	100	102	79	85	81	90	68	56	80	105
Domestic	100	115	82	100	92	82	48	31	25	18
Other	100	107	85	81	76	80	61	55	70	66
Total	100	122	100	102	101	103	78	67	88	88

Source: Calculated from Quarterly Digest of Statistics, CSO, (various issues).

In virtually all sectors of our economy, real wages have collapsed. Up to 1990, real wages rose the agriculture, mining and manufacturing sectors, but had already begun to show signs of decline in the services sectors. However, the decline in real wages accelerated after 1990 (post-ESAP), including in the agriculture, mining and manufacturing sectors.

The average minimum wage in the private sector, excluding parastatals and domestic service, is $1,864.00 after including the 1999/2000 agreements. This amounts to only to 30% of the Poverty Datum Line of $6,327 as at December 1999 prices. This clearly shows that the current minimum wages are starvation wages, which cannot meet the basic needs of an average family of six, a father, mother and four children. (Kanyenzi, 1999). Studies on low wage policies have linked these to poor morale, shirking, moonlighting, multiple-jobbing, low productivity, high turn-over and corruption, which undermine human development.

Rise in profits compared to fall in wages

In comparison to wages, the share of profits has increased. Table 6.4 traces the functional distribution of income for the period 1987-97.

Table 6A
Functional Distribution of Gross Domestic Income, 1 987-97(%)

	1980	1982	1984	1986	1988	1990	1992	1994	1995	1996	1997
Wages	54	49	47	47	43	43	40	37	40	37	39
Rent	2	3	3	2	2	3	2	2	2	2	2
Profit	47	51	52	53	58	57	60	63	52	63	61
Total	100	100	100	100	100	100	100	100	100	100	100

Source: Calculated from Quarterly Digest of Statistics, December 1998 Notes: Percentages do not add to 100 due to omission of imputed bank charges

The share of wages in gross domestic income has declined from 54% in 1987 to 39% by 1997 (with some annual variations). As can be seen, it had already begun to fall before ESAP but after ESAP it declined further still. On the other hand, the share of profits rose from 47% in 1987 to 63% by 1996 (with some annual variations).

Except for some annual variations, the percentage of workers employed on a full-time basis on large-scale agriculture has declined over time from a peak of 75% in 1981/82 to 47% by 1998. By employing non-permanent workers, employers avoid incurring additional labour costs such as housing, pension payments, etc. In addition, these can easily be retrenched since most are contract workers. In the context of a downward trend in the employment of permanent workers, this suggests the new jobs may not be secure. Generally, under flexible labour markets, there is a general preference for the more compliant female labour. The downward trend in the level of females in full-time employment was reversed during the 1990s. The average rate of employment growth during the l990s is half the rate of growth of the labour force, implying that new jobs are not being created fast enough to absorb new entrants into the labour market. (Kanyenze, 1999)

In 1990, Government envisaged substantial retrenchments in the public sector as follows: 26,000 public-sector workers, 2,000 parastatals and an additional 20,000 from the private-sector between 1991 and 1995 (Sachikonye, 1993). While public-sector employment declined rapidly and significantly (-4.6 per cent per annum during 1991-94) in the wake of liberalization, private-sector employment growth in agriculture and manufacturing slowed down thus failing to compensate for major deceleration in the growth of public-sector employment. This may be explained by falling labour productivity and low investment (Kanyenze, 1999).

It is clear that workers have paid a heavy price for Globalization in the form of lower real wages and insecurity of jobs. A redistribution of income from workers to capitalists is justified by neo-liberal theory on the grounds that redistributing incomes away from workers towards capitalists raises national savings, and, ultimately, investment (Ghani, 1989). Workers in neo-liberal theory are perceived to have a high propensity to consume, and capitalists presumed to have a high propensity to save. If this is true of the industrialized countries, this certainly is not borne out by Zimbabwe's experience, or of other developing countries (UNCTAD 1998). Trade and financial liberalisation (i.e. Globalization) has only whetted the appetite of the upper classes in Zimbabwe, including a small hut significant consumer class among foreigners. Their high propensity for consumption has been one of the reasons for the high import bill that has added on to the balance of payments problem.

Trade Reversals and Return to the Basics

The ten years (1990—2000) experience of Zimbabwe on the liberalization track has, on the whole, not been positive. On the contrary, in ten years Zimbabwe managed to lose control over the domestic market while gaining little advantage over the export market. It could be a problem of sequencing or in the design of economic policy, meaning Zimbabwe may have opened its market too prematurely.

Trade Reversals

In the meantime, under pressure from domestic industry and as a result of Government's rethinking on the 10 years' experience, Government has begun to take a few steps back from liberalisation. Table 6.5 gives a shorthand summary of the trade liberalisation reversal measures taken by Government.

Scope	Policy implemented Under ESAP	Policy Reversal ZIMPREST	Reasons
Trade policies	• Removal of import Licences tariff reductions • Tariff structuring • Domestic price deregulation	• Introduction of selective price controls • Increase in tariffs • Import licensing on some goods	• Riots against price increases on foodstuffs • Falling gvt. revenue • Strategic reasons
Regional trade policies and liberalisation	• Signing SADCC Trade protocol • Commitment to zero duty in COMESA	• Mid loading of reduction in TNF & residual tariffs • Increase in tariffs on regional imports • Behind schedte inCOMESA October 2000 deadline	• Other countries also delaying • Result of Tariff rationalisation • Divided allegiance between SADC & COMESA
International policies	• WTO tariff biding and reductions • Compliance	• Tariff bound at high levels than applied rates • Applied tariffs increased	• Need to generate revenue • Possible under WTO
Foreign exchange policy	• Removal of controls on foreign exchange of remittances abroad	• Pegging of the exchange rate • Suspension of foreign currency accounts	• Excessive depreciation of Zimbabwe dollar Shortage of foreign currency
Export incentives	• Removal of export retention scheme and other incentives	• Tobacco levy • Introduction of export incentives in budget	• Revenue generation • Shortage of foreign currency

Source: Tekere, 1999

In October 1998, in an effort to restore stability in the foreign market, curtail import pressure on exchange rate as well as generate revenue, protect local manufacturing and income redistribution, the government reversed its policy and increased tariffs on finished goods with local substitutes or those considered as luxuries. Duties on finished products especially vehicles, parts, furniture and shoes were increased to levels higher than preESAP tariff levels (see table 6.6 below). Surtax applied on almost all imports was increased from 10% to 15%. In early 1999, subsequent to the rapid depreciation of the local currency, exchange rate controls were introduced to peg the local currency against major currencies and recently new controls were introduced for all foreign currency accounts.

Table 6.6
Selected Tariff Increases from 1998 Tariff Structure Rationalisation Program

Item	first Phase - pre ESAP[1991)	Pie-September 1998	Current
Motor Vehicles			
Buses	30%	25%	50%
Other Commercial Vehicles	65%	25-65%	95-100%
PrivateVehicles	65-85%	60-80%	100%
Motor Vehicle Parts	30%	15%	50%
Bicycle Parts	30%	15%	50%
Furniture	50%	40%	80%
Selected Shoe Components	30%	30%	65%
Surtax on above Commodities	20%	10%	15%

Source: Economic Vision, Commercial Bank of Zimbabwe - Page 18

Deteriorating Terms of Trade

The experience of ten years of liberalisation also showed that unless Zimbabwe improves its terms of trade in a fundamental way no amount of liberalisation would help its economy. Zimbabwe loses more out of deteriorating terms of trade than it can replace through improving market access for its traditional exports.

Table 6.7 shows that world prices of Zimbabwe's commodity exports have been on a downward trend. With the exception of sugar, prices of all major exports are below their 1990 levels with nickel having almost halved in price in US dollar terms. According to the IMF's index of non-fuel commodity prices, the index fell to its lowest in 20 years in July this year.

Table 6.7
World Commodity Prices for Zimbabwe' Major Exports

Commodity	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
Cotton (c/kg)	2843	192.1	181.9	164.1	1999	1204	1997	1785	1553	1622
Tobacco ($/mt)	3160.9	3807.3	3392.2	3424.1	3.2266	2535.6	1997	2214.3	2671.0	3277.1
Coffee(milds) c/kg	481.4	471.0	197.2	183.3	132.4	146.8	1997	279.6	235.9	386.9
Tea	250.3	263.6	205.1	167.9	159.8	157.8	1997	128.1	147.9	195.0
Maize	174.0	163.6	109.3	105.1	97.8	96.0	1997	103.6	145.2	108.7
Beef (c/kg)	383.3	314.0		260.6	230.3	246.3		159.7		
Sugar EU (c/kg)	67.6	51.1	58.3	59.9	58.9	58.3	56.4	57.7	59.9	58.2
Sugar US (c/kg)	92.0	65.4	51.3	46.5	44.1	44.8	44.1	42.6	43.2	44.9
Sugar World (c/kg)	87.7	13.1	27.7	19.3	18.7	20.7	24.2	24.6	23.1	23.3
Iron Ore (c/DMTU)	39.0	38.7	30.8	32.5	29.6	26.5	23.1	22.6	25.0	26.8
Nickel ($/mt)	9053.8	7141.5	8864.1	7980.0	6567.8	4.9797	5753.0	6902.7	6568.0	6430.9
Copper ($/mt)	3030.6	2066.2	2661.5	2288.5	2.1 39.9	1799.7	2093.8	2462.8	2010.0	2.1 13.6
Asbestos								730	728	728

Source: UNCTAD [1991 Trade and Development Statistics.

Cart before the Horse

The experience of Zimbabwe in trying to attract foreign direct investments (FDIs) during the 1990-2000 period of liberalisation shows that there is no necessary correlation between measures to liberalise trade and finance and capital inflows. Zimbabwe has gone farther than many other African countries, and certainly further than countries such as India and China, in liberalising both trade and financial and capital markets. Yet, it has received very little FDIs. The sudden bursts of inflows that have occasionally excited the Zimbabwe Stock Exchange have tended to be portfolio investments that have come in to make quick money and exit as quickly.

In fact nobody really knows how much foreign capital has come into the country. Figures released by the Investment Centre are of projects approved by it and not of actual capital coming into the country.

Table 6.8
Foreign Investment in Zimbabwe (US$m)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
ZIC				294	672	436	951	651	2476	
Bmap							3	553	321	1660
UNCTAD	-12	3	20	38	41	118	81	135	444	

WB	-34	10	6	27	80	168	36	70		
IMF	-34	3	15	32	30	98	35	110	88	
Kaliyati	13	182	-43	133	0	227	951			

Source: UNCTAD/UNDP Study on Globalization, Draft Report, 1999
Notesand Sources:LIC =‘Approvals’ : Zimbabwe Investment Centre,Davies;Bmap ‘intentions’: BusinessMap(1999);UNCTAD =Gross FDI’

The disparity between the various sources is so great that it would be hazardous to take any set of figures as representing reality. One fact that does emerge clearly is the difference between the figures put out by the Zimbabwe Investment Centre on approved projects and the figures given by other sources. If this is anywhere near reality, then it appears that only between 10% and 20% of the capital promised by potential investors under the ZIC-approved projects actually enter the country (the ZIC itself puts a figure of 30% but provides no evidence of this). Again, it is not clear if it comes in as long-term investments or as short-term speculative or portfolio funds.

It would appear that capital comes into a country not to generate growth, but it is proven growth that attracts capital to take advantage of the growth. It is for this reason that despite difficult investment conditions in China it still attracts the highest amount of FDIs in the developing world. This also explains why war-torn Angola attracts more capital than Zimbabwe with a more stable political condition and better infrastructural facilities. Growth and profit prospects from oil and diamonds in Angola are the bait in spite of its unstable political and security situation.

If the experience of Zimbabwe is a valid interpretation of the behaviour of international capital, namely that FDIs do not produce growth, but growth attracts FDIs, then clearly it is unwise to construct a country’s development strategy on the expectation of attracting foreign capital. It would be like putting the cart before the horse. If the need to create an “enabling environment” includes showing high growth figures then it is at least a matter of choice whether to attract capital at all or depend on locally-induced growth to sustain the economy. At least in the latter choice of policy the country is not then encumbered with economic and/or political conditionalities. However, this possibility may be only theoretical without sophisticated policy design and implementation capacity, and political will.

Conclusion

Earlier chapters of this Report gave graphic evidence of the human cost of Globalization paid by the weakest sections of the Zimbabwe society, those who had no resources of their own, had weak lobbying and advocacy abilities to influence policy, or were discriminated in the power hierarchy of society for various cultural or institutional reasons. These include the rural people including communal peasants and farm workers, and the urban working class, and among social groups women, youth, children and people with disabilities. Their sacrifice is defended in neo-liberal economics as a “short-term” price they have to make for ultimate growth. This was the assumption behind ESAP and Zimbabwe’s hurried entry into the Globalization process.

This assumption has been belied by evidence. The only visible groups that have benefited from Globalization are the financial sector that has profited from financial liberalisation, a small landed gentry, and some sections of the emerging capitalist class that has skilfully used their connection with transnational corporations and global finance capital to enter into some growth sectors of the economy, such as tourism and telecommunications. The rest of society has lost out of Globalization. These include not only the direct producers of the wealth of the nation, namely, the farmers, miners, agricultural workers and service sector workers, but also small and medium enterprises and, significantly, a substantial part of the State machinery itself, namely public servants. The State is mired by demoralisation of the very people that are supposed to implement structural reforms, including ironically their own retrenchment. The economy has shrunk especially when measured against the increased population so that the 75% of the population, according to the latest figure given by the Central Statistical Office, up from 62% in 1995, now live below the poverty line: It is difficult to escape the conclusion that neo-liberal Globalization is a programme of social exclusion of the majority of the people to the benefit of a few.

Box 6.2
Globalisation and the business community — A ZNCC perspective

Globalisation is defined as the integration of the economies of the world through trade and financial flows, technology and information exchanges and movement of people. The dominant factor here is the “free market”.

Globalization is not working for the benefit of the majority of Africans today. While Globalisation has increased opportunities for economic growth and development in some areas, there has been an increase in the disparities and inequalities experienced especially in Africa.

The WTO is emerging as a very powerful actor in the Globalisation process. However, less developed and developing countries have not benefited from this multilateral trading system and continue to be marginalised.

Marginalisation is evidenced by decreasing shares in world trade, low levels of capital accumulation and investment, low levels of foreign direct investment and limited access to capital. In addition, widespread poverty, high levels of unemployment and underemployment, lack of access to basic education, health and clean water and conflict and civil strife continue to affect the lives of millions on the African continent.

The promise of globalisation has not been fulfilled for African countries. This promise was that growth based on global market forces would be more rapid, more sustainable and more widely shared than in the past. On the contrary, the empirical record has been strikingly at odds with this expectation. The growth targets seen by most observers as essential if the income gaps among and within countries were to have eluded many developing countries. In fact, these gaps have grown even wider in the I 990s. A number of new issues such as the new round of negotiations on services starting the year 2000, public procurement, investment and competition policy which are coming up under the WTO will further marginalise less developed economies including Zimbabwe. For developing countries, it is going to be very difficult to adapt to these issues when they are still struggling to fulfil their existing obligations under the current agreements. Developed countries attempt to include social clauses such as the respect of basic labour rights is a ploy to impose protectionist measures on goods from developing countries.

For Zimbabwean firms to compete under globalisation requires technology, communications and information networks, meeting high product standards. But a pre-requisite is a conducive environment.

Zimbabwean National Chambers of Commerce, 1999

- CHAPTER VII -

SCIENCE, TECHNOLOGY, CULTURE AND ENVIRONMENT

Knowledge-intensity of production

In the new technology-driven Globalised world, the boundartes between agriculture, industry and services are now obscured. They merge into one another in a new “knowledge-intensive” production system. The soya beans or beef that crosses the borders between the USA and the EU, for instance, are no longer what they used to be ‘two decades ago, or even five years ago. Soya beans are now genetically modified in laboratories, grown by farmers, and then exported to the outside world. They are no longer “natural” beans and there is some controversy as to whether their genetic modification introduces substances that might be injurious to human health. The point is that bio-technology is fast changing the character of agricultural products for embedded in them is an aspect of technology that makes the products “knowledge-intensive”.

It is for this reason that TRIPS, or Trade-Related Intellectual Property Rights — became such an important aspect of the Uruguay Agreements that led to the creation of the WTO. TRIPS has created a new domain of property rights under a patent system that has undermined rights vested in communities and nations over their knowledge systems and resources by the Convention on Biodiversity. There is thus a battle between the developing countries that seek to confirm these rights on the one hand and the industrialized countries that seek to assert the primacy of TRIPS. If the latter win the battle then the traditional knowledge of communities and their biodiversity are subject to exploitation by Western monopolies, since only they possess the necessary scientific knowledge and the necessary capital to turn these into commercial products. The developing countries then become dependent on these monopolies to provide them with for example the cure for AIDS and malaria at prices that are prohibitive and out of the reach of ordinary people.

In globalised production, the battle is not only over the control of resources such as bio-diversity and traditional knowledge systems hut also over “standards”, such as Sanitary and Phyto-sanitary standards, environmental standards, precision and efficiency standard eg high-definition TVs, and Operating systems (eg MAC-OS, WINDOWS, UNIX). Again, these become non-trade barriers on trade for countries that are not able to meet the standards.

Furthermore, the rapid development of information and communications technology (ICT) over the last decade has accelerated the process of Globalisation. In the increasingly Globalised economy, information technology is one of the key determinants of competitiveness and growth of firms. ICT is also the nervous system that facilitates participation in the Globalised markets. Without it a country could be virtually cut off from world trade and become marginalised (Zwizwai, 1999)

There are two opposing schools of thought on the possible impact of the new technologies on African countries. One school of thought predicts that African countries will experience an increasing "technological deficit" and this will widen the welfare gap between Africa and the industrialized countries. The other school beLieves that information technology may actually help developing countries to reduce the income gaps between the rich and poor countries through "leapfrog" development that could become a reality.

The answer probably lies on the specific circumstances of each country and policy measure! that are generated to meet the new challenges. The first challenge is to participate in bodie that makes the rules of trade and sets standards. In this respect, African countries a' disadvantaged in that they do not possess the necessary human resources and the requisition

Box 7,1
No phone, no computer for most Africans

- Africa has some 14 mn telephone lines, or fewer than 2 per 100 people. Excluding South Africa, subSaharan Africa has fewer than 0.52 lines per 100 people.
- Over 50 per cent of the lines are in urban areas. Over 70 per cent of the population is rural.
- There is roughly I public telephone per 17,000 people. The world ratio is 1 per 600 people, and in highincome countries, I per 200.
- Average annual growth of lines is about 10 per cent. Over a million people are on waiting lists for a phone.
- Sahelian and Central African countries such as Niger and Zaire have fewer than 2 lines per 1,000 people.
- North and South African have about 35 lines per 1,000 people.
- West and East African coastal countries have between 2.5 and 10 lines per 1,000 people.
- Besides North and South Africa, only Botswana, Cape Verde, Gabon, Mauritius and Swaziland have over 1 line per 50 people.
- Most calls between African con- tries are still routed through Europe or the US; this costs African countries some $400mn a year in transit fees. Of Africa's roughly I million internet users, 90 per cent are in South Africa.
- Internet service providers are concentrated in capital cities; reaching the Internet from elsewhere usually means an expensive long-distance call.
- Average costs of an Internet account for five hours a month are $60 (telephone line rental excluded). In some countries with per capita incomes 10 times higher than African average, costs of five hours of similar internet acess range a high of $18.50 (Germany) low of $7.25(US).
- There are fewer than 3 computers per 1,000 people; I person in 1,500 has access to the Internet; the world average is about 1 in 40.
- Africa generates some 0.4 per cent of the contents of the World Wide Web and only 0.02 per cent when South Africa is excluded.
- Over 60 per cent of Africans can be reached through existing radio broadcasting networks.

