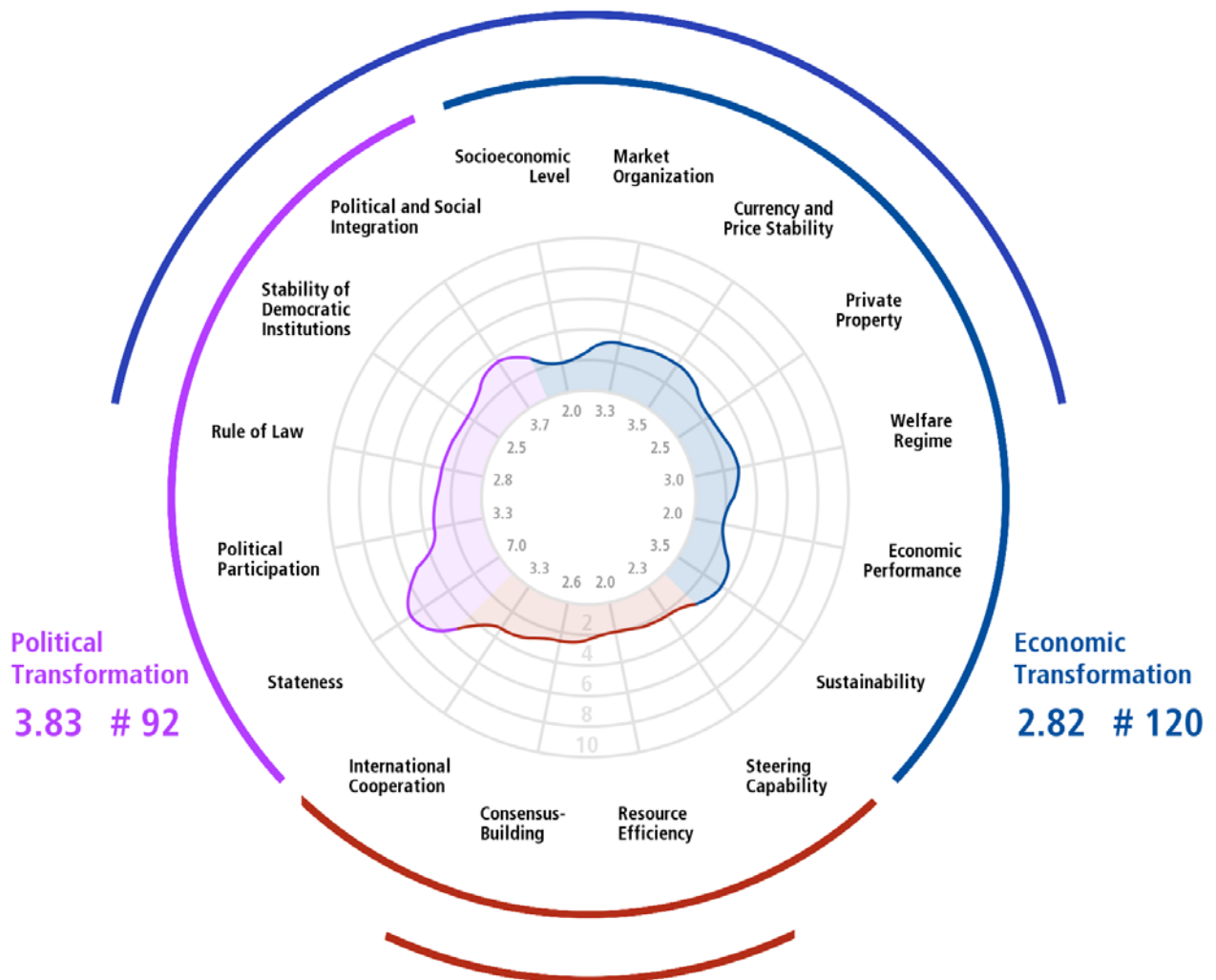


Zimbabwe

Status Index

3.33 # 113

on 1-10 scale out of 129



Political Transformation
3.83 # 92

Economic Transformation
2.82 # 120

Governance Index

2.37 # 120

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

| | | | | | | |
|--------------------------|--------|------|--------------------------------|-------|----------------------|--------|
| Population | M | 16.2 | HDI | 0.516 | GDP p.c., PPP \$ | 2006 |
| Pop. growth ¹ | % p.a. | 2.3 | HDI rank of 188 | 154 | Gini Index | 43.2 |
| Life expectancy | years | 60.3 | UN Education Index | 0.559 | Poverty ³ | % 47.2 |
| Urban population | % | 32.3 | Gender inequality ² | 0.540 | Aid per capita \$ | 50.0 |

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The majority government of Zimbabwe African National Union – Patriotic Front (ZANU-PF) has plunged the country deeper into a political and economic meltdown. The few avenues of recovery which were opened in the years of the Government of National Unity (GNU, 2009-2013) are again falling prey to fierce infighting within the ruling party about the unresolved succession to the 92-year-old president, Robert Mugabe.

The power roulette within ZANU-PF first seemed to be again equally balanced after the leader of the two dominant competing factions; former Vice-President Joyce Mujuru was sacked from the party at the end of 2014 under allegation of plotting against Mugabe. Her position was quickly filled by the First Lady, Grace Mugabe. She closed ranks with the G40 faction around the Local Government Minister Saviour Kasukuwere and his allies. Increasingly, Grace is presented as a unifying leader for the nation and an extension of the president himself. However, her popularity has not yet increased much. Therefore, it is still unclear what happens once Mugabe cedes power. An armed factional succession fight cannot be excluded. On several occasions, the head of the military forces has made clear that he favors the leader of the so-called Team Lacoste around Vice-President and Justice Minister Emmerson Mnangagwa. Recent developments in early 2017 suggest that there is no stability or cohesion in the G40 faction. Minister Kasukuwere has faced intense pressure to resign or be expelled from within the ruling party. He stands accused of pursuing an agenda to displace the president and his wife by setting up parallel party structures, Kasukuwere has provided an opportunity to the other faction, Team Lacoste, to strengthen its position in the succession struggle. However, if he is rehabilitated, the president will continue to be able to play the factions against each other in the foreseeable future.

While ZANU-PF is trapped in its factional struggle, the main opposition Movement for Democratic Change – Tsvangirai (MDC-T) led by former Morgan Tsvangirai (prime minister in the GNU) is unable to exploit this favorable situation to expand its power base. MDC-T has not

yet recovered from its junior position in the GNU, its corruption scandals and internal leadership battle.

Besides MDC-T, Zimbabwe People First (ZPF), headed by former ZANU-PF Vice-President Joyce Mujuru after she and her allies lost their positions within the ruling party, has been the only other relevant political force in the period under review. Yet, internal disputes within the heterogenic ZPF, which encompasses former ZANU-PF hardliners and moderates alike, put the cohesion of the young party at risk.

Opposition parties have still not managed to raise confidence both domestically and internationally. A unified strategy for credible policy alternatives is still missing due to competing interests, qualified workers and limited resources.

Heading toward presidential, parliamentary and local elections in 2018, the National Electoral Reform Agenda was formed in 2016. The National Electoral Reform Agenda (NERA) encompasses 18 opposition parties among them MDC-T and ZPF. Concerning the opposition, its other main focus is currently a campaign against Zimbabwe Electoral Commission (ZEC) which is viewed as unreliable and inefficient in managing the electoral process. If it succeeds through NERA in this campaign that could provide an important foundation for a broad Opposition coalition in 2018, though this is not guaranteed. Internally, the decision of who runs for president within the NERA coalition is causing tension as all the main party leaders have shown ambitions.

In past elections, ZEC was a willing instrument in the hands of ZANU-PF, and still has not undergone a restructuring process, for example, clearing the commission of military personnel. A transparent voter registration is still a hot spot due to past experiences even though UNDP and EU are providing technical and financial assistance.

One major point of frustration is the continued selective use of law and non-respect of a relatively liberal and progressive 2013 constitution confirmed by the vast majority of Zimbabweans in a referendum.

Meanwhile, economic growth has stalled largely due to an unattractive investment climate caused by the uncertain political situation. The lack of investment in the economy has led to a liquidity crunch, which has affected local businesses. According to World Bank, 2016, Zimbabwe economic growth fell from 2.3 % in 2015 to 0.5 % in 2016. Exports have further fallen by 50% to \$3.4 billion in 2016, and the deficit will reach over \$1 billion.

The period under review was again characterized by large company closures and massive job losses. Exacerbated by a wave of dismissals, the unemployment rate went up. Unemployment rates are estimated to stand at 80%, and many Zimbabweans have to find an additional income in the growing informal sector.

Toward the end of 2016 Zimbabwe finally cleared its arrears to the IMF, but still, has to do so with other creditors to be eligible for further credits. Queues at the banks and the issuing of bond

notes as a way to re-introduce a local currency which can be printed at the will of the Reserve Bank fuel fears of another prospect of hyperinflation.

After months of empty reform promises, public protests eloped in 2015, which intensified in 2016. The political climate became more intense once an evangelical pastor came to the spot through a social media campaign known as #ThisFlag movement. These events created a short momentum of the possibility of political change with protesters from a wide range of society on the streets in Harare and other big cities. Though this momentum could not be sustained for long, it broke the long-time perceived passivity of the Zimbabwean population. Heading toward harmonized elections it is noteworthy that trust in opposition parties dropped by almost one-half to 37% as compared to the beginning of the Government of National Unity in 2009 (Afrobarometer 2017 no. 38). An expression of this sentiment is the creation of “The Platform for Concerned Citizen” who are demanding the introduction of a non-partisan National Transitional Authority (NTA) which should rule the country until truly free and duly fair elections are held. Indications are high that even when the succession issue within ZANU-PF is solved, no substantial improvements either in the field of democracy or market economy are to be expected.