SOURCE: Africa Recovery, United Nations Department of Public Information, Vol, 13 No.4, December1999

scientific knowledge to participate in the rule-making and standard-setting bodies. However, Zimbabwe has moved from a position only a few years ago when the rules and standards set by international bodies such as the WTO were taken on faith to a position where there is greater consciousness about the need for active participation. Together with other like-minded countries, Zimbabwe is now making alliances with those who have the knowledge and interests similar to Zimbabwe in order to influence the rule-making and standard-setting within these bodies.

The other challenge is to acquire the knowledge about the new technologies and use them for Zimbabwe's development. It is here that Zimbabwe lacks the necessary educational and research infrastructure to enable it to acquire the knowledge without having to pay monopoly prices for the products that embody that knowledge. Zimbabwe does not have a Science and Technology policy, though it recognises its importance.

Absence of Science and Technology Policy

The absence of a Science and Technology policy has resulted in S&T related matters being handled in an ad hoc manner. A painful example is the case of the Scientific and Industrial Research and Development Centre (SIRDC). Before SIRDC was established, there was no formal industrial R&D institution in the country. At the same time, manufacturing firms in Zimbabwe hardly have any Research and Development facilities. Therefore the establishment of SIRDC was a major national level effort in providing a facility for industrial R&D activities. Unfortunately because of lack of an explicit S&T policy and a clear vision on the important role SIRDC was to play in facilitating industrial competitiveness, SIRDC has not received as much weight in budgetary allocations as it deserves. Initial plans were to complete construction and equipping of the centre by 1996/7, hut very little has been done up to now for lack of resources. (Zwizwai, 1999)

With better funding and an explicit policy on S&T, it is possible for SIRDC to make genuine contribution to the one area where Zimbabwe has a comparative advantage, that is, in the production of maize. It is not true that small countries cannot produce original scientific knowledge, as Cuba for example has shown. It has a respectable contribution to make in the pharmaceutical field.

One project that SIRDC is involved in is the maize improvement project for drought and insect pest resistance. The objective is to reduce the risk of poor yield in drier regions, and at the same time reduce the cost of agricultural production by removing the need for spraying crops against insect pest infection. Trials on this variety developed at SIRDC are being conducted in the Wedza-Buhera belt, a belt that covers almost all the agro-ecological regions found in Zimbabwe. SIRDC is also developing disease free planting materials for sweet potatoes through tissue culture. This project is expected to increase yields of potatoes. The centre is also looking at alternative uses of sweet potatoes, such as sweet potato jam, which has already been developed, to increase the commercial value of potatoes grown in the rural areas. Another area where biotechnology developments are potentially beneficial to developing countries like Zimbabwe is molecular farming that is used to develop vaccines from plants e.g. and the anti-diarrhoea vaccine that was developed from tobacco. (Zwizwai, 1999)

The other area in which Zimbabwe needs to catch up with technology is in the area of electronic commerce, which in a few years time could well become a major means of international trade. There are a few consultancy companies that are already benefiting from e-commerce in Zimbabwe. Within the WTO, some countries are concerned about loss of import duty revenue for electronic deliveries. There are also problems of definitions regarding distinctions between services and goods; for example, a track on a tape is a good, while a track down loaded is a service. An area of concern with e-commerce is the problem of determining exactly where a transaction has actually taken place, and this raises a number of jurisdictional issues. Given the fact that developing countries have weak regulatory frameworks and lack enforcement capacity, these issues can pose problems. E-commerce is a potential area of growth for Zimbabwe, but structural deficiencies like inadequate and costly telecommunication infrastructure need to be addressed.

Box 7.2
The Internet Changes Everything

- 70,000 New websites are created every hour
- Internet traffic doubles every 3 months
- e-commerce is growing at 100% per year
- The US leads, but the strongest growth is outside the US
- The World Wide Web was invented only 7 years ago

Source: http//netaid.org

Diffusion of technology also requires a critical mass of enterprises that network among them. Mytelka and Tesfachew have argued that, "technological learning by firms is an interactive process involving other firms as well as other key players within the economy," and that endowments of formal education and R&D institutions are not enough by themselves. (Mytelka and Tesfachew, 1998). The deindustrialization that has occurred in Zimbabwe over the 1 990s has perhaps undermined the basis for such interactions. But these are the kinds of issues that need to be discussed in an innovative and enterprising environment which is presently missing in Zimbabwe.

Cultural Dimensions of Globalization

People are constructs of their culture. Culture not only gives people identity, it creates and emphasises particular contours of daily social and economic life. (M. Furusa, 1999) As the founder of the Cultural Studies movement, Stuart Hall, notes, culture is "the sphere of the lived — the sphere of experiencing, rather than of 'thinking'." (Hall 1977) Culture is also dynamic, shifting over time to adapt to new phenomena. Thus we can begin to understand 'the impact of cultural Globalization in Zimbabwe' not as a process whereby a 'foreign' culture has dominated and totalised 'local' culture, but rather one in which cultures in Zimbabwe have transformed, and selectively incorporated new features as a result of their exposure to new phenomena. As Geschiere and Meyer observe, "...almost everywhere modern commodities lead to cultural uniformalisation and at the same time to an affirmation of cultural difference." The basic question that arises in discussing the impact of Globalization on indigenous cultures in Zimbabwe is one of control over these cultures.

Box 7.3

Cultural Dimensions of Globalization

There is much talk about the global village these days, especially because of the information explosion which happened in the last decade or so. In the traditional village, everyone knew everyone, and they cared for each other. Nobody deliberately dominated anybody.

The ideal village has no borders physical or spiritual. Without that ideal being realised, cultural globalisation remains a myth created in order to allow for the flow of culture from the cultural higher ground to the cultural lower ground. The cultural higher ground is where information and cultural goods are generated, and the low ground is where cultural goods are consumed.

Chenjerai Hove

Many scholars often discuss Globalization as a process with a life of its own, uninfluenced by national, political or cultural agendas. Globalization can become reified as neutral, spontaneous and, in some cases, just and uniformly good. Such an approach obscures the forces that control and direct this process. UNRISD (1995), observes that far from being a natural process, current trends of Globalization privilege Western economic, political and cultural institutions as sources of principles and guidelines for development and poverty alleviation. Zimbabwean cultures are not seen as alternative sources of 'public goods' and principles for development. Cultural influence, like economic and political influence, flows outward from the west to developing nations.

Nonetheless, it is not a one-way traffic. Zimbabwe has resisted, and the persistence of nationally originated literatures, intellectual traditions, performing arts and thriving civil society, is testament to this resistance. These is, of course, a great deal of hybridity between Zimbabwean and non-Zimbabwean traditions, particularly in media which have tended to be dominated by Northern countries and corporations. The majority of television programmes in Zimbabwe, for instance, are of foreign provenance.

On the other hand, Globalization has also offered Zimbabwean culture the opportunity to have a wider audience outside the boundaries of Zimbabwe. National sculpture, music and people's theatre in particular have achieved worldwide recognition. Together with a range of domestic, particularly female, writers, and with such cultural events as the International Bookfair and Harare International Festival of the Arts, Zimbabwe shows itself able to adapt to, and find voice in, a regional and global cultural order.

The question still remains, however, 'who controls these cultural shifts?' And although we can see a great deal to celebrate in Zimbabwean cultural life, both here and abroad, we see an increasing trend to 'let the market decide'. Culture is not, however, a good that can be produced anywhere. The trend for radio — the media to which a significant population of Zimbabweans have access — and television to import foreign content because it is cheaper and considered to be 'of higher quality' than its domestically produced counterparts — is a disturbing one. Furusa observed that 62.3% of the programmes on ZTV1 shown on a particular week were of foreign origin. (Furusa, 1999). The television, however, is still an elitist media confined largely to the urban areas.
Rather than commodify domestic culture to retaliate to these external predations, however, It is better to encourage stronger public and democratic domestic support for these cultural efforts, whether in the mass media or elsewhere. As earlier noted, culture creates 'the lived world'. In order that Zimbabweans have choices about their lived world, they need control over the way it is experienced and interpreted. This involves paying attention not only to cultural products, but cultural norms which are all-pervasive, and influence such factors as gender, productivity and health. These are not secondary concerns. It is, after all, these norms, especially of male domination, which lie at the heart of the continued high incidence of HIV/AIDS. Globalization, and the reconfiguration of cultural norms in Zimbabwe offers the opportunity for all Zimbabweans to renegotiate these norms.

Beyond the narrow sense of the word 'culture' (meaning music, poetry, art and theatre) it is necessary also to talk about the democratic culture, the culture of openness and transparency, the scientific culture, the culture of resistance against unjust rules and practices, and so on. These, at the end of the day, are the defining cultures of a living society. Like language and the environmental resources, culture in its broad as well as narrow sense belongs to the public domain and it thrives best when there is open discourse and give and take.

This Report encourages the Government, and the civil society (NGOs) to work with the broad norms of culture as well "products" of culture so that society as a whole is enabled to control a reconfiguration of the interface between Zimbabwe culture and a Globalized, commodified culture without losing the essence and richness of a living, indigenous culture. Zimbabwe has shown that this can be achieved.

Box 7.4
Zimbabwe Council of Churches' Perspective on Globalization

What is Globalization?

The driving idea behind Globalization is that major companies should operate unhindered across borders. The main requirement being that tariff and other barriers should be removed to facilitate trade and market access. The arguments for Globalisation have been based on the following claims:

1. that it promotes economic growth in the developing countries
2. that it improves incomes in the recipient economies
3. that it spreads wealth and impacts on the standard of living

There have been on the other hand arguments against globalisation and these have over the years gain momentum. The opposite of corporate globalisation has been the emergence of global anti-globalisation advocacy coalitions. The main thrust of the antiglobalisation movement has been as follows:

1. Environmental Concerns
That global corporations are poor 'citizens' or that their activities in pursuit of profit are generally destructive of the environment. A good example in Zimbabwe is the effect of granite mining in Mutoko which is widely blamed for environmental degradation there.

2. Employment creation
It is argued that in the contrary globalisation has not created much employment but instead has destroyed existing industries. A good example in Zimbabwe has been the decline of the textile industry at the same time as the country's economy has been opened up to external imports. The numbers employed in the formal sector have decline over the years.

3. Financial markets
It is argued that the globalisation of financial markets has widely led to the collapse of several financial systems. This, it is said, has led to continued pressure on developing world currencies. In Zimbabwe, the local dollar has fallen over the years by over 100%. This has inevitably led to a decline in purchasing power and a fall in real income.

4. Creation of Wealth
It is argued that Globalization has not led to any creation of wealth. The developing economies have been denied access to the lucrative northern markets and this has led to a growing disparity of wealth, north versus south. The globalisation has only led to greater wealth for the corporations in the north, and indeed untold poverty and misery for the developing world.

5. The Church's Perspective
The Church's perspective has always been based on solidarity with the poor. The Church should advocate for the dismantling of the oppressive trade regime that is epitomised by the World Trade Organization (WTO) the Chief proponent of Globalization.

General Secretary
Zimbabwe Council of Churches

Environment and Globalization

Link between Globalization and the Environment

The linkage between Globalization and the environment, though controversial, is now widely acknowledged and accepted. The linkage filters through various sectors such as mining, tourism, manufacturing, although it is strongest through agriculture. This is primarily so because the agricultural sector supports the livelihood of the majority of the population in the country. The agricultural sector linkage creates pressures on land resources and this pressure is reflected in the consumption and production patterns of farmers. (Mabugu, 1999)

Globalisation affects the environment in several ways. First, it makes shifts towards tradeables and exports particularly attractive. In agriculture, a shift towards export crops and processed forest products can lead to a degradation of such natural resources as forests, through deforestation. Industrialisation and production of manufactured goods for export can have a similar effect not only on agricultural resources but also on urban environment, thus affecting air and water and causing pollution. Secondly, if export crops cause more soil erosion and land degradation than food crops, the effect of reforms on deforestation can be adverse. Thirdly, indirectly by contributing to greater poverty at least in the short run (through an increase in food prices for example) economic reforms can accelerate environmental degradation. Reforms can exacerbate social polarisation as the costs and benefits of reforms accumulate differentially to social groups. This takes place through relative price and income distributional shifts. Environmental pressures intensify due to a combination of factors resulting from the skewed income redistribution. By favouring the rich, this may enhance their capacity to degrade the environment, leading to unregulated resource exploitation by the elite. These observations suggest that it will be useful to distinguish between extensive and intensive environmental deterioration. What distinguishes the two is whether the environmental problem is more closely linked with growth (extensive) or with distribution and poverty (intensive).

Some of the effects of Globalization on Zimbabwe's environment

The Globalization era has been associated with increased depletion of native forests. Native forests have been for a long time considered to be a nuisance that stands in the way of the only perceived profitable usage of land, namely agriculture and grazing. The exploitation for fuelwood that has stripped naked the hinterland is largely undertaken without any consideration for sustainability. As a result, the exploitation of forests and consequent loss of the vegetation that protects the soils has caused severe soil degra dation. Deforestation of indigenous forests is one of the most costly forms of ecological decline. Total demand for indigenous roundwood in 1989/90 was approximately 50,000 m3. The current commercial harvest of hardwoods, according to an inventory survey carried out by the Forestry Commission is already at unsustainable levels. Wood supply/demand projections suggest that the annual hardwood harvest will decline to less than 20,000 m3 by the turn of the century.

Soil resources have also been depreciating even before Globalization. Whitlow (1988) undertook a comprehensive study of soil erosion in Zimbabwe. According to his findings, soil erosion on croplands ranged from an average 3 tonnes/hectare/year in commercial grazing areas to 75 tonnes/ hectare /year in communal lands. This is contrasted to the rate of natural soil formation, which is very low and is in the order of 0.4 tonnes/ hectare /year. This outcome is untenable and has grave implications on long-term soil productivity in this country.

Unlike fuelwood and soil resources, data on changes in stocks over time are very scarce for terrestrial biological resources. Available data from Mime (1998) suggests that many large mammals are already very rare, not common, or in decline. The other issues of concern to Zimbabwe are the "brown environmental issues" such as Water pollution, fertiliser and pesticide poisoning and air pollution.

Mabugu, in his study on Globalization and the environment in Zimbabwe concludes that the current extraction of natural resources is potentially unsustainable. Data gathered
suggests that net investment is declining, and the pressures stem principally from globalisation and increasing population pressures on the land. With current natural resource depletion potentially on an unsustainable path, the longer-term outlook for national and social development is not positive." (Mabugu, 1999)

- CHAPTER VIII -

THE STATE, SOCIETY AND GOVERNANCE

The State and the Market

The concept of a "free market" is a myth. The economy is driven by people and people- created institutions. There has never been a time in recorded history when a body 0f people wielding power and authority, called the State, did not actively intervene in the economic dispensation. The degree of State intervention varies, but no economy functions with no interventions at all. Furthermore, the state does not function in isolation of other states, intergovernmental organisations, and in our age of Globalisation, transnational corporations and non-governmental organisations (NGOs). They all have interests of their own, and they all make impact on the governance of a country.

Three Levels of Governance

In Zimbabwe, the debate on governance has largely focused on the issue of accountability of the state to the citizens, no doubt the most important dimension of governance. But in the era of Globalization, at least two other levels of governance must be understood and brought into the discussion. These are Global Governance and Corporate Governance. It is possible to break national governance into further levels, such as provincial or local governance. Hence the three levels of governance are:

- National Governance, with local governance as part of it,
- Corporate Governance, and
- Global Governance

This Report deals only with the impact of global and corporate governance on national governance, although it is important that a more comprehensive treatment of the subject addresses itself to all the three levels. Indeed, these issues will be the subject of analysis in the next Zimbabwe Human Development Report 2000. Some of the issues include: the adoption of decentralised local governance and the constraints which have hampered its effective implementation so far. Whilst the policy framework for decentralisation exists, there are financial and human resource constraints which need to be overcome.

Impact of Global and Corporate Governance on the State in Zimbabwe

Globalisation without proper governance is driven by the export of capital, especially, financial or speculative capital. This seeks to maximize profits not out of production but out of playing differences in interest rates and exchange rates and short-term fluctuations in the stock market. As stated earlier, presently 95% of the movement of global capital of about US$1.5 trillion on a daily basis comprises of this kind of capital, and only 5% is related to genuine trade. Being so large a portion of capital it has a powerful influence on the way money is a factor in global and national economies. Thus, the price of money (i.e. interest rates), bank rates, the investment of pension and provident funds, profit rates, etc., as well the creation of financial institutions that deal with money and capital are powerfully influenced by this kind of capital. As the evidence in an earlier chapter shows, in Zimbabwe, as is the case elsewhere, it has taken the form of the increasing dominance of financial capital over productive capital and the increasing influence of financial institutions.

Like most governments in the developing countries, the Zimbabwean Government is increasingly sensing that its policy options are getting seriously constrained under Globalisation. At the outset, this Report quoted a Government Minister: "Increasing Globalisation and its intricate linkages with modern technology permits the interests and powers of other nations, as well as those of the economically powerful multinational corporations, to penetrate deeply into the lives and decisions at local level. Those developments have made action and initiatives by local communities, interest groups and national governments increasingly difficult. As all economies, both large and small, increasingly depend on international trade, national economies have become less amenable to direction by domestic economic policy". Mrs. Florence Chitauro, Minister of Public Service, Labour and Social Welfare.

Box 8.1
Inter-governmental Policy-making and Globalisation

"Intergovernmental policy-making in today's global economy is in the hands of the major industrial powers and international institutions they control the World Bank, the International Monetary Fund, the Bank for International Settlements. Their rule-making may create a secure environment for opening markets, but there are no countervailing rules to protect human rights and promote human development. And developing countries, with about 80% of the world's people but less than a fifth of the global GDP, have little influence" (UNDP, HDR Report, 1999)

Is the State Disempowered?

In a real sense the post-ESAP State of Zimbabwe is not the same as the State during the first decade after independence. The environmental framework for operation has significantly changed. How the various institutions have gone about adjusting to the new environment is the core of this analysis.

This report shows that the direction towards Globalisation was chosen by the Government itself. When the IMF experts were invited to help write the ESAP, the Government sought to write a project document that could be presented to the Paris Club of donors to finance in the belief that on that route lay the growth and development of the economy and the nation. The Government did not consult the people. An opportunity to make people understand the reasons and objectives of the reform were therefore lost. The lack of outreach to people inevitably led to the belief that the reforms was imposed from outside. The government did have options then and chose this approach.