History and Characteristics of Transformation

Zimbabwe’s history of political transformation from 1980 to late 1990s, was characterized by a continual process of concentrating more and more power in the Presidency and the top circle of the ruling party, the Zimbabwe African National Union-Patriotic Front (ZANU-PF). Zimbabwe’s 1980 elections marked a high point of political participation with 84% voter turnout. With regards to political competition, there are three large parties in parliament, i.e., ZANU-PF (54%) ZAPU and Rhodesia Front Party. The abolition of the Rhodesian system of racism in 1980 awakened great hope for political transformation. The signing of a Unity Accord with the largest opposition party in 1987 might have been considered an attempt at national reconciliation after the Matabeleland rebellion was quashed. According to ACCORD, 2015, reconciliation after the Matabeleland massacres, remains unattainable due to government’s reluctance to address the past injustices including those of 2008. However, when the white minority also lost the seats reserved for them in parliament in 1990, Zimbabwe had effectively mutated into a single-party state, with 116 out of 120 representatives coming from the governing party. At the same time, a series of constitutional amendments transformed the country from a parliamentary democracy to a presidential autocracy. The exclusion of the opposition resulted in voter turnouts of approximately 25% during the mid-1990s elections. Yet, at the same time, civil society groups began to form, and they ultimately created a collective movement, the National Constitutional Assembly (NCA), advocating for a democratic constitutional reform. The NCA and MDC campaigned for a “no” vote and dealt Robert Mugabe a historic defeat in 2000 when it convinced 56% of the Zimbabwean electorate to reject constitutional reforms proposed by the government. The opposition Movement for Democratic Change (MDC) managed to wrest 57 electoral mandates from the governing party during the parliamentary elections in mid-2000. Repression and manipulation facilitated Mugabe’s

victory in the 2002 presidential elections and the 2005 parliamentary elections. Nonetheless, the MDC's won the parliamentary and presidential elections of 2008. The MDC, however, failed to achieve absolute majorities in both elections, leading to a run-off between the ruling president, Robert Mugabe, and the opposition leader, Morgan Tsvangirai. The Government of National Unity (GNU) was formed with Mugabe as president and Tsvangirai as prime minister. The GNU intended to draft a new constitution within 18 months, to implement security sector reforms and restore the economy. However, after a short honeymoon, the hopes of breaking the impasse began to wane as no meaningful political transition took place while human rights abuses continued. After many controversial negotiations, the new constitution was finally adopted by a referendum in March 2013. A few months later, the Zimbabwe Electoral Commission (ZEC) announced a landslide victory for ZANU-PF in the parliamentary and presidential elections of July 31. Even though the MDC lost a lot of its credibility during its time as a junior partner in the GNU, the proclaimed two-thirds majority of ZANU-PF seemed hardly plausible. However, the results were accepted by the Southern African Development Community (SADC) and particularly by South Africa, which would soon be the mediator of the Zimbabwean crisis.

The country's economic transformation has always taken a back seat to the pre-eminence of politics. Prior to the abolition of apartheid, the economy served the privileged status of the white minority. A policy of import substitution, along with extensive controls on foreign currency, trade and prices guaranteed the survival of the regime in the face of international sanctions. Mugabe essentially maintained this course in the 1980s with one modified objective; government control of the economy was now used to reward the adherents of the ruling party and redistribute wealth in favor of the black majority population under the Growth with Equity Policy. However, for this project to succeed the regime felt that it was necessary to avoid undermining productive capacity and thus left untouched existing imbalanced property structures in the private sector, i.e., agriculture, mining, and manufacturing industry. While the services were owned and controlled by a white minority, the majority of the black population provided cheap labor. Furthermore, far-reaching privatization was made almost impossible until 1990 by the transitional constitution by the willing buyer willing seller clause, which was developed from the 1980 peace agreement between the white regime and the liberation front which ended the liberation war.

Rapidly increasing international competition and massive government social service expenditure (and inability to punish corrupt officials) reached a level that was exacting considerable economic costs. As a result, Mugabe was forced to embark upon the economic structural adjustment program in the 1990s. The results were *inter alia* massive cuts in social service expenditures leading to stagnation in education, health, housing and infrastructure development, as well as massive job losses. In response, students and labor protested angrily against the social service cuts and job losses. In 1997, the government under pressure from liberation war veterans made a hefty payout of (\$50,000) to each war vet. This resulted in the collapse of government finances in 1997 and eventual abandonment of economic deregulation and the reinstatement of a comprehensive price control regime in 2002.

The MDC party was formed in 1999, posing the first serious political opposition to ZANU-PF. In 2000, the ZANU-PF government was under pressure after a defeat in the February Constitutional

Referendum. ZANU-PF blamed whites for financially supporting MDC, and being fearful of the MDC land reform agenda ZANU-PF embarked on fast-track land reform in 2000 to punish white farmers and undermine MDC popularity. The war veterans spearheaded the land reform in the name of ZANU-PF. The fast-track land reform seriously undermined private property rights in Zimbabwe. It put further strain on the economy as most large-scale commercial farms were kicked out of production and much of this arable land is lying idle today. Consequently, Zimbabwe's economy experienced free-fall between 1998 and 2009, as GDP declined by more than 40% and the inflation rate reached an estimated 90-sextillion percent in 2008. Despite the country being trapped in a political stalemate, the GNU managed to stop inflation and initiate a recovery of the economy throughout, albeit from quite a low base.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state monopoly on the use of force is established nationwide. The State control and use of the military, police, prisons, state security, intelligence and any other related structures is evident throughout the country. The problem of the state's monopoly is not in its capacity, but its legitimacy. The police and army are highly politicized, and act on behalf of the established ruling party, ZANU-PF. President Mugabe and the ZANU-PF rely heavily on certain groups, such as war veterans and ZANU-PF youth. Since 2000, ZANU-PF youth militias have been ideologically indoctrinated and trained by former military personnel.