The situation is different today. The reality is that the State is an arena of battles between contending social and political forces. An uneasy cohabitation exists between those in policy who will work with the new order and those who cannot accept it. The following examples illustrate some policy enactments and tensions in the last five years.

Land

The land question is a prime example where Government ambivalence has been most apparent. Diverse arguments against land reform have been proffered raising fears about threats to food security if the land ownership pattern is changed. Other concerns have linked land reforms to the danger of sending "wrong signals" to foreign investors. On the other hand, the ZANU (PF) Party Congress in 1996 raised the land issue in a challenging manner, and expressed concern about the need to urgently resolve the inequitable land ownership. Since then the land issue has moved between the Government and the donors in a manner that appeared to resolve the issue, until the process was interrupted in 1999 by the debate on the reform of the Constitution. The ensuing rejection of she proposed Constitution has led to forced occupation of the white owned farms by groups of war veterans. In the meantime, the policy instrument for an orderly and economic transfer of land is still awaiting implementation.

Price Controls

The issue of price controls on basic commodities is another example. For the best part of the ESAP period (1990 onwards) the Government had allowed the market to dictate prices and distribution of basic commodities pursued by the "free market" argument that any interference from the State would distort prices and "send wrong signals" to investors. Following the currency crisis and the consequent rise in the prices of mealiemeal (maize meal) in November 1997, the government re-introduced price controls for basic commodities.

Similarly, in 1996 Government was forced to sell its shares in the Delta Corporation to raise funds to subsidise the National Oil Company of Zimbabwe (NOCZIM) in order to prevent a rise in fuel price. One of the critical targets of the Zimbabwe Programme for Social and Economic Transformation (ZIMPREST) is to reduce the budget deficits. The compensation paid out to war veterans in 1997 appeared to be against this policy as was the support to the Congolese government in 1998.

To conclude, it is true that Globalisation has curtailed Governments options in significant ways. Indeed, the tensions between Global requirements and Government policy have been evident over the last few years. They do threaten to paralyze the country unless more proactive policy measures are taken.

Participation of Civil Society

In the post independence dispensation, the state embraced most of the civic groups including the trade unions. After the 1997 agreement between the two main political parties, there was an absence of dissenting opinion apart from the Commercial Farmers' Union on land in the early years. This has largely changed as illustrated by the number of political opposition parties that have registered since the last election. Furthermore, the Zimbabwe Congress of Trade Unions has sponsored the formation of a political party.

It is not only in the political arena that there is a growth of diversity. The retreat of the welfare state has led to rethinking on bringing development to people. In the aftermath of the lack of consultation in the ESAP process, the Government itself used consultative meetings in formulating the vision 2020 - a way forward for Zimbabwean policy in the next years. Furthermore, Government indicated its acceptance toward participatory governance by creating mechanism such as the National Economic Consultative Forum.

The increased participation of the civic groups was enhanced during the debate and subsequent compilation of a draft national constitution.

Good Governance and the Constitutional Referendum

Woods (1998) has summarised the content of good governance which emerged from the literature both inside and outside the World Bank and the IMF as follows:

a) Political accountability — establishing a link whether through elections or other direct link between the rulers and the ruled.

b) Participation and ownership — of or by those most affected or at whom the benefit of any development project or policy is ultimately aimed.

c) Effective rule of law — predictability and impartial application and enforcement of the law.

d) Transparency and information flows — appropriate collection and release of data about the policies and performance of government institutions so that citizens can monitor and scrutinize the management of public funds. (Woods in UNCTAD,1998)

By these criteria, Zimbabwe scores low on good governance. While there is political accountability in the sense that elections are held every five years, there have been problems over the fact that the playing field has not been level (Sachikonye, 1997) There have been calls for nearly two decades to review or remove state funding of political parties which has only benefited the ruling party, to reduce the powers of the Executive President, to re-establish the supremacy of Parliament, and remove the right of the powers of the Executive Presidency which in several ways override those of Parliament, to limit the terms of the Executive President, to re-establish the supremacy of Parliament and remove the right of the president to appoint some members of Parliament and the Electoral Supervisory Commission, and the change from a single member constituency system to proportional representation. Although some of these were addressed in the draft Constitution, the opposing view was that they did not go far enough in curbing Executive Presidential Powers and Privileges accessible to some political parties only.

At the time of writing this Report, the country is at a crossroad. A Government appointed Constitutional Commission compiled a draft constitution for Zimbabwe. A national referendum was held to approve the constitution. Most of the opposition led by the National Constitutional Assembly (a gathering of civic groups and opposition political parties) opposed the approval of the constitution resulting in a vote of nearly 55% voting against the draft. There is general consensus that the "No vote" is not a reflection on the merit of the proposed Constitution, but an expression of anger by the electorate at the economic hardships that they are experiencing.

The non-executive arms of Government are also demanding the right to fulfil their mandates. The Parliament of Zimbabwe has been asking for more powers. It has expressed the need to go beyond "rubber stamping" and to be able to exercise the checks and balances required of state institution. In 1999, the country came to the brink of a constitutional crisis over a clash between the Executive and the Judiciary. When two journalist were arrested and detained and purportedly tortured by the army, members of the judiciary questioned the Executive arm of government on whether the rule of law still existed in Zimbabwe.

A disconcerting development since the 1990s is the growth of corruption in both the public and private domains. After a few cases in the 1980s, corruption seems to have increased. Most of these cases have been in the flouting of competitive bidding procedures for procurement and contract awards. Last year's National Human Development Report indicated how costly corruption is to development.

People at the grassroots that can alter the existing dispensation. But the grassroots society, on the other hand, is impoverished and effectively divided and fragmented. This is evidenced, according to Loewenson, by the individualization of household responses to the impact of ESAP, by the drop out rate from health services, the numbers of meals taken daily, the reduction in the use of preventive health facilities, and a range of individual household coping strategies, the rise in intra-household friction over inadequacy of incomes for household sustenance, and so on. The fragmentation of communities has been reinforced by systems of provision of services that break households into individual units and demand proof of individual need for including, thus becoming in character. (A. Sibanda, 1999)

Of course, human nature lends itself to temptations of corruption of power and of wealth. That is not unique to Zimbabwe or to Africa. In recent years, practically every country in Europe and the West has gone through exposures of corruption in high places. It is not enough to prescribe corruption or bad governance. It only highlights the need for continuous and unrelenting vigilance on the part of people to ensure that power or the temptation of wealth does not corrupt their rulers. The point, however, is that personalised accounts of failures, as is the tendency in some circles in Zimbabwe in relation to its present crisis, are only partially valid, but on the whole they tend to simplify a complex problem. Also the tendency in some circles to put the blame only on internal governance while leaving external actors blameless, as if they are benign bystanders, misses an understanding of how Globalization functions.

Coping Strategies of Society and Growing Contradictions

The coping strategies used to deal with the economic shocks of Globalisation have themselves increase stress on households, such as borrowing from friends, support from informal networks, use of savings, sale of assets, remittances from family members, and other community forms of support. Support from formal sources is weak or absent. In rural households, drought, water and land shortages are major sources of poverty, with remittances from employment playing a major role in poverty reduction (MPSLSW 1995). Rural-urban support networks have, however, been weakened by high public transport costs, recurrent droughts, inflation and price instabilities of rural produce and basic household goods (Mutangadura and Makaudze, 1999). Informal support networks have also been undermined by economic hardship across all households due to inflation and HIV/AIDS. Local community mechanisms, such as burial societies and savings clubs have been hampered by lack of funds, even though they are regarded as the most effective forms of support. Women's groups and church support have been rated as highly effective, but also lacking in funds. (Loewenson, 1999, Sibanda, 1999)

Trade liberalisation and Globalisation have produced several levels of conflicts concerning the generation and distribution of economic rents and surpluses. Tekere (1999) summarises these as follows:

- Small and large scale capital for better conditions of operation and survival. This conflict pervades skill sectors particularly in agriculture where there is a fierce battle for land appropriation between commercial and communal farmers,

- informal and formal operations, e.g. between hammer millers and commercial millers, flee market operators and large retail shops, construction firms and small operators etc. A large number of informal operators, who are competing with the formal sector have skills they received before they were retrenched.

- Foreign firms and local firms. This battle has been centered around the demand by European firms for reciprocity to replace the Lome Convention. European firms are now faced with fierce competition world over, and seek to compensate for the market loss by securing preferential treatment in the ACP countries, which opens local firms to more competition. To ensure access to local markets foreign firms have pushed within the WTO for introduction of disciplines such as transparency in government procurement, trade and investment measures, and general trade liberalization.

- Labour and Capital. Glohalisation has amplified the historic conflict between these. The reforms saw the removal of restriction on labour conditions such as contracts and minimum wages and have given capital an edge over Labour. (Tekere 1999)

Conclusion

All these social contradictions, with their overlapping gender and race over tones, present a formidable challenge to the country. There is urgent need to formulate strategies to reduce poverty, create an enabling environment for greater participation and accommodation of diverse views. Good governance requires political accountability at all levels, transparency, ownership of decisions by people who are affected by them, rule of laws, and an economic system that provides material and social well-being to the population on a fair and equitable basis.

- CHAPTER IX -

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

It is an inescapable conclusion from the analysis presented in this Report that Globalization has presented Zimbabwe with a formidable challenge. The processes of Globalization are only now beginning to be understood by certain sections of the Government, the private sector, the academia and the civil society.

For example, the post-1990 liberalisation was hailed by a significant section of the private sector as an opportunity for them to exploit the export market. Many of them were openly lobbying for the liberalisation of the market. The same people, only five years down the line, were now complaining that liberalisation had come prematurely, that they were suffering from "unfair" competition from foreign players and from cross-border trade, and that they needed protection from the State. As for the Government, it joined the WTO on the assumption that this would supplement what they were already doing under ESAP and therefore they had nothing to fear but possibly a reason to be optimistic about taking advantage of the opportunity that the WTO membership afforded them. Barely five years later Government discovered that membership of the WTO, whilst necessary, did not provide them with the opportunities they thought it had, that, on the contrary, it placed certain commitments on them that they did not have the capacity to fulfil, and that the WTO opened the door to further encroachment on the sovereignty of the country if they allowed the big players in the WTO to dictate its agenda.

Similarly, until recently the general understanding in the academic community and civil society was that Globalization was simply a new word for what has been taking place for centuries. Some traced Globalization to the beginning of colonialism, some even farther back to the slave period. Only in recent years it has begun to dawn on many that whilst Globalization is indeed part of a long historical movement, its present phase has specific features that distinguishes it from past historical phases. Globalization in contemporary times has a technological aspect, an aspect that has focused most people's attention. The scientific and technological revolution is breathtaking in scope and impact. It is owned as a means of capturing markets and the world's resources on behalf of those that own and control it. Hence, the importance of participating in the making of rules and the setting of standards on trade, technology transfers and capital movements.

All this, and much more, is becoming gradually clearer to many. Yet, Globalization, with all its dazzling technological side and its deeper social and political contradictions, remains an imperfectly understood phenomenon.

A second conclusion, more specific to Zimbabwe, is that the much-anticipated gains of Globalization have not materialised. Zimbabwe is a Globalization compliant economy. However, the export sector did not perform as well as was expected; instead it was imports that shot up creating balance of payments and deficit problems. The anticipated inflow of foreign capital did not materialise; instead there was a net outflow of capital in the form of debt servicing and transfer pricing. The local industry had expected to capture overseas markets, this did not happen to any significant level; instead foreign companies were threatening the domestic market of local industry. Growth was expected to reach high enough levels to trickle down to the poorer classes of society; instead, growth stagnated, in some years even declined. Instead of the poorer sections of the society getting the benefits of growth, their impoverishment and marginalization worsened. Growth and prosperity was expected to unite the nation and consolidate the gains of independence; instead the nation is deeply fragmented and stands on the verge of loss of faith in the Government and the regime.

A third conclusion is that there is a greater appreciation of the reasons for the failure of countries in the developing world and countries in transition (the former Soviet Union countries) to integrate in the global economy. The collapse of the Asian "miracle" following the August 1997 financial crisis and the failure of the "shock therapy" in Russia to get it integrated into the global economy under a more democratic dispensation have engendered a more critical inquiry into the complex processes of Globalization and its interaction with local economic and political forces. New studies have provided critical insights into the shortcomings of the Washington Consensus and the need to go beyond a purely economistic analysis of the contemporary situation. There is growing consensus on the need to prescribe a more fundamental change in the global financial architecture.

Instead, therefore, of a simplistic analysis of the crises in East Asia and Russia, there is on the one hand a more critical examination of the global system that feeds on an apparently uncontrolled speculative market, and on the other hand the necessity of properly "sequencing" the phasing of integration of a country into the globalised economy taking into account the specifics of each country. In this sense, then, the more sophisticated debate in relation to Zimbabwe turns on the question of whether ESAP and ZIMPREST had properly sequenced the entry of Zimbabwe into the Globalised world. Did the trade liberalisation come too early, that is, before creating sufficient protection for local industry to withstand the force of foreign competition? Did the financial and capital account liberalisation take into account the dangers and possibilities of an East Asian type of speculative currency attack? And so on.

A final conclusion is that the choice confronting the political leadership in any developing country is between putting its faith in the people or in external agents. Zimbabwe's political leadership, during its struggle for independence, put its faith in the people against all external odds. It sustained this faith for a few years after independence, and rewarded the people with education and health services that were denied to them by the previous regime as well as opening up the possibility of improving their material well being. Admittedly, it adopted an attitude to the people that was stilt top-down rather than bottom-up, but it created the necessary political and economic space for the people to consolidate the gains of independence. However, as soon as there was a mild balance of payments crisis in the early years, there was a shift towards uncontrolled liberalism, further enhanced by tensions and hesitations in policy implementation. This was accentuated by increased dependency on donor support. Over no other issue were hesitations so costly as over the question of land.

Recommendations

What choices does Zimbabwe have at the present conjuncture? What are its options? One option is to focus on macroeconomic stabilisation as a means of restoring the faith of international capital to come to the country to hale it out of its crisis of under-performance. The Memorandum on the Economic Policies of the Government of Zimbabwe for 1999 attached to the latest Letter of Intent recommends a long list of policy actions. In order to restore the confidence of international capital, the immediate objectives are to bring inflation under control, stabilise the exchange rate and rebuild international reserves. Specific performance targets are 1.2% real GDP growth in 1999, reducing inflation to 30% by the end of the year, and achieving a current account deficit of 6.3% of GDP, raising reserves to 1.6 months cover by year end. The main instruments for achieving these targets the Memorandum says, are the control over monetary growth — to he cut to 10% in 1999 — and fiscal restraint — the 1999 budget deficit to be targeted at 5.3% of GDP. Interest rates and the exchange rate should be allowed to adjust freely. The key elements of the policies outlined are fiscal discipline, civil service retrenchment, financial sector reforms, reversal of the elements of control such as maize prices and removal of restrictions on Foreign Currency Accounts (FCAs) that had been reintroduced, public enterprise reform, including sale of specific assets and a programme for privatisation, tariff reductions and improved quality of government economic management, which appears to he taken to mean reducing corruption and being freer with information. (UNCTADIUNDP, 1999)

There is nothing new on this menu. However, a radical restructuring of the economy its implementation has to go beyond the traditional approach proposed by orthodox economists. For human development to be at the centre it is essential to identify policy measures that will nurture human capital and decrease poverty. This is not a matter of waiting for a possible supply-side response. It has to be at the centre of policy making.

Yet, the overall objective of restoring macro-economic stability, and one or two of the specific objectives such as the reigning in of inflation are well advised. However, these measures should be taken not to restore confidence in international capital, but to restore domestic confidence in the government. A predictable economic climate might require realistic price controls over a dozen or so basic commodities without which any government would lose its moral legitimacy in the eyes of the population. The inflation needs to he controlled not only by fiscal or monetary measures (in the short term), hut also by taking concrete steps to bring material goods and services on the market, and that means addressing hard questions of restoring production and creating a critical mass of effective purchasing power in the hands of those who create wealth.

In this connection, Government needs to carry out a well-focused and thoroughly considered land reform and regulate agriculture and support communal farmers more actively. This is objectively necessary not only on grounds of equity but also, at a practical level, on grounds of ensuring food security. As analysed earlier, the post-I 990 deregulation of agriculture and a reversion to the principles of free trade has had the dual effect increasing food insecurity and marginalising and impoverishing the food producing communal area farmers.

Restoring the rigour of the domestic Zimbabwean economy is essential. Creating a critical mass of effective purchasing power in order to re-create the domestic market means negotiating with the workers unions and the employers for substantial real wage increases to restore to the workers a life of dignity. In return for concessions from the employers, the Government should find sophisticated incentives to allow them to take on foreign competition in basic wage-good industries, such as food and food products, clothing and textile, shoes, household products and basic services such as transport, health and education. Market-induced mechanisms are often efficient policy tools, but in some cases, subsidies may be required. There is no country in the world that does not use subsidies as a tool of social policy. If this also involves raising of tariffs to protect local industry from outside competition, then Government should negotiate with industry on how best to do this. If there is a conflict with the provisions of the WTO, then Government should ask for either waivers or special and differentiated treatment that is allowed under the WTO.

It is clear from past experience that Foreign Direct Investments (FDl) are not likely to come to Zimbabwe in substantial quantities. International investors have better places to go to in order to maximise their profits. They will come to the country only if growth picks up and profits appear on the horizon. It is however not necessary to bar the entry of foreign capital provided it comes on terms and conditions specified by the Government, much as China appears to be doing, for example.

The Government should also closely look at its import bill and its contents. It should cut down on all inessential imports, hut he liberal with providing credit facilities for necessary imports of machinery and technical know-how to local industry.

Government needs to pay special attention to the needs of deprived and marginalised sections of the society, not just from a welfare perspective but from one of empowerment. The concept of "safety net" is a misplaced one; it gets the Government too easily off the hook. The Government owes it to the people to provide adequate access to food, health, education, housing, cheap transport and other wherewithal of life. The assumption that foreign capital-led "growth" would eventually "trickle" down to these sections of the society, and that in the meantime they should be saved from falling on the ground with "safety nets" isa wholly misplaced assumption. Therefore, whilst the Government should provide the means in the budget by which to assist those that do get deprived by market forces, the real way forward is to build on the creativity and energy of the people. This is not as platitudinous as it sounds. Concretely, this means putting effective resources (knowledge, money, institutions, infrastructure, etc,) in the hands of small farmers, small and medium scale enterprises, indigenous business-people that produce for the domestic market, indigenous scientists and technicians, and so on.

It is necessary to add, finally, that the challenges of Globalisation are such that they cannot be handled by a single country acting alone. There is no Keynesian solution within the confines of a single country. Hence, it would be necessary for Zimbabwe to negotiate with its neighbours in order to work out a regional strategy along the above lines. If this can be done within the SADC framework then this should be pursued, but if not, then Zimbabwe should simply work with all those who can agree to a joint programme of action.

Recommendations for Government

Here, then, are six recommendations in a summarised form.

1. Overall objective: to restore confidence in the people by creating conditions of fulfilment of basic human, material and social needs, and by opening up democratic space for dialogue in all sectors of life. Government should put effective resources(knowledge, money, institutions, infrastructure) in the hands of indigenous productive sectors of society, and negotiate a national contract that rewards them for their work and loyalty to the country.

2. The hitherto neglected responsibility of ensuring conditions for the reproduction of labour and ensuring a life of dignity must form the core of the new strategy. Improve the wages of the workers and prices of the products of communal farms so as to put into the hands of all households adequate income to meet all their basic needs as well as support the restoration of domestic industry that manufactures these essential "wage goods".

3. Better integration of gender concerns in both domestic and foreign policy-making and implementation, particularly in those fields traditionally not associated with gender, e.g. finance.

4. A well-focused land reform, agricultural regulation and new policy framework are necessary not only on grounds of justice and restoring people's confidence in Government, but also on the practical grounds of restoring food security and agricultural production.

5. Restore production and safeguard the domestic market from external competition in respect of essential commodities and services, as a basic complement to fiscal and monetary tools, control inflation. Properly considered subsidies and tariff protection might be necessary.

6. Carry out an audit of imports and introduce measures to cut down all inessential imports and luxury products. Carry out a similar audit of debt, retire illegitimate debts, and negotiate with the creditors for the payment of the legitimately incurred debts on the principle of joint responsibility. Put in place capital controls, regulate the banking sector, and review financial liberalisation measures to develop an indigenously led banking system.

Four Fundamental Recommendations for Civil Society

1. Civil Society must continue to demand transparency and accountability of Government, and insist on further democratisation of institutions of decision-making and implementation.

2. Specifically, it must monitor and audit Government finance and debts (both external and internal) in order to ensure a) that the nation's productive surplus does not illegitimately flow out of the country, and b) that national budget is designed to serve the broad interests of the people.

3. Civil Society must understand the logic behind foreign capital-led Globalization and its implications for society and nation, and help Government strategise a more self-reliant economy that is open to the world market but on the basis of a strong indigenous economy rooted in the efforts of the people, and sequenced such that external forces do not disrupt the economy and social cohesion of the nation.

4. It must develop structures and institutions of knowledge-creation, production, distribution and social welfare that are independent of Government but also supportive of Government efforts where these are serving the people.

Conclusion

Zimbabwe is at a crossroads as it enters the new millennium. The first ten years of independence showed remarkable promise in the increases in human development indicators, but the I 990s increased dependence on foreign forces and marginalised the bulk of the people from ownership of national decisions. Globalization did benefit a small section of the population, those that were linked with international financial interests and technology providers, those that were able to get access to land, and those who were able to take advantage of the export market. But the agricultural and industrial sectors together with the working classes took a serious battering.

Zimbabwe has a way out of this as it moves into the third decade of its independence. It has a rich dual heritage. One, ironically, is the heritage left by the UDI regime that built itself up on a largely internally-oriented economy with minimal dependence on the outside world. Its illegitimacy was the cause of its demise. The second legacy is that of Chimurenga. That spirit is still alive and often not properly channelled. The people of Zimbabwe can, once again, assert their primacy and with sober and deliberate intervention in national matters bring back the state and economy to serving first and foremost the interests of the people based on people's efforts and resources and not one based on foreign dependence.

Appendix 1
Human Development Comparisons in Zimbabwe

Table 1
Provincial HDI Comparisons in Zimbabwe

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare	64	94.04	8.06	8.44	4613.17	0.65	0.79	0.64	0.79	0.69	1	1	0
Bulawayo	67	93.65	7.18	8.09	3252.17	020	0.77	0.58	0.75	0.68	2	2	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Mat South	66	78.00	5.27	7.47	1746.99	0.68	0.63	0.48	0.57	0.60	4	3	1
Midlands	61	81.52	5.56	7.61	2009.76	0.60	0.66	0.50	0.58	0.59	3	4	-1
Mat North	65	73.72	4.89	7.32	1508.47	0.67	0.59	0.45	0.53	0.57	5	5	0
Mash East	61	79.88	5,46	7.21	1350.89	0.60	0.65	0.43	0.52	0.56	7	6	1
Mash West	60	75.42	5.10	7.41	1644.66	0.58	0.61	0.47	0.52	0.55	6	7	-1
Masvingo	59	75.85	5.06	7.33	1530.64	0.57	0.61	0.46	0.51	0.55	8	8	0
Mash Central	58	67.00	4.93	7.52	1841.34	0.55	0.55	0.49	0.51	0.53	9	9	0
Manicaland	57	75.22	4.96	7.09	1204.54	0.53	0.60	0.42	0.47	0.52	10	10	0

Table 2
Provincial HDI Comparisons in Zimbabwe by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare	63	95.04	8.37	8.47	4783.75	0.63	0.81	0.65	0.79	0.70	1	1	0
Bulawayo	66	94.74	7.38	8.16	3501.33	0.68	0.79	0.59	0.77	0.69	2	2	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Mat South	66	82.95	5.51	7.61	2015.78	0.68	0.67	0.50	0.61	0.62	3	3	0
Mat North	65	88.96	5.24	7.44	1709.56	0.67	0.70	0.47	0.59	0.61	5	4	1
Midlands	60	86.98	5.92	7.68	2156.06	0.58	020	0.51	0.59	0.60	4	5	-1
Mash East	61	84.89	5.80	7.27	1431.27	0.60	0.69	0.44	0.54	0.58	7	6	1
Masvingo	58	83.48	5.37	7.44	1709.72	0.55	0.67	0.47	0.54	0.56	8	7	1
Mash West	58	82.04	5.65	7.47	1758.00	0.55	0.66	0.48	0.54	0.56	6	8	-2
Mash Central	57	77.00	5.48	7.56	1921.90	0.53	0.63	0.49	0.54	0.55	9	9	0
Manicaland	56	82.55	5.22	7.21	1356.10	0.52	0.66	0.44	0.50	0.54	10	10	0

Table 3
Provincial HDI Comparisons in Zimbabwe by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare	67	92.53	6.98	8.40	4430.79	0.65	0.78	0.63	0.78	0.69	1	1	0
Bulawayo	61	80.38	5.56	8.00	2995.44	0.70	0.76	0.57	0.72	068	2	2	0
Zimbabwe	66	74.06	5.06	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Mat South	62	76.58	5.21	7.31	1495.60	0.68	0.60	0.45	0.54	0.58	4	3	1
Mat North	62	75.52	5.15	7.53	1868.33	0.62	0.62	0.49	0.56	0.58	3	4	-1
Midlands	65	67.37	4.57	7.15	1280.11	0.62	0.61	043	0.51	0.55	5	5	0
Mash East	61	68.66	4.54	7.19	1324.21	0.67	0.54	0.43	0.50	0.55	6	6	0
Masvingo	60	69.79	4.78	7.33	1531.61	0.60	0.55	0.46	0.50	0.54	7	7	0
Mash West	59	57.80	4.40	7.22	1365.85	0.58	0.56	0.44	0.48	0.53	9	8	1
Mash Central	64	92.88	7.73	748	1763.64	0.57	048	0.48	0.49	0.51	8	9	-1
Manicaland	50	60.33	4.72	607	1063.95	0.55	0.56	0.39	0.45	0.50	10	10	0

Table 4
Provincial HDI Comparisons in Zimbabwe by Urban/Rural (Urban)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Midlands	62	9330	7.26	8.19	360636	0.62	0.77	0.60	0.8	0.66	1	1	0
Mat South	64	89.74	6.84	8.08	3228.11	0.65	0.74	0.58	0.7	0.66	3	2	1
Masvingo	60	93.37	7.42	8.21	3676.86	0.58	0.78	0.60	0.8	0.65	2	3	-1
Mash Central	61	85.80	7.00	8.15	3450.67	0.60	0.72	0.59	0.7	0.64	4	4	0
Mat North	65	88.15	6.21	7.72	2244.75	0.67	0.72	0.52	0.6	0.64	7	5	2
Mash West	61	86.25	6.95	7.92	2752.46	0.60	.072	0.55	0.7	0.62	6	6	0
Zimbabwe	61	80.38	536	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			
Mash East	61	78.97	7.15	8.01	302043	0.60	0.68	0.57	0.7	0.62	5	7	-2
Manicaland	61	72.33	6.44	7.72	2245.26	0.60	0.62	0.52	0.6	0.58	8	8	0

Table 5
Provincial Comparisons in Zimbabwe by Urban/Rural (Rural)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			
Mash East	62	91.82	5.32	7.11	1221.29	0.62	0.72	0.42	0.5	0.59	2	1	1
Mat South	66	76.63	4.95	7.28	1457.08	0.68	0.61	0.45	0.5	0.58	1	2	-1
Mat North	65	71.25	4.72	7.26	1418.25	0.67	0.57	044	0.5	0.56	3	3	0
Midlands	60	77.19	4.91	7.26	1423.14	0.58	0.62	0.44	0.5	0.55	4	4	0
Manicaland	56	93.06	4.71	6.94	1032.04	052	0.72	039	0.5	054	5	5	0
Masvingo	59	73.91	4.71	7.11	1221.03	0.57	0.59	0.42	0.5	0.53	7	6	1
Mash West	59	71.53	4.56	7.19	1324.22	0.57	0.57	043	0.5	0.52	6	7	-1
Mash Central	58	65.10	4.54	7.33	1532.78	0.55	0.53	046	0.5	0.51	8	8	0

Table 6
Regional HDI Comparisons in Manicaland Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Rusape	63	9344	8.34	8.83	6866.09	0.63	0.80	0.71	0.79	0.71	1	1	0
Mutare Urban	61	94.09	6.93	7.82	2487.03	0.60	0.77	0.54	0.65	0.64	2	2	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Makoni	61	82.35	5.32	7.13	1245.80	0.60	0.66	0.42	0.51	0.56	3	3	0
Mutasa	57	78.36	5.12	7.28	1456.91	0.53	0.63	0.45	0.50	0.54	4	4	0
Nyanga	59	67.91	5.00	7.22	1363.58	0.57	0.56	0.44	0.48	0.52	5	5	0
chimanimani	59	74.14	4.62	7.01	1106.90	0.57	0.59	0.40	0.47	0.52	6	6	0
Mutare Rural	57	82.52	5.05	6.77	871.92	0.53	0.66	0.36	0.46	0.52	7	7	0
Buhera	57	81.64	4.81	6.70	810.93	0.53	0.64	0.35	0.45	0.51	8	8	0
Chipinge	52	53.50	3.98	6.82	916.65	0.45	0.44	0.37	0.36	0.42	9	9	0

Table 7
Regional HDI Comparisons in Manicaland Province by Gender(Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Rusape	60	93.08	9.59	8.70	6020.17	0.58	0.82	0.68	0.78	0.69	1	1	0
Mutare Urban	60	94.61	6.99	7.93	2785.37	0.58	0.78	0.56	0.67	0.64	2	2	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Makoni	60	84.49	5.48	7.32	1512.46	0.58	0.68	0.45	0.54	0.57	3	3	0
Mutasa	56	83.37	5.26	7.33	1532.46	0.52	0.67	0.46	0.51	0.55	4	4	0
Nyanga	57	77.43	5.25	7.40	1638.55	0.53	0.63	0.47	0.51	0.54	5	5	0
chimanimani	58	81.42	4.99	7.15	1269.62	0.55	0.65	042	0.50	0.54	6	6	0
Mutare Rural	57	82.52	5.05	6.84	931.75	0.53	0.66	0.37	047	0.53	7	7	0
Buhera	55	87.79	4.91	6.68	796.58	0.50	0.69	0.35	0.45	0.51	8	8	0
Chipinge	51	70.10	4.44	6.94	1035.80	043	0.56	039	041	046	9	9	0

Table 8
Regional HDI Comparisons in Manicaland Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Rusape	65	93.8	7.17	8.96	7806.00	0.67	0.77	0.73	0.80	0.72	1	1	0
Mutate Urban	61	93.5	6.85	7.66	2126.04	0.60	0.77	0.51	0.62	0.63	2	2	0
Zimbabwe	61	80.3	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Makoni	62	80.6	5.17	6.92	1008.55	0.62	0.65	0.39	0.50	0.55	3	3	0
Mutasa	59	74.2	4.99	7.24	1393.03	0.57	0.60	0.44	0.50	0.54	4	4	0
Buhera	59	77.2	4.73	6.71	822.80	0.57	0.61	0.35	045	0.51	5	5	0
Mutare Rural	57	80.0	4.89	6.71	819.14	0.53	0.64	0.35	045	0.51	6	6	0
Nyanga	60	60.5	4.80	7.04	1146.42	0.58	0.50	0.41	0.45	0.50	7	7	0
Chimanimani	59	67.9	4.25	6.85	94545	0.57	0.54	037	0.44	049	8	8	0
Chipinge	54	414	3.51	6.68	793.94	048	035	0.35	033	0.39	9	9	0

Table 9
Regional HDI Comparisons in Mashonaland Central Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Bindura Urban	63	88.30	7.22	7.91	2719.78	0.63	0.74	0.55	0.7	0.64	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			
Mazowe	61	72.30	5.14	7.54	1883.62	0.60	0.59	049	0.5	0.56	3	2	1
Shamva	57	70.20	5.09	7.89	2672.05	0.53	0.57	0.55	0.6	0.55	2	3	-1
Bindura Rural	59	71.30	5.12	7.58	1949.91	0.57	0.58	0.50	0.5	0.55	4	4	0
Mt.Darwin	60	63.50	4.29	7.35	1557.89	0.58	0.51	046	0.5	0.52	5	5	0
Guruve	56	64.00	4.55	7.33	1528.85	0.52	0.52	0.46	0.5	0.50	6	6	0
Centenary	55	59.30	3.89	7.11	1226.80	0.50	0.48	0.42	0.4	0.47	7	7	0
Rushinga	57	53.80	4.80	6.93	1025.97	0.53	0.46	0.39	04	046	8	8	0

Table 10
Regional HDI Comparisons in Mashonaland Central Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Bindura Urban	62	91.90	4.74	7.91	2727.93	0.62	0.71	0.55	0.66	0.63	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			0
Shamva	55	78.60	7.95	7.91	2718.75	0.50	0.69	0.55	0.61	0.58	2	2	0
Bindura Rural	59	78.80	5.28	7.63	2052.71	0.57	0.64	0.50	0.56	0.57	3	3	0
Mazowe	59	80.10	4.62	7.61	2018.83	0.57	0.63	0.50	0.56	0.57	4	4	0
Mt. Darwin	60	75.80	5.42	7.37	1589.08	0.58	0.62	0.46	0.52	0.55	5	5	0
Guruve	56	75.10	5.78	7.40	1628.98	0.52	0.62	0.47	0.50	0.54	6	6	0
Rushinga	60	69.00	5.77	6.97	1061.28	0.58	0.58	0.39	0.47	0.52	7	7	0
Centenary	54	69.60	5.19	732	1378.96	048	0.57	0.44	0.45	0.50	8	8	0

Table 11
Regional HDI Comparisons in Mashonaland Central Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Bindura Urban	64	84.40	3.06	7.91	2712.87	0.65	0.63	0.55	0.6	0.61	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Shamva	58	62.20	6.61	7.87	2626.64	0.55	0.55	0.55	0.6	0.55	2	2	0
Mazowe	62	64.60	3.98	7.46	1739.26	0.62	0.51	0.48	0.5	0.54	4	3	1
Bindura Rural	60	63.40	4.95	7.52	1841.53	0.58	0.53	0.49	0.5	0.53	3	4	-1
Mt. Darwin	60	53.50	4.24	7.33	1529.85	0.58	0.45	0.46	0.5	0.50	5	5	0
Guruve	57	54.60	4.46	7.27	1439.51	0.53	0.46	0.45	0.4	0.48	6	6	0
Centenary	55	49.60	3.98	6.97	1068.15	0.50	0.41	0.40	0.4	0.44	7	7	0
Rushinga	57	42.30	4.43	6.90	993.66	0.53	0.37	0.38	0.4	0.43	8	8	0

Table 12
Regional HDI Comparisons in Mashonaland East Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Marond. Urban	61	92.8	6.99	7.96	2850.59	0.60	0.76	0.56	0.68	0.64	1	1	0
Zimbabwe	61	80.4	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			0
Chikomba	62	87.0	5.96	7.50	1816.15	0.62	0.70	0.48	0.58	0.60	2	2	0
Hwedza	61	87.0	6.31	7.35	1562.28	0,60	0.71	0.46	0.56	0.59	3	3	0
Seke	62	83.7	5.88	7.35	1552.56	0.62	0.68	0.46	0.55	0.59	4	4	0
Goromonzi	62	80.6	5.65	7.38	1599.21	0.62	0.66	0.46	0.55	0.58	5	5	0
Marond. Rural	62	83.4	5.77	7.16	1282.49	0.62	0.68	0.43	0.53	0.58	6	6	0
Murehwa	62	82.3	5.23	6.92	1016.10	0.62	0.66	0.39	0.50	0.56	7	7	0
UMP	62	73.2	492	7.12	1238.65	0.62	0.59	0.42	0.50	0.54	8	8	0
Mutoko	63	72.6	5.01	6.77	867.71	0.63	0.59	0.36	0.47	0.53	9	9	0
Mudzi	60	61.9	4.15	6.56	709.36	0.58	0.50	033	OA1	047	10	10	0

Table 13
Regional HDI Comparisons in Mashonaland East Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Marond. rban	62	94.0	7.33	8.03	3060.14	0.62	0.78	0.57	0.7	0.66	1	1	0
Zimbabwe	61	804	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Chikomba	61	904	6.26	7.57	1946.46	0.60	0.73	0.50	0.6	0.61	2	2	0
Hwedza	61	89.8	6.62	7.50	1801.51	0.60	0.74	0.48	0.6	0.61	3	3	0
Seke	61	85.9	6.23	7.39	1624.71	0.60	0.70	0.47	0.6	0.59	5	4	1
Goromonzi	61	84.8	6.05	7.43	1692.52	060	0.69	047	0.6	0.59	4	5	-1
UMP	61	81.9	5.61	7.28	1446.49	0.60	0.66	0.45	0.5	0.57	6	6	0
Marond.Rural	60	85.3	6.06	7.18	1312.98	0.58	0.69	043	0.5	0.57	7	7	0
Murehwa	60	854	5.38	6.86	956.17	0.58	0.68	0.38	0.5	0.55	8	8	0
Mutoko	62	80.8	5.27	6.79	891.40	0.62	0.65	0.37	0.5	0.55	9	9	0
Mudzi	59	74.2	456	6.62	75133	0.57	0.59	0.34	0.4	0.50	10	10	0