The tentacles of state power cover every corner of the country, and the state has invested heavily in rapid deployment systems in cases of security-related emergencies. The state can move personnel and related equipment from command zones strategically located around the country to any place at any time as required.

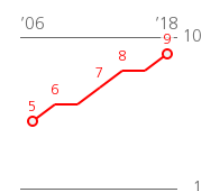
Though economically weak, the clampdown on protestors in 2016 has clearly shown that the state has not yet lost its capacity. Nevertheless, there is always a certain loyalty risk with regard to the military and the police as the resource-constrained government finds it difficult to pay salaries on time. One way to counter this problem is to provide upward mobility for military personnel in other sectors like in economic and social enterprises. In Zimbabwe, active or former security personnel head most of the large and often corrupt State-owned companies and corporations; they have also infiltrated some of the private companies as well.

The population broadly accepts the state. While the population is largely split into two ethnic groups, there are no relevant groups or major political actors seeking secession. Of these two ethnic groups, Shona is the larger group accounting for roughly three-quarters, while Ndebele is the smaller group accounting for 16% of the total population respectively. However, there are some minority political organizations, based in the Ndebele dominated Matabeleland region, which demand

Question
Score

Monopoly on the
use of force

9



State identity

7

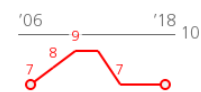
more power through, for example, greater devolution. The latter is within the realm of possibility and even required by the new constitution of 2013. Yet, ZANU-PF tries to block the alignment of more than 400 laws to adjust them to the legal requirements of the new constitution.

In the old constitution, citizenship was withheld from hundreds of thousands of people whose parents were born outside of Zimbabwe. Section 35 of the new constitution offers the possibility for them to be granted citizenship. However, the process of applying for citizenship is unnecessarily bureaucratic. The new constitution recognizes dual citizenship, but in practice, the implementation of this provision has been slow; many people do not understand what modern citizenship means. Some mistake citizenship with membership to an ethno-cultural group. There are basically two major groups that are not generally recognized as legitimate citizens, white members of the nation-state and black migrants from the region who are not seen as part of the Shona ethno-cultural group. Zimbabweans, who identify themselves as Shona, believe that Zimbabwean citizenship is informed by “Shona cultural imagination.” This is a position also expressed by some politicians and academics. Some see in this position an explanation for the support of ZANU-PF in contrast to democratic forces who push for more multi-culturalism.

In view of the upcoming elections in 2018, the denial of the rights of an estimated three million Zimbabweans in the diaspora to vote in elections remains a highly contentious issue. Such denial of voting rights to Zimbabweans in the diaspora violates their entitlement as citizens. The issue remains contentious in discussions over electoral reform. Their vote was denied in the 2013 election, a fact often lamented by opposition forces. It is still uncertain whether this group will be able to vote in the forthcoming elections.

Statistics estimates 85% of the population is Christians with small Islamic or indigenous religious minorities. Nevertheless, Catholicism and Protestantism have been increasingly losing ground to “white garment,” Pentecostal churches and Prophetic Ministries, which mushroomed during the economic crisis. The Prophetic Ministries for example (United Family International Church headed by Prophet E. Makandiwa, Prophetic Healing and Deliverance Ministry headed by W. Magaya, House of Grace International Church headed by Prophet Sham Hungwe) seem to have gathered momentum with a large followership during the period under review. In the 2013 election campaign, a concerted effort was made by ZANU-PF to cultivate support among indigenous churches (i.e., “white garment churches”) and it appears to have succeeded by making various promises to them.

Beliefs in the power of spirits, ancestors and witchcraft remain deeply entrenched. As factional fights intensified within ZANU-PF, accusations of witchcraft were made between the warring factions.



1

No interference of religious dogmas

8



1

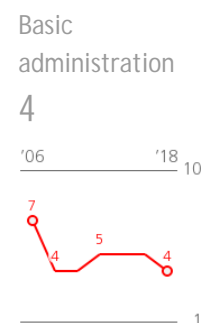
Religious dogmas do not formally determine state legitimacy or the legal order. However, religious authorities are widely respected by the political leadership and general population. As such, religious dogmas do influence politics informally, with politicians often referring to religious norms and values in public statements. In Zimbabwe, religious and political dogmas tend to undermine the independence and fairness of legal order and political institutions.

Basic administrative structures exist in Zimbabwe. However, their levels of availability vary for different people. The relative improvement in local government administration and service delivery gained during the Government of National Unity (GNU) have been reversed in the last years. Basic services that had been restored in major towns under the GNU have been confronted with new challenges. For example, there are rampant deficiencies in sewage reticulation, waste management with heaps of garbage in city centers and residential areas due to non-collection of refuse; burst sewage pipes all providing a breeding ground for waterborne diseases. Residents often resort to defecating outside, while also drinking water from shallow unprotected and contaminated wells. The situation was further compounded by continuous rainfall experienced in December 2016 and January 2017.