Table 14
Regional HDI Comparisons in Mashonaland East Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Chegutu Urban	62	89.03	8.01	8.16	3503.51	0.62	0.76	0.59	0.7	0.66	1	1	0
Zimbabwe	61	80.40	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Karoyi	63	88.37	6.78	7.95	2821.58	0.63	0.73	0.56	0.7	0.64	2	2	0
Kariba Urban	61	85.51	7.22	7.97	2879.10	0.60	0.72	0.56	0.7	0.63	3	3	1
Kadoma Urban	60	89.15	6.61	7.87	2620.18	0.58	0.73	0.55	0.6	0.62	4	4	0
chinhoyi	60	86.76	6.64	7.87	2605.70	0.58	0.72	0.54	0.6	0.61	5	5	0
Chegutu Rural	61	80.14	5.46	7.60	1988.54	0.60	0.65	0.50	0.6	0.58	6	6	0
Kadoma Rural	59	79.63	5.88	7.33	1522.92	0.57	0.65	0.45	0.5	0.56	7	7	0
Zvimba	59	71.58	4.49	7.48	1778.50	0.57	0.57	0.48	0.5	0.54	8	8	0
Makonde	59	69.20	4.42	7.16	1281.52	0.57	0.55	0.43	0.5	0.52	9	9	0
Hurungwe	59	66.63	4.65	6.99	1090.91	0.57	0.54	0.40	0.5	0.50	10	10	0
Kariba Rural	55	59.17	3.43	6.31	550.61	0.50	0.47	0.28	0.4	0.42	11	11	0

Table 16
Regional HDI Comparisons in Mashonaland West Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Chegutu Urban	62	92.76	8.08	8.15	3455.29	0.62	0.79	0.59	0.74	0.67	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			0
Karoyi	61	92.10	7.60	8.16	3490.14	0.60	0.77	0.59	0.73	0.65	2	2	0
Kariba Urban	59	9045	8.10	8.05	3138,80	0.57	0.77	0.58	0.69	0.64	3	3	0
Chinhoyi	59	91.04	7.32	7.99	2950.47	0.57	0.76	0.56	0.68	0.63	4	4	0
Kadoma Urban	60	92.32	6.94	7.91	2737.79	0.58	0.76	0.55	0.66	0.63	5	5	0
Chegutu Rural	61	83.85	5.82	7.64	2071.29	0.60	0.68	0.51	0.59	0.60	6	6	0
Kadoma Rural	58	84.23	6.29	7.42	1666.29	0.55	0.69	0.47	0.54	0.57	7	7	0
Zvimba	58	78.99	5.07	7.53	1861.96	0.55	0.63	0.49	0.54	0.56	8	8	0
Makonde	57	77.84	5.13	7.24	1388.83	0.53	0.63	0.44	0.49	0.53	9	9	0
Flurungwe	58	77.05	5.17	7.03	1132.13	0.55	0.62	0.41	047	0.53	10	10	0
Kariba Rural	55	72.77	4.13	6.44	626.93	0.50	0.57	0.31	0.40	0.46	11	11	0

Table 17
Regional HDI Comparisons in Mashonaland West Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Chegutu Urban	63	85.12	7.92	8.18	3555.50	0.63	0.73	0.60	0.74	0.65	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			0
Karoyi	64	84.30	6.02	7.68	2171.86	0.65	0.69	0.51	0.62	0.62	4	2	2
Kadonia Urban	61	85.89	6.24	7.82	2496.84	0.60	0.70	0.54	0.63	0.61	2	3	-1
Chinhoyi	62	82.12	6.00	7.73	2286.36	0.62	0.67	0.52	0.61	0.60	5	4	1
Kariba Urban	62	78.94	6.03	7.85	2554.47	0.62	0.65	0.54	0.62	0.60	3	5	-2
Chegutu Rural	61	76.54	5.09	7.55	1902.55	0.60	0.62	049	0.55	0.57	6	6	0
Kadoma Rural	61	75.01	544	7.22	1366.53	0.60	0.61	0.44	0.51	0.55	7	7	0
Zvirnba	61	63.63	3.91	7.44	1696.52	0.60	0.51	0.47	0.50	0.53	8	8	0
Makonde	61	59.87	3.73	7.07	1176.63	0.60	048	041	045	0.50	9	9	0
Hurungwe	59	58.72	4.13	6.96	1050.74	0.57	0.48	0.39	0.43	0.48	10	10	0
Kariba Rural	55	46.36	2.85	6.18	483.95	0.50	0.37	0.26	0.32	0.38	11	11	0

Table 18
Regional HDI Comparisons in Matebeleland North Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Victoriafalls	64	91.16	6.92	7.70	2200.16	0.65	0.75	052	0.6	0.64	2	1	1
Hwange Urban	65	88.54	6.15	7.70	2200.10	0.67	0.72	0.52	0.6	0.64	3	2	1
Umguza	64	84.62	6.17	7.99	2942.11	0.65	0.69	0.56	0.7	0.63	1	3	-2
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Bubi	68	76.26	4.67	6.95	1047.40	0.72	0.61	0.39	0.5	0.57	5	4	1
Tsholotsho	67	72.84	4.13	7.22	1364.97	0.70	0.57	044	0.5	0.57	4	5	-1
Nkayi	66	76.04	4.64	7.11	1222.58	0.68	0.60	042	0.5	0.57	6	6	0
Lupane	66	74.17	4.77	7.11	1220.28	0.68	0.59	0.42	0.5	0.56	7	7	0
Hwange Rural	65	69.88	4.55	6.47	647.13	0.67	0.56	0.31	0.5	0.51	8	8	0
Binga	60	4929	3.49	6.50	662.44	0.58	040	0.32	0.4	043	9	9	0

Table 19
Regional HOl Comparisons in Matebeleland North Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Victoriafalls	65	93.5	7.71	7.79	2411.29	0.67	0.78	0.53	0.7	0.66	3	1	2
Hwange Urban	65	91.2	6.67	7.89	2658.05	0.67	0.75	0.55	0.7	0.66	2	2	0
Umguza	64	86.4	6.55	8.08	3241.47	0.65	0.71	0.58	0.7	0.65	1	3	-2
Zimbabwe	61	80.4	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Bubi	68	79.6	4.98	7.16	1284.31	0.72	0.63	0.43	0.6	0.59	5	4	1
Tsholotsho	67	79.1	4.26	7.28	1455.70	0.70	062	0.45	0.6	0.59	4	5	-1
Nkayi	66	80.4	4.86	7.24	1388.93	0.68	0.64	0.44	0.6	0.59	6	6	0
Lupane	66	81.1	4.81	7.21	1355.30	0.68	0.64	0.44	0.5	0.59	7	7	0
Hwange Rural	65	78.1	4.79	6.55	698.93	0.67	0.62	0.32	0.5	0.54	8	8	0
Binga	60	62.2	3.99	6.48	654.32	0.58	0.50	0.31	0.4	0.46	9	9	0

Regional HEN Comparisons in Matebeleland North Province by Gender (Female)
Table 20

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Umguza	64	82.42	5.80	7.88	2639.40	0.65	0.67	0.55	0.65	0.62	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Victoria Falls	64	87.59	6.00	7.58	1960.51	0.65	0.71	0.50	0.61	0.62	2	2	0
Hwange Urban	65	85.25	5.47	7.42	1662.78	0.67	0.68	0.47	0.58	0.61	3	3	0
Tsholotsho	67	68.62	4.02	7.17	129494	0.70	0.54	0.43	0.51	0.56	4	4	0
Nkayi	66	72.07	4.50	7.01	1107.14	0.68	0.57	0.40	0.50	0.55	5	5	0
Bubi	67	73.00	4.37	6.72	831.92	0.70	0.58	0.35	0.49	0.54	7	6	1
Lupane	66	69.17	4.69	6.96	1055.64	0.68	0.56	0.39	0.49	0.54	6	7	-1
Hwange Rural	65	62.09	4.30	639	594.56	0.67	0.50	0.30	0.43	0.49	8	8	0
Binga	60	38.27	3.09	6.51	668.66	0.58	0.32	0.32	0.35	0.41	9	9	0

Table 21
Regional HDI Comparisons in Matebeleland south Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gwanda Urban	65	93.40	7.69	8.72	6137.76	0.67	0.78	0.69	0.8	0.71	1	1	0
Umzingwane	67	85.28	5.77	7.43	1685.86	0.70	0.69	0.47	0.6	0.62	2	2	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			0
Gwanda Rural	66	82.08	5.69	7.37	1591.86	0.68	0.67	0.46	0.6	0.60	3	3	0
Insiza	67	80.87	5.38	7.26	1416.05	0.70	0.65	044	0.6	0.60	5	4	1
Matobo	69	81.46	4.84	7.12	1240.66	0.73	0.64	0.42	0.6	0.60	7	5	2
Bulalirnamangw	67	75.32	4.34	746	1744.67	0.70	0.59	048	0.6	0.59	4	6	-2
Beitbridge	61	62.17	5.84	7.70	2202.87	0.60	0.54	0.52	0.6	0.55	6	7	-1

Table 22
Regional HDI Comparisons in Matebeleland South Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gwanda Urban	66	94.29	7.88	8.95	1471.80	0.68	0.69	0.45	0.57	0.61	1	1	0
U mzi ngwa n	68	88.40	6.26	7.70	2520.44	0.58	0.60	0.54	0.59	0.57	2	2	0
Gwanda Rural	66	86.36	5.89	7.53	7736.71	0.68	0.79	0.73	0.80	0.73	3	3	0
Zimbabwe	61	80.38	5.56	8.25	2204.46	0.72	0.72	0.52	0.65	0.65			
Matobo	70	84.72	4.74	7.17	1860.91	0.68	0.70	0.49	0.60	0.62	7	4	3
Bualimamangwe	67	80.25	4.44	7.60	3819.91	0.60	0.65	0.61	0.72	0.62	4	5	-1
Insiza	66	85.60	5.95	7.29	1300.05	0.75	0.66	0.43	0.57	0.61	6	6	0
Beitbridge	60	70.33	6.7	7.83	1998.12	0.70	0.631	0.50	0.60	0.61	5	7	-2

Table 23
Regional HDI Comparisons in Matebeleland South Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gwanda Urban	64	92.37	7.53	8.46	4702.80	0.65	0.77	0.64	0.78	0.69	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Matobo	69	78.94	4.93	7.08	1186.31	0.73	0.63	041	0.54	0.59	3	2	1
Insiza	68	76.68	4.94	7.22	1369.67	0.72	0.61	044	0.55	0.59	2	3	-1
Gwanda Rural	66	78.27	5.49	7.20	1344.32	0.68	0.64	0.43	0.54	0.58	4	4	0
Umzingwane	67	8242	5.17	6.95	1040.71	0.70	0.66	0.39	0.53	0.58	6	5	1
Bulalimamangw	67	72.06	4.25	7.32	1508.48	0.70	0.57	0.45	0.54	0.57	5	6	-1
Bietbridge	62	55.98	5.53	7.56	1919.32	0.62	0.49	0.49	0.52	0.53	7	7	0

Table 24
Regional HDI Comparisons in Midlands Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gweru Urban	64	96.30	7.43	8.20	3635.46	0.65	0.80	0.60	0.77	0.68	2	1	1
Shurugwe Urbar	59	91.37	8.02	8.51	4953.18	0.57	0.78	0.65	0.76	0.67	3	3	0
Kwekwe Urban	61	94.98	7.67	8.12	3366.26	0,60	0.79	0.59	0.73	0.66	5	5	0
Redcliff	62	95.15	8.05	8.24	3792.00	0.62	0.80	0.61	0.77	0.68	1	2	-1
Zvishavane Urba	62	92.70	7.78	8.15	3478.85	0.62	0.78	0.59	0.74	0.66	4	4	0
Zimbabwe	61	80.38	5.56	3819.91	3819.91	0.60	0.65	0.61	0.72	0.62			
chirimhanzu	61	86.81	6.11	2155.52	2155.52	0.60	0.71	0.51	0.60	0.61	7	7	0
Shurugwe Rural	62	87.16	5.98	2109.93	2109.93	0.62	0.71	0.51	0.61	0.61	6	6	0
Gweru Rural	63	85.03	5.33	1584.79	1584.79	0.63	0.68	0.46	0.56	0.59	8	8	0
Kwekwe Rural	61	84.10	5.56	1687.68	1687.68	0.60	0.68	0.47	0.56	0.58	9	10	-1
Zvishavane Rura	62	88.18	5.68	1294.80	1294.80	0.62	0.71	0.43	0.54	0.59	10	9	1
Mberengwa	60	83.95	4.91	7.17	1305.46	0.58	0.66	0.43	0.51	0.56	12	11	1
Gokwe	56	82.19	5.27	7.50	1809.42	0.52	0.66	0.48	0.53	0.55	11	12	-1

Table 26
Regional HDI Comparisons in Midlands Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gweru Urban	65	93.85	7.30	8.12	3366.47	0.67	0.78	0.59	0.75	0.68	1	1	0
Shurugwe Urbar	59	87.08	7.54	8.23	3751.30	0.57	0.74	0.60	0.73	0.64	2	2	0
Kwekwe Urban	61	90.40	6.72	8.03	3063.98	0.60	0.74	0.57	0.69	0.64	3	3	0
Redcliff	59	91.38	6.98	7.95	2847.18	0.57	0.75	0.56	0.66	0.63	4	5	-1
Zvishavane Urba	62	87.71	6.70	7.87	2624.91	0.62	0.72	0.55	0.65	0.63	5	4	1
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.62	0.62			0
chirimhanzu	65	79.09	5.05	7.47	1746.16	0.67	0.63	0.48	0.59	0.59	7	7	0
Shurugwe Rural	64	78.77	5.5.1	7.44	1694.53	0.65	0.64	0.47	0.59	0.59	8	8	0
Gweru Rural	66	77.22	5.20	7.48	1780.73	0.68	0.62	0.48	0.59	0.59	6	6	0
Kwekwe Rural	62	74.77	4.97	7.26	1422.86	0.62	0.60	0.44	0.55	0.55	9	9	0
Zvishavane Rura	63	77.49	5.16	6.91	1003.97	0.63	0.62	0.38	0.54	0.54	11	10	1
Mberengwa	63	68.69	4.24	7.09	1196.61	0.63	0.55	041	0.48	0.53	12	11	1
Gokwe	59	68.50	4.45	7.36	1575.95	0.57	0.55	046	0.49	0.53	10	12	-2

Table 27
Regional HDI Comparisons in Masvingo Province

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Masvingo Urban	60	95.15	7.71	8.39	4406.98	0.58	0.79	0.63	0.76	0.67	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			0
Gutu	59	86.33	5.27	6.99	1087.12	0.57	0.69	0.40	0.50	0.55	6	2	4
Chivi	61	77.20	4.99	7.21	1353.39	0.60	0.62	043	0.51	0.55	3	3	0
Bikita	59	77.04	4.73	7.37	1590.97	0.57	0.61	0.46	0.52	0.55	2	5	-3
Masvingo Rural	59	80.25	5.19	7.18	1315.62	0.57	0.64	0.43	0.50	0.55	5	4	1
Zaka	60	74.11	4.95	7.13	1248.63	0.58	0.60	0.42	049	0.53	7	6	1
Chiredzi	57	61.24	4.85	7.64	2087.78	0.53	0.51	0.51	0.51	0.52	4	7	-3
Mwenezi	57	60.88	4.12	6.46	638.25	0.53	0.49	0.31	0.38	0.44	8	8	0

Table 28
Regional HDI Comparisons in Masvingo Province by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Masvingo Urban	61	96.26	8.00	8.41	4510.45	0.60	0.81	0.64	0.8	0.68	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			
Masvingo Rural	61	89.14	5.65	7.26	1423.56	0.60	0.71	0.44	0.5	0.58	4	2	2
Bikita	59	85.81	5.10	7.62	2034.29	0.57	0.68	0.50	0.6	0.58	2	3	-1
Chivi	60	85.19	5.17	7.16	1281.93	0.58	0.68	0.43	0.5	0.56	5	4	1
Gutu	58	90.73	5.41	7.07	1178.49	0.55	0.72	0.41	0.5	0.56	6	5	1
Zaka	59	83.12	5.00	7.17	1300.64	0.57	0.66	0.43	0.5	0.55	7	6	1
Chiredzi	56	72.00	5.52	7.81	2473.44	052	0.60	0.54	0.6	0.55	3	7	-4
Mwenezi	56	71.24	.4.33	6.49	660.33	0.52	0.57	0.32	0.4	0.47	8	8	0

Table 29
Regional HDI Comparisons in Masvingo Province by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Masvingo Urban	59	94.01	7.46	8.37	4318.73	0.57	0.78	0.63	0.76	0.66	1	1	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			
Masvingo Rural	61	79.42	4.76	7.10	121543	0.60	0.63	0.42	0.50	0.55	3	2	1
Chivi	62	71.09	4.83	7.26	1415.23	0.62	0.57	0.44	0.50	0.54	2	3	-1
Gutu	59	83.03	5.15	6.92	1008.03	0.57	0.66	0.39	0.48	0.54	4	4	0
Zaka	61	67.46	4.91	7.09	1203.39	0.60	0.55	0.42	0.47	0.52	5	5	0
Bikita	59	70.79	4.41	7.10	1207.64	0.57	0.56	0.42	0.47	0.52	6	6	0
Chiredzi	58	51.94	4.04	7.40	1638.68	0.55	0.43	0.47	0.45	0.48	7	7	0
Mwenezi	58	52.65	3.94	6.43	61835	035	043	0.30	037	043	8	8	0

Table 30
Regional HDI Comparisons in Harare, Bulawayo and Chitungwiza

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare Urban	64	94.04	8.15	8.53	5043.37	0.65	0.80	0.65	0.8	0.70	1	1	0
Bulawayo	67	93.65	7.18	8.09	3252.17	0.70	0.77	0.58	0.8	0.68	2	2	0
Chitungwiza	63	89.90	7.67	7.91	2727.93	0.63	0.76	0.55	0.7	0.65	3	3	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			-

Table 31
Regional MDI Comparisons in Harare, Bulawayo and Chitungwiza by Gender (Male)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare	63	9504	8.49	8.56	5233.99	0.63	0.81	0.66	0.8	0.70	1	1	0
Bulawayo	66	94.74	7.38	8.16	3501.33	0.68	0.79	0.59	0.8	0.69	2	2	0
Chitungwiza	63	95.04	7.84	7.92	2756.36	0.63	0.80	0.55	0.7	0.66	3	3	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.7	0.62			

Table 32
Regional HDI Comparisons in Harare, Bulawayo and Chitungwiza by Gender (Female)

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Harare	64	92.88	7.79	8.48	4837.45	0.65	0.78	0.65	0.79	0.69	1	1	0
Bulawayo	67	92.53	6.98	8.00	2995.44	0.70	0.76	0.57	0.72	0.68	2	2	0
Chitungwiza	64	92.88	7.49	7.90	2698.89	0.65	0.78	0.55	0.69	0.66	3	3	0
Zimbabwe	61	80.38	5.56	8.25	3819.91	0.60	0.65	0.61	0.72	0.62			

Table 33
HDI Rankings of 77 Districts in Zimbabwe

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Gwanda Urban	65	93.40	7.69	8.72	6137.8	0.67	0.78	0.69	0.79	0.67	1	1	0
Rusape	63	93.44	8.34	8.83	6866.1	0.63	0.80	0.71	0.79	0.71	3	2	1
Harare Urban	64	94.04	8.15	8.53	5043.4	0.65	0.80	0.65	0.79	0.70	2	3	1
Bulawayo	67	93.65	7.18	8.09	3252.2	0.70	0.77	0.58	0.75	0.68	7	4	3
Gweru Urban	64	95.11	7.37	8.16	3507.0	0.65	0.79	0.59	0.76	0.68	5	5	0
Masvingo Urbar	60	95.15	7.71	8.39	4407.0	0.58	0.79	0.63	0.76	0.67	4	6	-2
Chegutu Urban	62	89.03	8.01	8.16	3503.5	0.62	0.76	0.59	0.74	0.66	8	7	1
Shurugwi Urbar	59	89.08	7.79	8.38	4352.2	0.57	0.76	0.63	0.75	0.65	6	8	-2
Kwekwe Urban	61	92.69	7.16	8.07	3203.6	0.60	0.77	0.58	0.71	0.65	10	9	1
Redcliff	60	93,41	7.57	8.12	3356.5	0.58	0.78	0.59	0.72	0.65	9	10	-1
Chitungwiza	63	89.90	7.67	7.91	2727.9	0.63	0.76	0.55	0.68	0.65	14	11	3
Zvishavane Urb	62	90.04	7.22	8.02	3033.3	0.63	0.75	0.57	0.70	0.65	11	12	-1
Bindura Urban	63	88.30	7.22	7.91	2719.8	0.63	0.74	0.55	0.67	0.64	16	13	3
Marondera Urba	61	92.76	6.99	7.96	2850.6	0.60	0.76	0.56	0.68	0.64	13	14	-1
Karoyi	63	88.37	6.78	7.95	2821.6	0.63	0.73	0.56	0.68	0.64	15	15	0
Vic Falls	64	91.16	6.92	7.70	2200.2	0.65	0.75	0.52	0.64	0.64	20	16	4
Mutare Urban	61	94.09	6.93	7.82	2487.0	0.60	0.77	0.54	0.65	0.64	18	17	1
Hwange Urban	65	88.54	6.15	7.70	2200.1	0.67	0.72	0.52	0.63	0.64	22	18	4
Umguza	64	84.62	6.17	7.99	2942.1	0.65	0.69	0.56	0.68	0.63	12	19	-7
Kariba Urban	61	8551	7.22	7.97	2879.1	0.60	0.72	0.56	0.67	0.63	17	20	-3
Umzingwane	67	85.28	5.77	7.43	1685.9	0.70	0.69	0.47	0.59	0.62	23	21	2
Kadoma Urban	60	89.15	6.61	7.87	2620.2	0.58	0.73	0.55	0.64	0.62	19	22	-3
Chinhoyi	60	86.76	6.64	7.87	2605.7	0.58	0.72	0.54	0.64	0.61	21	23	-2
Gwanda Rural	66	82.08	5.69	7.37	1591.9	0.68	0.67	0.46	0,57	0.60	28	24	4
Chikomba	62	87.03	5.96	7.50	1816.2	0.62	0.70	0.48	0.58	0.60	26	25	1
Chirimhanzu	63	82.61	5.59	7.58	1954.7	0.63	0.67	0.50	0.58	0.60	24	26	-2
Insiza	67	80.87	5.38	7.26	1416.1	0.70	0.65	0.44	0.56	0.60	32	27	5
Shurugwi Rural	63	82.77	5.75	7.55	1907.7	0.63	0.67	049	0.58	0.60	25	28	-3
Gweru Rural	65	81,05	5.26	7.43	1688.4	0.67	0.65	0.47	0.57	0.60	30	29	1
Matopo	69	81.46	4.84	7.12	1240.7	0.73	0.64	0.42	0.55	0.60	36	30	6
Hwedza	61	87.02	6.31	7.35	1562.3	0.60	0.71	0.46	0.56	0.59	33	31	2
Bulalimamangw	67	75.32	4.34	7.46	1744.7	0.70	0.59	0.48	0.56	0.59	31	32	-1
Seke	62	83.66	5.88	7.35	1552.6	0.62	0.68	046	0.55	0.59	34	33	1
Chegutu Rural	61	80.14	546	7.60	1988.5	0.60	0.65	0.50	0.57	0.58	29	34	-5
Goromonzi	62	80.62	5.65	7.38	1599.2	0.62	0.66	0.46	0.55	0.58	37	35	2
Marondera Rura	62	8341	5.77	7.16	1282.5	0.62	0.68	0.43	0.53	0.58	41	36	5
Bubi	68	76.26	4.67	6.95	1047.4	0.72	0.61	0.39	0.52	0.57	44	37	7
Kwekwe Rural	62	79.20	5.27	7.35	1557.7	0.62	0.64	0.46	0.54	0.57	39	38	1
Tsholotsho	67	72.84	4.13	7.22	1365.0	0.70	0.57	044	0.53	0.57	42	39	3
Nkayi	66	76.04	4.64	7.11	1222.6	0.68	0.60	0.42	0.52	0.57	45	40	5
Zvishavane Rui	63	82.65	5.39	7.04	1137.3	0.63	0.66	041	0.51	0.57	49	41	8
Lupane	66	74.71	4.77	7.11	1220.3	0.68	0.59	0.42	0.51	0.56	48	42	6
Makoni	61	82.35	5.32	7.13	1245.8	0.60	0.66	0.42	0.51	0.56	50	43	7
Mazowe	61	72.30	5.14	7.54	1883.6	0.60	0.59	0.49	0.54	0.56	38	44	-6
Kadoma Rural	59	79.63	5.88	7.33	1522.9	0.57	0.65	0.45	0.52	0.56	43	45	-2
Murehwa	62	82.27	5.23	6.92	1016.1	0.62	0.66	0.39	0.50	0.56	55	46	9
Gutu	59	86.33	5.27	6.99	1087.1	0.57	0.69	0.40	0.50	0.55	56	47	9
Beitbridge	61	62.17	5.84	7.70	2202.9	0.60	0.54	0.52	0.55	0.55	35	48	-13
Chivi	61	77.20	4.99	7.21	1353.4	0.60	0.62	0.43	0.51	0.55	51	49	2
Shamva	57	70.20	.5.09	7.89	2672.1	0.53	0.57	0.55	0.58	0.55	27	50	-23
Bindura Rural	59	71.30	5.12	7.58	1949.9	0.57	0.58	0.50	0.53	0.55	40	51	-11
Bikita	59	77.04	4.73	7.37	1591.0	0.57	0.61	0.46	0.52	0.55	47	52	-5
Mberengwa	62	75.39	4.55	7.13	1249.3	0.62	0.60	0.42	0.50	0.55	57	53	4
Masvingo Rural	59	80.25	5.19	7.18	1315.6	0.57	0.64	0.44	0.50	0.55	54	54	0
UMP	62	73.24	4.92	7.12	1238.7	0.62	0.59	0.42	0.50	0.54	59	55	4
Zvimba	59	71.58	4.49	7.48	1778.5	0.57	0.57	0.48	0.52	0.54	46	56	-10
Mu ta sa	57	78.36	5.12	7.28	1456.9	0.53	0.63	0.45	0.50	0.54	58	57	1
Gokwe	57	74.86	4.84	7.43	1689.5	0.53	0.60	0.47	0.51	0.53	53	58	-5
Zaka	60	74.11	4.95	7.13	1248.6	0.58	0.60	0.42	0.49	0.53	60	59	1
Mutoko	63	72.62	5.01	6.77	867.7	0.63	0.59	0.36	0.47	0.53	64	60	4
Nyariga	59	67.91	5.00	7.22	1363.6	0.57	0.56	0.44	0.48	0.52	62	61	1
Chimanini	59	74.14	4.62	7.01	1106.9	0.57	0.59	0.40	0.47	0.52	65	62	3
Mutare Rural	57	82.52	5.05	6.77	571.9	0.53	0.66	0.36	0.46	0.52	67	63	4
Mt. Darwin	60	63.50	4.29	7.35	1557.9	0.58	0.51	0.46	0.48	0.52	61	64	-3
Chiredzi	57	61.24	4.85	7.64	2087.8	0.53	0.51	0.51	0.51	0.52	52	65	-13
Makonde	59	69.20	4.42	7.16	1281.5	0.57	0.55	0.43	0.47	0.52	63	66	-9
Hwange Rural	65	69.88	4.55	6.47	647.1	0.67	0.56	0.31	0.45	0.51	68	67	1
Buhera	57	81.64	4.81	6.70	810.9	0.53	0.64	0.35	0.45	0.51	70	68	2

Table 33 (Continued):
HDI Rankings of 77 Districts in Zimbabwe

PROVINCE	Life Exp. years	Adult Literacy (%)	Average Years of Schooling	Adj. Income (7$)	Unadj. Mean Income (7$)	Life Exp. Index	Educ. Attain Index	Inc. Level Index	HDI Old	HDI New	Rank Old	Rank New	Old Rank* Mlinus New Rank
Hurungwe	59	66.63	4.65	6.99	1090.9	0.57	0.54	0.40	0.45	0.50	69	69	0
Guruve	56	64.00	4.55	7.33	1528.9	0.52	0.52	0.46	0.46	0.50	66	70	-4
Mudzi	60	61.86	4.15	6.56	709.4	0.58	0.50	0.33	0.41	0.47	72	71	—1
Centenary	55	59.30	3.89	7.11	1226.8	0.50	0.48	0.42	0.42	0.47	71	72	0
Rushinga	57	53.80	4.80	6.93	1026.0	0.53	0.46	0.39	0.41	0.46	73	73	0
Mwenezi	57	60.88	4.12	6.46	638.3	0.53	0.49	0.31	0.38	0.44	74	74	0
Binga	60	49.29	3.49	6.50	662.4	0.58	0.40	0.32	0.37	0.43	75	75	0
Chipinge	52	53.50	3.98	6.82	916.7	0.45	0.44	0.37	0.36	0.42	76	76	0
Kariba Rural	55	59.17	3.43	6.31	550.6	0.50	0.47	0.28	0.36	0.42	77	77	0
Zimbabwe	61	80.38	5.56	8.25	3819.9	0.60	0.65	0.61	0.72	0.2			

Table 34
A Comparative Analysis of Human Development between Zimbabwe and other regions of the world

District	HDI Value 1991	KOl Value 1992	Annual % Increase 1992-9
Developing Countries	0.576	0.541	1.08
Least Dev Countries	0.336	0.307	1.57
Sun-Saharan Arica	0.38	0.357	1.07
IndustrialCountires	0.911	0.918	-0.13
World	0.764	0.605	4.38
Zimbabwe	0.513	0.397	4.87

Source: UNDP 1997 Human Development Reports, 1992 and 1997

Table 35
A Comparative Statistics on Human Development Between Zimbabwe and the Neighbouring States

Region/Country	Life Expectancy at birth (Yrs)	Adult literacy Rate(%)	Combine Enrolment Ratio(%)	Adjusted Real GOP Per Capita (PPP$)	HDI Value
All Developing Countries	61.8	69.7	56	2904	0.576
Least Dev Countries	50.4	48.1	36	965	0.336
Sun-Saharan Arica	50.0	55.9	42	1377	0.380
Industrial Countires	74.1	98.5	83	6037	0.911
World	63.2	77.1	60	5798	0.764
Zimbabwe	49.0	84.7	68	2196	0.513

Table 36
Comparative Statistics on Human Development Between Zimbabwe and the Neighbouring States

Region/Country	Life Expectancy at birth (Yrs)	Adult literacy Rate(%)	Combine Enrolment Ratio(%)	Adjusted Real GOP Per Capita (PPP$)	HDI Value
Angola	46.5	45.0	27	1430	0.398
Botswana	47.4	74.4	70	7690	0.609
Kenya	52.0	79.3	50	1190	0.519
Malawi	39.3	57.7	75	710	0.399
Mozambique	45.2	40.5	25	740	0.341
Namibia	52.4	79.8	82	5010	0.638
South Africa	54.7	84.0	93	7380	0.695
Tanzania	47.9	71.6	33	580	0.421
The DRC	50.8	77.0	39	880	0.479
Uganda	39.6	64.0	40	1160	0.404
Zambia	40.1	75.1	49	960	0.431

Appendix 2: Human Poverty Indicators

Table 1
Provincial Human Poverty Comparisons in Zimbabwe (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mashonaland Central	20.65	33.00	16.9	28.38	9.60	18.30	25.69
Manicaland	21.95	24.78	11.7	29.98	9.30	17.00	21.71
Masvingo	19.37	24.15	23.2	31.77	3.10	19.36	21.20
Mashonaland West	18.10	24.58	17.6	22.64	1120	17.14	20.49
Mashonaland East	16.85	20.12	16.3	41.42	7.00	21.57	19.71
Mat North	11.96	26.28	9.1	23.88	8.80	13.93	19.59
Midlands	16.85	18.48	11.0	31.42	9.90	17.44	17.61
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Mat South	10.78	22.00	6.8	28.76	6.30	13.97	16.96
Harare	13.16	5.96	10.7	1.54	7.30	6.50	9.73
Bulawayo	9.70	6.35	4.0	0.07	14.00	6.02	7.73

Table 2
Provincial Human Poverty Comparisons in the Urban Areas in Zimbabwe (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Manicaland	16.85	27.67	11.4	0.58	7.30	6.41	20.60
Mashonaland East	16.85	21.03	16.1	2.11	2.70	6.98	16.88
Zimbabwe	16.85	19.62	10.1	1.00		3.69	16.04
Mashonaland West	16.85	13.75	13.5	1.30	12.20	8.99	13.93
Mashonaland Central	16.85	14.20	12.4	2.68	1.30	5.46	13.75
Masvingo	18.10	6.63	26.5	0.12	1.10	9.26	13.27
Midlands	15.61	6.70	9.1	0.28	10.20	6.52	11.34
Mat North	11.96	11.85	10.0	0.46	15.60	8.69	11.03
Mat South	13.16	10.26	8.7	0.79	2.90	4.13	10.46
Bulawayo	9.70	6.35	4.0	0.07	14.00	6.02	7.73
Harare	16.85	27.67	10.7	1.48	7.30	6.48	4.50

Table 3
Provincial Human Poverty Comparisons in the Rural Areas in Zimbabwe (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mashonaland Central	20.65	34.90	17.9	32,36	10.60	20.28	27.09
Mashonaland West	19.37	28.47	18.7	30.61	11.00	20.10	23.40
Masvingo	19.37	26.09	22.8	36.64	3.40	20.94	22.51
Matabeleland North	11.96	28.75	9.0	28.40	7.80	15.08	21.28
Midlands	18.10	22.81	11.6	43.82	9.80	21.75	21.08
Manicaland	23.25	6.94	11.8	36.18	6.70	18.21	18.49
Matabeleland South	10.78	23.37	6.6	32.57	7.10	15.42	18.06
Zimbabwe	16.85	19.62	14.7	36.50		17.05	17.93
Mashonaland East	15.61	8.18	16.3	44.64	7.30	22.75	17.52

Table 4
Provincial Human Poverty Comparison in Zimbabwe by Gender (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Province	**p1**	**P2**	**p31**	**p32**	**p33**	**p3**	**HPI**
Mashonaland Central	21.95	23.00	16.9	28.38	9.60	18.30	21.27
Manicaland	23.25	17.45	11.7	29.98	9.30	17.00	19.66
Masvingo	20.65	16.52	23.2	31.77	3.10	19.36	19.00
Mashonaland West	20.65	17.96	17.6	22.64	11.20	17.14	18.71
Mashonaland East	16.85	15.11	16.3	41.42	7.00	21.57	18.26
Zimbabwe	16.85	19.62	13.3	2339	8.80	15.16	17A0
Midlands	18.10	13.02	11.0	31.42	9.90	17.44	16.49
Matabeleland South	10.78	17.05	6.8	28.76	6.30	13.97	1439
Matabeleland North	11.96	11.04	9.1	23.88	8.80	13.93	12.43
Harare	1438	4.96	10.7	1.54	7.30	6.50	10.39
Bulawayo	10.78	5.26	4.0	0.07	14.00	6.02	8.14

Table 5
Provincial Human Poverty Comparison in Zimbabwe by Gender (Female) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mashonaland Central	21.48	42.20	16.9	28.38	9.60	- 18.30	31.21
Manicaland	22.77	30.78	11.7	29.98	9.30	17.00	24.82
Masvingo	20.21	30.21	23.2	31.77	3.10	19.36	24.31
Mashonaland West	18.95	31.34	17.6	22.64	11.20	17.14	24.22
Matabeleland North	14.05	32.63	9.1	23.88	8.80	13.93	23.76
Mashonaland East	17.70	24.48	16.3	41.42	7.00	21.57	21.60
Midlands	17.70	23.42	11.0	31.42	9.90	17.44	19.92
Matabeleland South	12.86	25.94	6.8	28.76	6.30	13.97	19.52
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Harare	15.25	7.12	10.7	1.54	7.30	6.50	11.17
Bulawayo	11.69	7.47	4.0	0.07	14.00	6.02	9.06
Mashonaland Central	21.48	42.20	16.9	28.38	9.60	- 18.30	31.21

Table 6
Human Poverty Comparison in Zimbabwe at the District Level (Manicaland Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Chipinge	28.61	46.50	14.1	25.56	7.20	15.63	34.92
Nyanga	19.37	32.09	10.6	38.05	9.50	19.38	25.13
Mutasa	21.95	21.64	11.7	50.60	5.70	22.67	22.09
Buhera	21.95	1836	17.2	43.27	14.10	28.85	22.03
Chimanimani	1937	25.86	1.7	34.73	15.70	17.38	21.50
Mutare Rural	21.95	17.48	3.8	30.45	12.50	15.57	18.72
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Makoni	16.85	17.65	18.4	25.53	4.70	16.21	16.92
Mutare Urban	16.85	5.91	12.0	0.12	4.30	5.47	11.97
Rusape	14.38	6.56	0.0	0.00	0.00	0.00	10.27

TabIe7
Human Poverty Comparison in Zimbabwe at the District Level (Mashonaland Central Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Rushinga	21.95	46.20	12.5	14.76	10.10	12.45	33.33
Centenary	24.58	40.70	13.8	39.11	10.00	20.97	31.24
Mt.Darwin	18.10	36.50	18.8	37.58	12.70	23.01	28.12
Guruve	23.25	36.00	19.4	26.59	10.00	18.65	27.98
Shamva	21.95	29.80	23.5	29.47	6.10	19.70	24.60
Bindura Rural	19.37	28.70	23.5	27.38	18.30	23.07	24.33
Mazowe	16.85	27.70	10.4	26.76	6.50	14.54	21.33
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Bindura Urban	14.38	11.70	10.2	0.02	4.90	5.04	11.62
Rushinga	21.95	46.20	12.5	14.76	10.10	12.45	33.33

TableS
Human Poverty Comparison in Zimbabwe at the District Level (Mashonaland East Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mudzi	18.10	38:14	15.2	44.00	10.50	23.24	29.10
UMP	15.61	26.76	77.09	77.09	1.40	28,83	25.01
Mutoko	14.38	27.38	15.5	47.79	14.50	25.92	23.89
Murehwa	15.61	17.73	14.3	54.24	8.60	25.71	20.64
Chikomba	15.61	12.97	20.6	44.19	2.80	2233	17.97
Seke	15.61	16.34	23.4	31.01	4.80	19.74	17.42
Goromonzi	15.61	19.38	19.0	25.43	5.90	16.79	1740
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	1740
Hwedza	16.85	12.98	12.8	39.12	7.30	19.73	16.96
Marondera Rural	15.61	16.59	18.6	33.52	2.70	18.27	16.89