These circumstances have led to outbreaks of cholera in the past and other waterborne diseases in the major residential areas with cases of typhoid reported in 2016. In January 2017, a typhoid outbreak in the Zimbabwean capital claimed two lives, and authorities were reactionary and did firefighting trying to prevent further deaths. Harare residents know well that chronic failures in providing water and sanitation have turned some areas of the city into a toxic breeding ground for diseases. Zimbabwe is still lagging behind in terms of provisions of sustainable access to improved sanitation and water sources. Currently, only 37% of the population has access to improved sanitation and 77% to improved water sources.

Even administrative structures for basic services, for example, shelter, are missing. With local governance marred by corruption and mismanagement, allocation of residential units in prohibited areas like wetlands are common, and landowners, in particular those settled on wetlands in the Chitungwiza suburbs, are repeatedly subject to threat of.

In response, substantial donor aid has targeted provision of clean water, education and health care services, and the improvement of physical infrastructure. However, the scale of dilapidation prevents an immediate improvement.



2 | Political Participation

Although Zimbabwe holds elections periodically, there are no free and fair elections in Zimbabwe. Elections are associated with various irregularities such as violence, intimidation and administrative loopholes of the election body. Also in the previous elections in 2013, the election results were highly contested due to irregularities as characterized by voter intimidation, assisted voting thereby compromising the secrecy of the ballot and turning away many voters. The voters roll has yet to be credible. According to civic organizations, almost 30% of the voters on the official voter roll were deceased, and 40% did not reside at their address registered. The Electoral Amendment Act, which passed at the end of September 2012, introduced a requirement for the provision of election results after five days. This requirement limits the scope for manipulation of election results as experienced in 2008. Nevertheless, until today, the Zimbabwe Electoral Commission (ZEC) stands accused of lacking credibility, independence and professional personnel. This became widely clear in the interview process of ZEC personnel in 2016. Problems also emerge from the legal position, as the new constitution prescribes that the president appoints eight out of twelve candidates. The majority of the interviewed candidates were close to ZANU-PF (Matyzak May 2016). Its chairperson Rita Makarau was appointed directly by the president after consultation with other state institutions. Furthermore, its secretariat includes a number of people who are ex-army officers or serving within the military and security services.

The newly appointed commissioners face an uphill task, and a number of crucial processes must be completed such as reviewing voter education methodologies, the creation of a conducive electoral environment, and the adoption and implementation of a sound voter registration model. UNDP and the EU have offered their technical and financial assistance and are in negotiations with the Zimbabwean government about their specific involvement. ZEC, with the assistance of others, plans to purchase biometric voter registration kits. The National Electoral Reform Agenda (NERA), constituted by 18 opposition forces, wants the electoral process to be monitored by international observers. To push this agenda, NERA organized demonstrations at the beginning of 2017 against ZEC's lack of independence and biometric voter registration. There is deep distrust in the capacity of ZEC to carry out that registration competently and fairly

In Zimbabwe political representatives are determined by their political party affiliation. In general, Zimbabwe's elections, perhaps with the exception of the 1980 General Elections, have never been free and fair. Therefore, political representatives are determined by the people in power. Most important positions are filled by appointment – including the right to be a representative.

Free and fair elections

3

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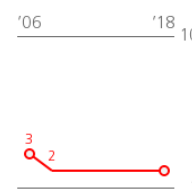
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1

Effective power to govern

2

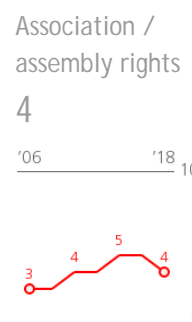
ZANU-PF leadership is the strongest veto power or political enclave. The security sector which is affiliated to ZANU-PF is another political enclave. In the past, they have widely demonstrated that any political movement that does not come from them and their political tradition will not be allowed to govern. This was demonstrated when the opposition party won elections in 2008. Even when a unity government was subsequently established in 2009, the representatives of opposition parties did not have effective power to govern either as the prime minister, as government ministers or as councilors. In fact, most of the urban councils that were formed by members of opposition parties were sacked by the Minister of Rural and Urban Councils who was a member of the ZANU-PF leadership.



After the 2013 elections, President Mugabe continues to exercise full control over government, cabinet and other public-sector appointments. Appointments are based on patronage; Mugabe’s nephew, the Minister of Youth, Indigenization and Economic Empowerment, Patrick Zhuwao; Supa Mandiwanzira is relative to Mugabe by marriage and is Minister of Information Communications; and Mugabe’s son-in-law, Simba Chikore, is the new chief operating officer of Air Zimbabwe, effective October 2016. Such appointments are not merit-based but render the incumbent official loyalty to the president. This has enabled the president to consolidate his hold on power. Although parliament has limited powers, it must, however, be commended for its firmness as it sometimes displays some autonomy through summoning members of the executive for public hearings on specific issues.

The “securocrats” - the heads of the defense forces, police, air force, prisons and Central Intelligence Agency are closely linked to ZANU-PF as members of the military elite. The Zimbabwe National Liberation War Veterans Association (ZNLWVA) prepared the communiqué accusing Robert Mugabe which saw the arrest of war veterans Douglas Mahiya and Victor Matemadanda in August 2016 on charges of undermining the authority of the president. They were released on bail, but their cases are still pending. One of the major challenges in Zimbabwe is the failure by the State to separate government and party politics. There is a tendency for party politics to take precedence over public administration. This tendency undermines the power of civil servants to make technical decisions. The entourage of the president includes business people aligned to ZANU-PF whose influence has increased following Zimbabwe’s financial crisis.

The new constitution has strengthened freedoms of expression and assembly. However, the constraints on these freedoms imposed by the ZANU-PF regime after 2013 makes it impossible to uphold such freedom. Anyone who does not support ZANU-PF, or, thinks or expresses his/her views differently ZANU-PF views as a dissident and enemy; many of such people have lost property and some their lives. The situation has not changed, in fact, several abductions and assaults, including the well-published disappearance of activist Itai Dzamara, have sent a clear signal to opponents. Pastor Evan Mawarire from April 2016 on, posted his protest online and



thereby initiated the temporary movement #ThisFlag, which had thousands of followers. After he was arrested and released, he left the country only to be arrested again at the Harare airport and put into Chikurubi Maximum Prison. And Pastor Patrick Philip Mugadza, of the Remnant Church in Kariba, was arrested by police for staging a one-person peaceful demonstration in the resort town of Victoria Falls. In 2016, about 100 activists including ordinary people and journalists were arrested and some severely attacked during street protests, mainly in Harare. Protests started in Beitbridge which saw one Custom's warehouse burned after the import ban of certain commodities.

While chapter four of the constitution guarantees freedom of assembly and association, several laws restrict these rights, for example, the Public Order and Security Act (POSA). POSA is a draconian law rooted in Zimbabwe's colonial past and designed to maintain public order. The new constitution has not been aligned with the existing statutes and has not repealed laws like POSA. POSA limits people's rights to assemble. For example, any gathering of more than two people is defined by POSA as a public meeting, which requires the organizers to notify the police. Some state officials have interpreted this requirement to mean that public meetings need state authorization, which is often withheld. Under the Government of National Unity, there was a modest opening up of democratic space. However, the space for political parties and civil society organizations has been slowly shrinking amid state harassment as witnessed in 2016 when citizens engaged in street protests. The formation of political parties is not restricted, for example, the former Vice-President, Joyce Mujuru, formed Zimbabwe People First Party and launched in early 2016. However, opposition parties are also subject to frequent acts of repression and manipulation. For them to gather for a rally or to stage a demonstration, they need police clearance and in 2016, had to seek court orders. This was in light of President Mugabe making a public threat to the country's judges on September 3, 2016, accusing them of being reckless by allowing demonstrations in the country. The police made a ban on public protests in Harare that was overturned by a court ruling allowing public demonstrations and the right to protection as enshrined in the country's constitution. Nevertheless, police have stood guard on the streets of Harare for any event that may turn into a demonstration – to thwart any such initiatives.

Section 61 of the Zimbabwean constitution guarantees the freedom of expression and freedom of the media. Public expectations that the restrictive media law would be liberalized have been high. Though some improvement has been seen with regard to more diversity in print media, the general situation has not changed substantially in the last few years. Despite having a liberal constitution, there are still restrictive laws, which inhibit the activities of journalists. In 2016, Amnesty International reported 10 journalists, from both the state-controlled and private media, were arrested for writing articles critical of government officials and hence have faced charges under the Criminal Law (Codification and Reform) Act. On November 12, 2016, freelance journalist Shadreck Andrison Manyere was arrested by police in Harare for filming

Freedom of
expression

4

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1

clashes between protesters and police in Central Harare. The 2002 Access to Information and Protection of Privacy Act (AIPPA) represents a fundamental curtailment of freedom of speech and freedom of the press. The Criminal Law (Codification and Reform) Act severely limits what journalists may publish and imposes harsh penalties on those that violate the act, including long prison sentences. In the same effort, the 2007 Interception of Communications Act allows officials to intercept telephonic and electronic communications to monitor their content, to prevent “serious offense” or a “threat to national security.” These laws have not been repealed or amended to align with the new constitution. AIPPA requires all operating media and journalists to register with the Zimbabwe Media Commission (ZMC). The president appoints the chair and members of ZMC. Since its inception, there were few milestones in reforming the media. The licensing of five new newspapers and two new radio stations gave a false impression that progress had been made. The two radio stations are owned by state ministers and by a state-controlled media company. The Zimbabwe Broadcasting Corporation (ZBC) still maintains a monopoly over television and is subject to overt political interference and censorship. In 2016, President Mugabe’s relative Supa Mandiwanzira, who is also the Minister of Information Communications, announced yet another repressive cyber bill, which would punish anyone believed to be using social media to push regime change with up to five years in jail. This came amid overwhelming response to the #Thisflag initiated by Pastor Evan Mawarire, which was the successful mobilization of a citizen movement that resulted in the near shutdown of business in Harare in June 2016.

Improved internet access has increased access to information, though tariffs for data are still more expensive than in neighboring countries. Zimbabwe has a relatively high rate of internet penetration for an African country, with more than 20% of the population having access to the internet, especially with the establishment of internet cafés in towns, suburbs, rural schools and business centers in rural areas. As a result, public access to social media and other online news sources has been steadily undermining the monopoly position of state media. In particular, political posts on Facebook attract significant public attention. In 2016, activists used social media (WhatsApp, Facebook and YouTube) to mobilize citizens to raise their voice on issues of concern, which resulted in remarkable street protests in Harare and Bulawayo. However, surveillance of the internet, phones and emails continue, with occasional blockage of traffic during demonstrations and strikes.