Table 9
Human Poverty Comparison in Zimbabwe at the District Level (Mashonaland West Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Kariba Rural	24.58	40.83	19.4	35.18	6.70	20.44	31.24
Hurungwe	19.37	33.37	28.2	39.18	13.70	27.02	27.76
Makonde	19.37	30.80	9.6	17.77	9.70	12.34	23.39
Zvimba	19.37	28.42	15.9	21.12	10.00	15.68	22.48
Kadoma Rural	19.37	20.37	21.5	17.48	1330	17.50	19.15
Chegutu Rural	16.85	19.86	11.0	32.69	1120	18.28	18.41
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Chinhoyi	18.10	13.24	6.3	1.63	16.80	8.23	14.32
Kariba Urban	16.85	14.49	7.7	0.20	4.8	4.23	13.81
Kadoma Urban	18.10	10.85	9.1	0.27	8.40	5.92	13.52
Chegutu Urban	15.61	10.97	14.8	0.08	0.00	4.97	12.05
Karoyi	14.38	11.63	9.5	0.58	0.00	3.37	11.52

Table 10
Human Poverty Comparison in Zimbabwe at the District Level (Matebeleland North Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Binga	18.10	50.71	8.7	51.58	7.00	22.41	36.64
Hwange Rural	11.96	30.12	10.0	19.45	10.30	13.25	21.87
Lupane	10.78	25.83	17.0	35.82	12.90	21.92	21.31
Tsholotsho	9.70	27.16	7.8	17.69	16.10	13.87	19.89
Nkayi	10.78	23.96	8.7	29.84	5.30	14.60	18.21
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Bubi	8.66	23.74	7.4	9.51	6.30	7.73	16.90
Umguza	13.16	15.38	7.8	7.50	3J0	6.35	12.72
Hwange Urban	11.96	11.46	10.0	0.16	8.10	6.09	10.47
Victoria Falls	13.16	8.84	0.0	0.11	5.40	1.84	9.97

Table 11
Human Poverty Comparison in Zimbabwe at the District Level (Mashonaland West Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Beitbridge	16.85	37.83	10.0	14.49	3.40	9.30	27.10
Bulalimamangwe	9.60	24.68	6.4	37.48	11.70	18.53	19.52
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Matobo	7.67	18.54	9.0	34.07	9.30	17.46	15.94
Insiza	9.70	19.13	5.2	34.13	6.90	15.40	15.68
Gwanda Rural	10.78	17.92	2.8	30.70	5.40	12.98	14.52
Umzingwane	9.70	14.72	9.3	18.67	1.00	9.64	11.85
Gwanda Urban	11.96	6.60	0.0	0.80	0.00	0.27	8.73

Table 12
Human Poverty Comparison in Zimbabwe at the District Level (Midlands Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Gokwe	21.95	25.14	11.2	59.15	11.50	27.28	24.98
Mberengwa	15.61	24.61	12.8	41.02	8.60	20.79	20.98
Chirumhanzu	14.38	17.39	27.9	34,56	2.30	21.59	18.27
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Kwelwe Rural	15.61	20.80	7.8	26.08	6.60	13.50	17.20
Gweru Rural	11.96	18.95	6.7	26.94	13.50	15.70	16.04
Shurugwi Rural	14.38	17.23	17.6	25.96	1.10	14.90	15.60
Zvishavane Rural	14.38	17.35	6.8	26.03	9.40	14.08	15.41
Redcliff	18.10	6.59	5.9	0.04	2.10	2.68	12.76
Kwekwe Urban	16.85	7.31	5.4	0.13	9.10	4.87	12.08
Zvishavane	15.61	9.96	4.5	1.52	0.00	2.02	11.69
Gweru	13.16	4.89	13.0	0.18	10.30	7.84	9.86

Table 13
Human Poverty Comparison in Zimbabwe at the District Level (Masvingo Province) (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Mwenezi	21.95	39.12	30.3	31.68	0.70	20.89	29.82
Chiredzi	21.95	38.76	20.0	9,68	2.30	10.66	28.58
Zaka	18.10	25.89	20.1	44.89	9.20	24.74	23.40
Bikita	19.37	22.96	20.5	37.10	1.20	19.62	20.78
Gutu	19.37	13.67	27.9	47.72	1.60	25.75	20.77
Chivi	16.85	22.80	20.2	38.82	4.10	21.03	20.52
Masvingo Rural	19.37	19.75	19.1	27.48	1.60	16.05	18.54
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Masvingo Urban	18.10	4.85	40.0	0.06	0.00	13.35	14.11

Table 14
Human Poverty Comparison of the three Major Cities in Zimbabwe (percentage)

Province	Non—survival 40 Years	Illiteracy	Under-weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI
Zimbabwe	16.85	19.62	13.3	23.39	8.80	15.16	17.40
Chitungwiza	14.38	10.10	10.8	0.02	8.80	6.53	11.26
Harare Urban	13.16	5.96	10.6	1.79	6.80	6,41	9.72
Bulawayo	9.70	6.35	4.0	0.07	14.00	6.02	7.73

Errata 1: Errata to the 1998 National Human Development Report
This Table replaces Table 26 on page 74 and Table 15 on page 109 in the 1998 National Human Development Report

Table 15
Human Poverty Comparisons in Zimbabwe at the District Level (All Districts)

District	Non— survival 40 Years	Illiteracy Rate	Under— weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI	Rank
Binga	18.10	50.71	8.7	51.58	7.00	22.41	36.64	1
Chipinge	28.61	46.50	14.1	25.56	7.20	15.63	34.92	2
Rushinga	21.95	46.20	12.5	14.76	10.10	12.45	33.33	3
Centenary	24.58	40.70	13.8	39.11	10.00	20.97	31.24	4
Kariba Rural	24.58	40.83	194	35.18	6.70	20.44	31.24	5
Mwenezi	21.95	39.12	30.3	31.68	0.70	20.89	29.82	6
Mudzi	18.10	38.14	15.2	44.00	10.50	23.24	29.10	7
Chiredzi	21.95	38.76	20.0	9.68	2.30	10.66	28.58	8
Mt.Darwin	18.10	36.50	18.8	37.58	12.70	23.01	28.12	9
Guruve	23.25	36.00	19.4	26.59	10.00	18.65	27.98	10
Hurungwe	19.37	33.37	28.2	39.18	13.70	27.02	27.76	11
Beitbridge	16.85	37.83	10.0	14.49	3.40	9.30	27.10	12
Nyanga	19.37	32.09	10.6	38.05	9.50	19.39	25.13	13
UMP	15.61	26.76	8.0	77.09	140	28.83	25.01	14
Gokwe	21.95	25.14	11.2	59.15	11.50	27.28	24.98	15
Shamva	21.95	29.80	23.5	2947	6.10	19.70	24.60	16
Bindura Rural	19.37	28.70	23.5	27.38	18.30	23.07	24.33	17
Mutoko	14.38	27.38	15.5	47.79	14.50	25.92	23.89	18
Zaka	18.10	25.89	20.1	44.89	9.20	24.74	2340	19
Makonde	19.37	30.80	9.6	17.77	9.70	12.34	23.39	20
Zvimba	19.37	28.42	15.9	21.12	10.00	15.68	2248	21
Mutasa	21.95	21.64	11.7	50.60	5.70	22.67	22.09	22
Buhera	21.95	18.36	17.2	43.27	14.10	24.85	22.03	23
Hwange Rural	11.96	30.12	10.0	1945	10.30	13.25	21.87	24
Chimanimani	19.37	25.86	1.7	34.73	15.70	17.38	21.50	25
Mazowe	16.85	27.70	10.4	26.76	6.50	14.54	21.33	26
Lupane	10.78	25.83	17.0	35.82	12.90	21.92	2131	27
Mberengwa	15.61	24.61	12.8	41.02	8.60	20.79	20.98	28
Bikita	19.37	22.96	20.5	37.10	1.20	19.62	20.78	29
Gutu	19.37	13.67	27.9	47.72	1.60	25.75	20.77	30
Murehwa	15.61	17.73	14.3	54.24	8.60	25.71	20.64	31
Chivi	16.85	22.80	20.2	38.82	4.10	21.03	20.52	32
Tsholotsho	9.70	27.16	7.8	17.69	16.10	13.87	19.89	33
Bulalimamangwe	9.70	24.68	6.4	3748	11.70	18.53	19.52	34
Kadoma Rural	19.37	20.37	21.5	17.48	13.50	17.50	19.15	35
Mutare Rural	21.95	17.48	3.8	30.45	12.50	15.57	18.72	36
Masvingo Rural	19.37	19.75	19.1	27.48	1.60	16.05	18.54	37
Chegutu Rural	16.85	19.86	11.0	32.69	11 .20	18.28	18.41	38
Chirumanzi	1438	17.39	27.9	34.56	2.30	21.59	18.27	39
Nkayi	10.78	23.96	8.7	29.84	5.30	14.60	18.21	40
Chikomba	15.61	12.97	20.6	44.19	2.80	2233	17.97	41
Seke	15.61	16.34	23.4	31.01	4.80	19.74	17.42	42
Goromonzi	15.61	19.38	19.0	2543	5.90	16.79	1740	43
Kwekwe Rural	15.61	20.80	7.8	26.08	6.60	13.50	17.20	44
Hwedza	16.85	12.98	12.8	39.12	7.30	19.73	16.96	45
Makoni	16.85	17.65	184	25.53	4.70	16.21	16.92	46
Bubi	8.66	23.74	74	9.51	6.30	7.73	15.90	47
Marondera Rural	15.61	16.59	18.6	33.52	2.70	18.27	16.89	48
Gweru Rural	11.96	18.95	6.7	26.94	13.50	15.70	16.04	49
Matobo	7.67	18.54	9.0	34.07	9.30	17.46	15.94	50
Insiza	9.70	19.13	5.2	34.13	6.90	15.40	15.68	51
Shurugwi RuraF	14.38	17.23	17.6	25.96	1.10	14.90	15.60	52
Zvishavane Rural	14.38	17.35	6.8	26.03	940	14.08	1541	53
Gwanda Rural	10.78	17.92	2.8	30.70	5.40	12.98	14.52	54
Chinhoyi	18.10	13.24	6.3	1.63	16.80	8.23	14.32	55
Shurugwi Urban	19.37	10.92	0.0	0.19	0.00	0.06	14.19	56
Masvingo Urban	18.10	4.85	40.0	0.06	0.00	13.35	14.11	57
Kañba Urban	16.85	14.49	7.7	0.20	4.8	4.23	13.81	58
Kadoma Urban	18.10	10.85	9.1	0.27	8.40	5.92	13.52	59
Redcliff	18.10	6.59	5.9	0.04	2.10	2.68	12.76	60
Umguza	13.16	15.38	7.8	7.50	3.70	5.35	12.72	61
Marondera Urban	16.85	7.24	13.2	0.17	3.30	5.56	12.11	62
Kwekwe Urban	16.85	7.31	5.4	0.13	9.10	4,87	12.08	63
Chegutu Urban	15.61	10.97	14.8	0.08	0.00	4.97	12.05	64
Mutare Urban	16.85	5.91	12.0	0.12	4.30	5.47	11.97	65
Umzingwane	9.70	14.72	9.3	18.67	1.00	9.64	11.85	66

Table 15 (continued)
Human Poverty Comparisons in Zimbabwe at the District Level (All Districts)

District	Non—survival 40 Years	Illiteracy Rate	Under—weight Children	No Access to Clean Water	No Access to Health Care	Living Standard Deprivation	HPI	Rank
Bindura Urban	14.38	11.70	10.2	0.02	4.90	5.04	11.62	68
Karoyi	14.38	11.63	9.5	0.58	0.00	3.37	11.52	69
Chitungwiza	14.38	10.10	10.8	0.02	8.80	6.53	11.26	70
Hwange Urban	11.96	1146	10.0	0.16	8.10	6.09	10.47	71
Rusape	14.38	6.56	0.0	0.00	0.00	0.00	10.27	72
Victoria Falls	13.16	8.84	0.0	0.11	540	1.84	9.97	73
Gweru Urban	13.16	4.89	13.0	0.18	10.30	7.84	9.86	74
Harare Urban	13.16	5.96	10.6	1.79	6.80	6.41	9.72	75
Gwanda Urban	11.96	6.60	0.0	0.80	0.00	0.27	8.73	76
Bulaway	9.70	6.35	4.0	0.07	14.00	6.02	7.73	77

Errata 2: Regional Human Poverty Comparisons in Zimbabwe

Human poverty comparisons are aimed at facilitating poverty reduction policies and programs through the identification, monitoring and analysis of human poverty. As noted earlier, human poverty analysis can be a useful tool for advocacy and mobilizing funds for poverty alleviation. This section analyses human poverty among the districts in Zimbabwe with the aim of identifying districts where poverty indicators are articularly intense.

Table 26 lists Zimbabwe's 77 districts by descending HPI ranking. Binga has the highest PI ranking with an HPI of 36.64. The top ten HPI districts are Binga, Chipinge, ushinga, Centenary, Kariba Rural, Mwenezi, Mudzi, Chiredzi, Mt. Darwin and uruve. The ten least HI'! districts are Bulawayo, Gwanda Urban, Harare, Gweru rban, Victoria Falls, Rusape, Hwange Urban, Chitungwiza, Karoyi and Bindura Urban. redictably, the lowest HPI districts are urban centres while the high HP! districts are all ural areas.

Low HPI districts are characterized by relatively low proportions of the population without access to safe water and/or health care compared to the proportion of the population that is either illiterate and/or not expected to survive to age 40. By contrast, high HP! districrs are characterized by high rates of illiteracy and high proportions of the population without access to safe water.

Chipinge, Centenary, Kariba Rural, Guruve, Rushinga, Mwenezi, Chiredzi, Gokwe, Shamva and Mutasa districts rank high in terms of the probability of dying before reaching the age of 40. Matobo, Bubi, Bulawayo, Umzingwani, Insiza, Bulalimamangwe, Tsholotsho, Gwanda Rural, Nkayi and Lupane have the lowest probabilities of people dying before reaching the age of 40.

Illiteracy is high in Binga, Chipinge, Rushinga, Kariba Rural, Centenary, Mwenezi, Chiredzi, Mudzi, Beitbridge and Mt Darwin. It is low in Masvingo Urban, Gweru Urban, Mutare Urban, Harare, Bulawayo, Rusape, Redcliffe, Gwanda Urban, Marondera Urban and Kwekwe Urban. In general illiteracy is higher in rural districts than in urban centres (districts).

Living standards deprivation, which is the arithmetic mean of the proportion of underweight children, the proportion of the population without access to safe water and the proportion of the population without access to health care is highest in UzumbaMaramba-Pfungwe. Other districts with high living standards deprivation include Gokwe, Hurungwe, Mutoko, Gutu, Murehwa, Buhera, Zaka and Mudzi. Living standards deprivation is low in Rusape, Shurugwe Urban, Gwanda Urban, Victoria Falls, Zwishavane Urban, Redcliffe, Karoyi, Kariba Urban, Kwekwe Urban and Chegutu Urban.

Child malnutrition is prevalent in Masvingo Urban, Mwenezi, Hurungwe, Gutu, Chirumhanzu, Shamva, Bindura Rural, Seke, Kadoma Rural and Chikomba Districts. It is less prevalent in Rusape, Gwanda Urban, Victoria Falls, Shurugwe Urban, Chimanimani, Gwanda Rural, Mutare Rural, Bulawayo, Zwishavane Urban and Insiza. At the district level there is no clear cut distinction between urban and rural areas in terms of child malnutrition.

Shortage of safe water is pronounced in Uzumba-Maramba-Pfungwe, Gokwe, Murehwa,Binga, Mutasa, Mutoko, Gutu, Zaka, Chikomba and Mudzi Districts. It is less severe in Rusape, Bindura Urban, Chitungwiza, Redcliffe, Masvingo Urban, Bulawayo, Chegutu Urban, Victoria Falls, Mutare Urban and Kwekwe Urban. Urban areas have better access to safe water than rural areas.

There is a large proportion of the population with access to health care in Rusape, Masvingo Urban, Chegutu Urban, Shurugwe Urban, Karoyi, Gwanda Urban and Zwishavane Urban. Bindura Rural, Chinhoyi, Tsholotsho, Chimanimani, Mutoko, Buhera and Bulawayo have high proportions of their population not having access to health care.

Technical Note 1
Computing The Human Development Index (HDI)

Introduction

The HDI includes three components, namely, longevity, knowledge and income. Longevity is measured by life expectancy at birth. Knowledge is measured by two stock variables, adult literary and mean years of schooling. The knowledge variable is arrived at by assigning a weight of two-thirds to the adult literacy variable and one-third to the years of schooling variable and adding them up. Thus if we call E the education variable, AL the adult literacy variable, and YS the years of schooling variable then

$$E = \frac{2}{3} * AL + \frac{1}{3} * YS$$

Up until now the tradition has been to base the income variable on Atkinson's formulation of diminishing marginal utility of income. This can be written as:

$$W(y) = \frac{1}{1-e}(y)^{1-e},$$

where W(y) is the well -being derived from income y, and c is the elasticity of the marginal utility of income. € = o then there is no diminishing marginal utility with respect to income. Diminishing marginalility of income increases as € increases. The limit of W(y) as € approaches 1 is log y. For purposes of the HDI incomes are divided into multiples of Zimbabwe's per capita GDP, y*. For incomes below y* W(y) is set equal to the actual income, y. For incomes above y* W(y) is calculated using the following formulae:

$$\begin{aligned} W(y) &= y^* + 2(y-y^*)^{\frac{1}{2}} \text{ for } y^* \leq y \leq 2y^* \\ &= y^* + 2(y^*)^{\frac{1}{2}} + 3\,(y-2y^*)\text{ Ae for } 2y^* \leq y \leq 3y^* \quad (3) \end{aligned}$$

etc.

Based on the work by Amartya Sen and Sudhir Arnand (1999) the 1999 Global HDR adopted the use of the natural log of income to adjust incomes. It is argued that this approach significantly improves the results by not penalizing those with incomes beyond a certain threshold. Infact this approach is not a departure from the previously used methodology. What it does is to give € a value of 1 thus giving the marginal utility of income its maximum possible value.

Calculation of the HDI

The HDI the arithmetic mean of three indices, namely the life expectancy index, the educational attainment index and the income level index. The educational attainment index is a weighted average of the mean years of schooling index and the adult literacy index with the latter receiving a weight of one third. All the indices are computed using the general formula:

$$\text{Index}_i = \frac{\text{Actual}(x_i) - \text{Minimum}(x_i)}{\text{Maximum}(x_i) - \text{Minimum}(x_i)}$$

where x is the human development indicator such as adult literacy, average years of schooling or life expectancy.