3 | Rule of Law

The Zimbabwean constitution provides for the separation of powers between the executive, legislative and judiciary branches. Yet, the use of presidential powers has blurred this separation of power. Executive authority is invested in the president, exercised through the cabinet and subject to the constitution (Chapter 5, Section 88

Separation of
powers

3

of the constitution). If a vote of no confidence in the government is passed, the president must dissolve parliament and general elections must be held within 90 days.

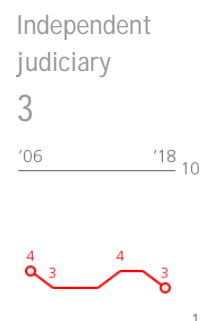
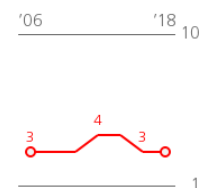
The president appoints and may remove the Attorney General at any time. The president also appoints the Chief Justice, Judge President of the High Court and all other judges in consultation with the Judicial Services Commission. An improvement in this regard has been the introduction of a requirement to publicly advertise the position and conduct public interviews of the candidates.

Parliament continued to play its oversight role, with various portfolio committees presenting and deliberating on key policy issues, with some embarking on fact-finding visits to organizations like the National Railways of Zimbabwe (NRZ). Some cabinet ministers have been absent from parliament sessions during the period under review, which is a serious breach of the constitution. Section 107 (2) of the constitution stipulates that every vice-president, minister and deputy ministers must attend parliament and parliamentary committees for purposes of answering questions regarding matters for which they are collectively or individually responsible. The executive's lack of respect for legislative business has made the legislature little more than a talking shop with limited oversight over government. There are also no checks and balances as ZANU-PF controls parliament and opposition parties are excluded from making decisions.

There have been no significant changes relating to the independence of the judiciary since the last review. There remains some hope that the new constitution potentially provides a more conducive atmosphere for democratic reforms.

Section 164(1) of the constitution expressly guarantees judicial independence and obliges the government to respect the judiciary's independence. Yet, there have been occasional statements from the executive that seem to express dissatisfaction after certain judgments like those relating to court orders allowing demonstrations in favor of electoral reform in 2016. The Constitutional Court's powers have introduced additional checks and balances on actions of parliament and government. However, the authoritarian tone and orientation of Zimbabwe's politics represent an obstacle.

The process of appointing judges through public interviews has increased transparency. The president, however, retains some powers to remove judges. This undermines judicial independence, as ZANU-PF tends to appoint judges who are affiliated with the party. Consequently, some judgments have been regarded as being based more on political than judicial considerations. The judiciary system has also been marred with cases of abuse of office and corruption, for example, the Zimbabwe's chief prosecutor, Attorney General Johannes Tomana, was charged with obstructing the course of justice after allegedly dropping charges against people accused of plotting to bomb the president's dairy. There are several other cases of



corruption and abuse of office within the country's judiciary system. Such cases erode confidence in the country's judiciary system.

Abuse of office has been and is endemic in Zimbabwe, and the major culprits have in most cases have escaped prosecution. For example, the former Minister of Mines Obert Mpfu and the former Minister of Local Government Ignatius Chombo alleged abuse of use office and misappropriation of funds. Impunity has fueled corruption across all sectors of society, including health care, education and sports. The abuse of office has become so rampant that in some cases it is accepted as part of the culture and is often institutionalized.

Diamonds have been a large source of corruption, and huge amounts of money have been plundered through a complex network of army, police, Central Intelligence Organization (CIO) and senior ZANU-PF officials. For example, the president has mentioned that \$15 billion in diamond revenue went missing in 2015, and to this day it has not been accounted for, and no investigations have been instituted. A negative role in this regard is played by the Reserve Bank of Zimbabwe, the Mines Ministry and the Minerals Marketing Corporation of Zimbabwe (MMCZ). They are alleged to be behind suspicious deals like the one revealed in November 2016 which saw the transfer of \$1 million to an Israeli company. If prosecutions are ever initiated, they are politically rather than publicly motivated. This can easily be seen with the cases of Minister Saviour Kasukuwere (local government) and the Minister of Higher and Tertiary Education Professor Jonathan Moyo, in both cases, the investigation was launched by a rival political faction though hardly anyone doubts that substantial illegal transactions have also occurred in these cases.

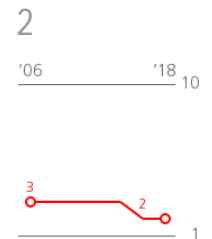
The ruling party, ZANU-PF, has managed to entrench its autocratic rule mainly through the use of intimidation and fear as well as the violation of basic human rights.

Political violence became the hallmark of Zimbabwean politics as hundreds of mainly opposition human rights activists were abducted, tortured, raped and killed in the last decades. The worst violations occurred during the election period of 2008 with cases like abduction, torture, severe beatings and mutilations. Human rights abuses continued, though abuses were largely discreet and targeted to certain individuals rather than committed as public acts of violence.