(a) Calculation of the Life Expectancy index (L)

The Life Expectancy Index is computed using the Formula

$$L = \frac{\text{Actual(L)} - \text{Min(L)}}{\text{Max(L)} - \text{Min(L)}},$$

Where Actual(L) is the actual life expectancy, Min(L) is the minimum life expectancy and Max(L) is the maximum life expectancy. Following the Global Human Development Report Min(L) and Max(L) are set equal to 25 years and 85 years respectively in the calculation of the Zimbabwean HDI. Harare has a life expectancy of 64 years and therefore its life expectancy index is calculated as follows:

$$L = \frac{64\text{-}25}{85\text{-}25} = 0.65$$

(b) Calculation of Educational Attainment Index (E)

As was pointed out earlier the Education Attainment Index is based on two indices, namely the Adult Literacy and the Average Years 0f Schooling Index.

(i) Computation of the Adult Literacy Index (AL)

The Adult Literacy Index is computed using the following formula

$$AL = \frac{\text{Actual(AL)} - \text{Min(AL)}}{\text{Max(AL)} - \text{Min(AL)}} = \frac{\text{Actual(AL)}}{100},$$

Where

Min(AL) = Minimum Adult Literacy Rate
Max(AL) = Maximum Adult Literacy Rate
Actual(AL) = The Actual Adult Literacy Rate

Following the Global Human Development Report Min(AL) and Max(AL) are set equal to 0 and 100 respectively. Again using Harare as an example its adult literacy rate of 0.9404 (using the above formula)

(ii) Computation of the Average Years of Schooling Index (YS)

This is computed using the following formula:

$$YS = \frac{\text{Actual(MYS)} - \text{Min(MYS)}}{\text{Max(MYS)} - \text{Min(MYS)}} = \frac{\text{Actual(MYS)}}{\text{Max(MYS)}} = \frac{\text{Actual(MYS)}}{16}$$

Actual(MYS) = Actual Mean Years of Schooling
Min(MYS) = Minimum Mean Years of Schooling
Max(MYS) = Maximum Mean Years of Schooling

In the calculation of the Zimbabwean HDI the minimum mean years of schooling is set equal to 0 just like in the Global Human Development Report and the maximum is set to 16 as opposed to 15 used for the Global Report. This is because in Zimbabwe an average graduate takes 16 years to graduate, assuming that there are no repetition of grades. The actual mean years of schooling for Harare is 8.06 and therefore its average years of schooling index is 0.5038 using the formula.

(iii) Computation of the Educational Attainment Index (E)

The educational attainment index is calculated using the following equation

$$E = \frac{2}{3} * AL + \frac{1}{3} * YS$$

For Harare AL = 0.9404 and YS = 0.50375 and therefore the

$$E = \frac{2}{3} * 0.9404 + \frac{1}{3} * 0.50375 = 0.79$$

(c) Computing the Income Level Index (ILl)
Following the new methodology the IL is computed using the following formula:

$$ILI = \frac{Ln(y) - Ln(Min(y))}{Ln(Max(y)) - Ln(Min(y))},$$

Ln(y) is the adjusted income calculated and Ln(Min(y)) and Ln(Max(y)) are the natural logs of the minimum and maximum incomes. For Harare Ln(y) = 8.44 and following the Global HDR Min(y) and Max(y) are set to 100 and 40000 respectively, giving Ln(Min(y)) = 4.60517, Ln(Max(y)) = 10.59663 and ILl = 0.64

(d) Computing the Human Development Index (HDI)

The HDI is the mean of the education attainment index, the life
Expectancy index and the ncotnc level index. It is computed using the formula:

$$HDI = \frac{1}{3}(L + E + ID)$$

For Harare

$$HDI = \frac{1}{3}(0.65 + 0.79 + 0.64) = 0.69$$

Technical Note 2
Computing the Human Poverty Index (H.RI.)

Human poverty is measured by the human poverty index (HP!). The HP! comprises three composite indices, namely the life expectancy deprivation index, the educational attainment deprivation index and an index for the deprivation of a decent living standard. In the global HDR life expectancy deprivation index, P1, is measured by the percentage of people not expected to live beyond the age of 40. The educational attainment deprivation index, P2, is measured by the percentage of illiterate adults. The index for the deprivation of a decent living standard, P3, is a composite index comprising the percentage of underweight children, the percentage of the population without access to safe water and the percentage of the population without access to health care. The derivation of the Zimbabwean HP! follows closely that of the global HDR. The life expectancy deprivation index is computed using the Mortpak-Lite software package developed by the UN Population Division. The life expectancy rates used in the model are those supplied by the Central Statistical Offices (CSO) 1992 Population Census. The percentage of underweight children, the percentage of the population without access to safe water and the percentage of the population without access to health care are computed using the 1995 Poverty Assessment Study Survey. The Poverty Assessment Study Survey (PASS) measured the mid-upper arm circumference (MUAC) for children below the age of 5. Children with MUAC of less than 13.5cm are deemed to be underweight. Using this information the percentage of under-weight children is calculated. The proportion of the population without access to safe water is calculated using the information on water supply in the PASS data. The possible responses in the PASS data on the question about the sources of water were:

1. Piped inside the house;
2. Piped outside the house;
3. Communal tap;
4. Well/borehole — protected;
S. Well — unprotected;
6. River/Stream/Dam; and
7. Other.

Safe water was then defined to include options I to 4. Those who indicated Options other than 1 to 4 as their sources of water were then expressed as a percentage of the total sample size to give the proportion of those without access to safe water. The global Human Development Report defines lack of access to health care as having to walk more than an hour to get to a health facility. In the absence of such data the proportion of the population without access to health care had to be arrived at in a rather round about way. The PASS data contains information on those who visited a medical facility and those who did not. The data set also has information on the reasons why those who said they did not visit a health facility didn't. The range of responses were:

- Facility too far;
- Cannot afford;
- Received treatment at home;
- Treatment was not necessary; and
- Treatment was not taken for religious reasons.

Those who said they did not visit a health facility either because it was too far or because they could not afford the treatment were taken not to have access to health facilities. These were then expressed as a proportion of the sample that was asked whether they visited a health facility or not to get the proportion of those without access to health care.

The human poverty index (HP!) is computed using the following indicators:

P1 = percentage of people not expected to survive to age 40;
P2 = percentage of illiterate adults;
P31 = percentage of underweight children;
P32 = percentage of the population without access to safe water;
P33 = percentage of the population without access to health care.
P3 is the arithmetic mean of P31, P32 and P33.

$$HPI = \left[\frac{(P_1^3 + P_2^3 + P_3^3)}{3}\right]^{\frac{1}{3}}$$

The data for Mashonaland Central give:

P1 = 20.65%;
P2 = 33%;
P31 = 16.9%;
P32 = 28.38%;
P33 = 9.6%;
P3 = 18.3;
This gives an HP! of 25.69 for Mashonaland Central.

Background Papers

Chitiga-Mabugu M. (1999) The impact of glohalisation on social services, Paper prepared for the Poverty Forum, Harare, November 1999.

Furusa M. (1999) Cultural Dimensions of Globalzsation Paper prepared for the Poverty Forum, Harare, November 1999.

Kaliyati J. (1999) Implications of Changes in the Methodology used in the Computation of HDIs on HDI Rankings in the 1998 National Human Development Report.

Kanyenze G. (1999) The Implications of Glohalisation on the Zimbabwean Economy Paper prepared for the Poverty Forum, Harare, November 1999.

Ioewenson R. (1999) Impact of HI V/AIDS on Human Development Report in Zimbabwe Paper prepared for the Poverty Forum, Harare, November 1999.

Loewenson R. (2000) Social Development and Social Services under Globalisation in Zimbabwe Paper prepared for the Poverty Forum, Harare, February 2000.

Mabugu R. Environmental Impact of Globalisation Paper prepared for the Poverty Forum, Harare, November 1999.

Moyo T. (1999) Financial Implications of Globalisation Paper prepared for the Poverty Forum, Harare, November 1999.

Mumbengengwi C. (1999) Human Development in the Era of Globalisation: A Concept Paper for the 1999 Zimbabwe Human Development Report, Paper prepared for the Poverty Forum, Harare, November 1999

Ruzvidzo T. Gender Impact of Globalisation. Paper prepared for the Poverty Forum, Harare, November 1999

Sibanda A. (1999) Governance and Civil society in the era of Globalisation, Paper prepared for the Poverty Forum, Harare, November 1999.

Tekere M. (1999) Globalisation of Trade and Human Development in Zimbabwe Paper prepared for the Poverty Forum, Harare, November 1999.

Zwizwai B. (1999) Science and Technology in the era of Globalisation, Paper prepared for the Poverty Forum, Harare, November 1999.

References

Bhaha A., Chitiga M., Davies R., Kaliyati J., and Mabugu R. (1999), Zimbabwe; Globalisation and Sustainable DevelopmentA UNDP/UNCTAD Country Assessment Study.

Biljmakers L., Bassett M., Sanders D., Health and Structural Adjustment in Rural and Urban Zimbabwe, Nordiska Afrikainstitutet Research Report number 101, Uppsala 1996

Brenner R., (1998) "The Economics of Global Turbulence", New Left Review, May/June 1998

Chandler A. D. [1977]. The Visible Hand, Cambridge, Mass, Harvard University Press

Chipika j. (1998), The Impacts of some Macro-economic Policies and other Interventions on Household Strategies in the Miombo Region: The case of Zimbabwe, IES Special Report No. 12, The University of Zimbabwe

Chisvo M. and Munro L. (1994) A review of the Social Dimensions of Adjustment in Zimbabwe report produced for UNICEF Harare

Chisvo M. (1993) Government spending on social services and the impact of structural adjustment in Zimbabwe. Report produced for UNICEF-Zimbabwe, Harare, September

Community Working Group on Health (CWGH) (1997) Health in Zimbabwe:

Community perceptions and views Research report Zimbabwe, November 1997, Supported by OXFAM and TARSC

Davies R. (1997) Dept of Economics, University of Zimbabwe with input from R Loewenson, TARSC Macro-economic trends in the health sector, Paper for the Community Working Group on Health, Zimbabwe, 1997

Fawcus S., Crowther C., van Baelen P. (1989). Booked vs. Unhooked Deliveries at Harare Central Hospital: Maternal Characteristics and Foetal Outcome. Paper presented to the lEA Africa Regional Conference, Harare, August

Ferguson J. (1994) The anti-politics machine: development, depoliticization, and bureaucratic power in Lesotho. Minneapolis: University of Minnesota Press

Fine B. (1999). A question of economics: is it colonising the social sciences? London: School of Oriental and African Studies, University of London. (mimeo)

Forgy L. (1993) The Economic Impact of AIDS in Zimbabwe, Zimbabwe:
REDSO/ESA mimeo, January.

Goldblatt D., Held D., Mcgrew a & Rerraton J., Economic Globalisation and The Nation-State: Shifting Balances and Power

GoZ (1991), The Framework For Economic Reform, 1990-1995, The Government Publications

GoZ., Central Statistical Office [August 1998] Statement of External Trade 1990-1997, Harare

Hanson K. (1992) “AIDS: What does Economics have to Offer?” in Health Policy and Planning 7(4) pp.315-328 London: Health Policy Unit
Hanson K. (1992) “AIDS: What does Economics have to Offer?” in Health Policy and Planning 7(4) pp.315-328 London: Health Policy Unit
Helleiner G. K. [1995] Trade, Trade Policy and Industrialisation Reconsidered

Hongoro C. and Chandiwana S., Effects of User Fees on Health Care in Zimbabwe, Blair Laboratory / MoHCW, Mimeo Harare, 1994

ILO, 1993. Structural Change and Adjustment in Zimbabwe, Occasional Paper No. 16, ILO, Geneva, September

ILO (1995) The Impact of HI V/AIDS on the Productive Labour Force in Africa, EAMAT Working Paper number 1, Addis Ahaba, 1995

Interministerial Committee on SDA monitoring (1993)

Findings from the second round of sentinel surveillance for social dimensions of adjustment monitoring Harare February

Interministerial Committee on SDA Monitoring, UNICEF (2992)

Findings and Recommendations from the first round of Sentinel Site Surveillance for SDA Monitoring Mimeo, Harare April Interministerial Committee on SDA monitoring(1997)

Findings from the seventh round of sentinel surveillance for social dimensions of adjustment monitoring Harare

Imani Development [1998] Economic Impact Study: EU-SADC REPA

Kaplinsky Raphael I 1998j Globalisation, Industrialisation and Sustainable Growth; the pursuit of the Nt?, Rent, IDS Discussion Papers, 365

Kaseke E., Dhemba J., Gumbo R (1997) Transferring Resources to poor households: The case of social safety nets in Zimbabwe, Report prepared for the MPSLSW and UNICEF, Harare

Keet D.,j1 999]Globalisation and Regionalism; Contradictory Tendencies

Kitikiti N. D. (1996) Trade Environment: Challenges for Developing Economies, ZERO, Harare, Zimbabwe

Kuznets S. [ed] [1957] Special Issue on Quantitative Aspects of Economic Growth of Nations. Economic Development and Cultural; Change, Vol. V No. 4

Kwaramba P. (1998) The Socio-economic impact of HI V/AIDS on communal agricultural systems of Zimbabwe, FES/ZFU working paper number 19: Economic Advisory Project, January 1998

Lall. Das (1998) WTO Deficiencies, Imbalances and Recommendations Third world Network

Liberalisation and Poverty; an Oxfam — IDS Research project Final Report, August 1999

Lietaer, B. (1997) "From the real economy to the speculative," Third World Economics, 1-15 November, 1997

Loewenson R. and Mumbengegwi C. (1997) Human Development Report, A Conceptual framework. Paper prepared for the IDS Poverty Forum, Harare

Loewenson R. (1998) Political economy and health sector development in Zimbabwe, Report prepared for the World Bank OED Sector Impact Study, Harare, January 1998

Loewenson R. and Whiteside A. (1996) Social and Economic Issues and HI V/AIDS in Southern Africa. Paper commissioned by SAFAIDS, Harare

Loewenson R. (1999) Challenges of health care reforms in southern Africa, Paper for the Public Services International Regional Meeting, Harare, November 16 1999, Training and Research Support Centre Mimeo

Loewenson R. (1999a) The impact of HI V/AIDS on Human Development in Zimbabwe, TARSC Monograph, Harare

Maboyi B. (1996), Trade Environment and Sustainable Development: Setting an ,Agenda for Southern Africa, Harare, Zimbabwe. ZERO

Mkandawire T. and Soludo C. (1999) Our Continent, Our Future, CODESRIA: Dakar

Mbetu R., Matshalaga N. and Mutasa C. (1999) Scope for Decentralisation and community based needs identification of the Social Development Fund and Social Safety Nets, Consultancy report for the MPSLSW, Harare, October 1999

McQueen M., Phillips C., Hallan D. and Swinbank [1998]; ACP-EU Trade and AID co-operation; Post Lome IV. A Report Prepared for the Commonwealth Secretariat

Ministry of Education, Sport and Culture (MoESC) (2000) Education Statistics, Harare

Ministry of Labour, Public Service and Social Welfare (MPSLSW) (1995) Poverty Assessment Survey Report, Government Printers, Harare

MoHCW (1997) National Health Strategy for Zimbabwe, 1997-2007,

Ministry of Health and Child Welfare, May 1997

MoHCW (1999) National Health Strategy for Zimbabwe, 1997-2007, Working for Quality and Equity in Health, Ministry of Health and Child Welfare

MLAWD-USAID, 1993. Consumer Maize Preferences in Zimbabwe5 Survey Results and Policy Implications. Report Prepared for MLAWD and USAID/Harare by Lawrence Rubey, University of Zimbabwe, December

Muirimi R. (1998) Employee benefits and HI V/AIDS, Paper presented to the ZNCC workshop, Harare 2 July 1998

Munyani, (1997) The Worker No. 53, December, 1997

Mutangadura G., Makaudze E. (1999) Urban Vulnerability to Chronic Poverty and Income Shocks.

National AIDS Co-ordination Programme MoHCW (1998) HI V/AIDS in Zimbabwe, Visual Graphics, Harare July 1998

National AIDS Co-ordination Programme MoHCW (1998b) Personal communication on demographic indicators with and without HI V/AIDS, Harare, September 1998

National AIDS Co-ordination Programme MoHCW (1 998c) Projections of the HI V/AIDS Epidemic and its demographic impact in Zimbabwe, Harare

Nherera C. M., (2000) Current Issues in Education, Paper prepared for the Poverty Forum, Harare, January 2000

Reed D. (1992) Structural Adjustment and The Environment, Earthscan Publications Ltd, London

Renfrew A., (1992) ESAP and Health. Mambo Press, Gweru

Schumpeter J. A. [19611 The theory of Economic Development, Cambridge, Mass, Harvard Univ. Press

Tandon Y. (1996) Survey of Agricultural and Plantation Workers. General Agricultural and Plantation Workers Union of Zimbabwe, Unpublished manuscript

Tandon Y. (2000) Labour in Zimbabwe, IDS: Harare

Tekere M. (1998) An Analysis of Trade Integration in the SADC; Dynamics, Market Shifts. Prospects and Problems. Paper for KAF on Development of SADC Integration Index, Harare

Tekere M. (1999) EU/SA, Free Trade Agreement — What are the Preferential Erosions for Zimbabwe Exporters and the Future of ACP/EU Relations after Lone IV. Paper for the ZIMTRADE Exporters Conference, May 1999

Tekere M. (2000) Expiry of Lome IV Challenges for Zimbabwe, Garment Export Industry, Harare

Todd C. (1998) Antiretroviral drugs for HI V/AIDS Update Africa, JanlFeb 1998, pp4-5

USAID (1998) Zimbabwe, A Third Nation-wide Survey of Micro and Small Enterprises, Price Waterhouse and Coopers, September

UNCTAD/UNDP, (1999) Globalization and Sustainable Development Country Study of Zimbabwe, draft report

UNCTAD (1998) United Nations Conference on Trade and Development World Investment, Report, Geneva: United Nations

United Nations Development Programme (1999) Human Development Report, Geneva

United Nations Development Programme (1999) SADC Human Development Report

United Nations Development Programme (1999) Zimbabwe Human Development Report, Harare

United Nations (1999) Resolution on the Role of the UN in promoting development in the context of globalisation and interdependence, UN December 1999

Wangwe S. M. (1995) Exporting Africa, Technology, Trade and Industrialisation in Sub-Saharan Africa

World Bank (1996) Poverty In Zimbabwe; Current, Knowledge and Issues for the Future, mimeo

Woelk G., Jackson I-I., Kerkhoven R., Hansen K., Manjonjori N., Maramba P., Mutambirwa J., Ndimande E.,

Vera E. (1997) Do we care? The cost and quality of community home based care for HI V/AIDS patients and their communities in Zimbabwe, UZ-Medical School, SAfAIDS, Ministry of Health and Child Welfare

Woelk G. (1997) Assessment of the Health Context of the AIDS Epidemic in Zimbabwe, Paper prepared for the National AIDS Co-ordination Programme, Harare October 1997

Zigora T., Chihanga S., Makahamadze R., Hongoro C., Ropi T. (1996) An evaluation of the abolition of user fees at rural health centres and rural hospitals, Ministry of Health, Blair Research Laboratory, Mimeo