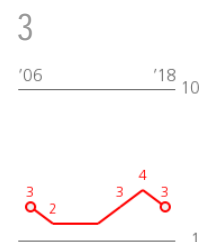
The 2013 constitution is more explicit about which rights should be protected. Chapter 4 of the constitution has expanded the Declaration of Rights, which was a major achievement in the promotion and protection of human rights. However, the Declaration of Rights needs the support of the political system to protect civil rights.

The Zimbabwe Human Rights NGO Forum, in its July to September 2016 report, sheds light on how civil rights have been violated, including the case of the Zimbabwe National Liberation War Veterans Association (ZNLWVA) leadership, who were arrested and publicly disparaged in July 2016 for speaking negatively about the

Prosecution of office abuse



Civil rights



political economy and the actions of some government ministers. Since January 2016, the country has witnessed close to 40 civilian-led protests. These protests have questioned the social and economic governance of the country. There has been growing citizen consensus for socioeconomic and political reforms and these calls for reforms have been met with state heavy-handedness and the violation of people's rights.

The president also issued threatening statements to activists and leaders of the Zimbabwe National Liberation War Veterans Association (ZNLWVA) after an anonymous letter issued in July 2016 requesting the president to step down. Two ZNLWVA leaders (Mahiya and Matemadanda) were arrested in connection with the scathing communiqué, and their cases are still pending.

In 2016 street protests and demonstrations against the mismanagement of government became more frequent and were encountered with baton sticks, tear gas and water cannons. The Human Rights NGO Forum registered more than 100 cases of arrests, severe beatings, abductions, torture and sexual assault. Civic activists were given injections of an unknown substance, some were given electroshocks and others were detained without access to medical treatment.

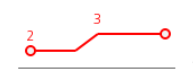
4 | Stability of Democratic Institutions

Zimbabwe is an electoral autocracy. Formally, democratic institutions in Zimbabwe show a great degree of continuity and stability. Elections have taken place regularly, and positions in the judiciary and public administration are filled on the basis of due processes. In reality, the performance of democratic institutions is seriously infringed. The ruling party, ZANU-PF, uses its long-standing leverage in the executive to cultivate its patronage network, reward loyalty and punish dissent. Examples of the types of dissent that ZANU-PF seeks to punish include support of the opposition or the demand for compliance with human rights. The parliament routinely debates legislation, but parliamentary decisions are influenced by the dictates of ZANU-PF. Chapter 12 of the constitution provides for the establishment of key commissions to safeguard democracy. Among other policy areas, these commissions focus on the media, human rights, elections and corruption. However, these commissions lack the necessary resources to function properly and are far from operating independently to fulfill their constitutional mandates. Parliament in the last years has become more vocal and assertive in its oversight of some elements of the executive. During the GNU, the parliamentary committee system has strengthened, and parliamentary debates have become more open. MPs have continued to question government policies.

Performance of democratic institutions

3

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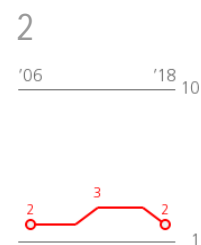


However, under the current ZANU-PF government, such gains are being reversed. Ministers and their Deputies are reported to be absconding parliament sessions especially the question sessions.

Not much positive change can be seen with regard to the judiciary, as judges who were nominated by President Mugabe have remained in their posts. ZANU-PF members heavily dominate senior positions within the public administration. A devolution of power to regional and local governments has yet to be installed as foreseen in the new constitution. ZANU-PF is reluctant to implement decentralized structures as it fears losing power.

The ruling party, Zimbabwe African National Union – Patriotic Front (ZANU-PF), has shown a blatant disregard for democratic institutions. Its leadership, the military and the other security forces, leading representatives of government, and public services seem to accept democratic processes and structures only as long as they lead to the desired results. Jonathan Moyo, as minister of information, was on record saying, “We cannot reform ourselves out of power.” The picture is certainly different for the leadership of the opposition parties as well as for the activists in the opposition movement and civil society. Here democratic norms and values prevail – though some of the leadership in the Movement for Democratic Change (MDC) is suspected of following the same political logic as their counterparts in ZANU-PF. Divisions have become stronger within the Movement for Democratic Change Tsvangirai (MDC-T) about the way forward and the strategies to implement, increasingly of a less compromising nature. There have been accusations that the leadership of the opposition has failed to abide by basic democratic principles. The same allegation was made toward the former ZANU-PF Vice-President, Joyce Mujuru who heads the new opposition force Zimbabwe People First (ZPF). The coming together of different political parties and the establishment of the National Electoral Reform Agenda (NERA) can be viewed as a step toward the promotion of democratic procedures.

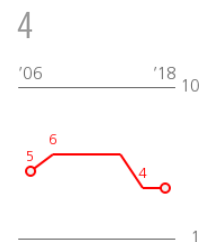
Commitment to democratic institutions



5 | Political and Social Integration

Compared to those of other developing and even transformation countries, the party system in Zimbabwe was extraordinarily stable for a longtime. The ruling party and the main opposition party are socially rooted. ZANU-PF, the ruling party since independence, has a developed structure and widespread clientelistic networks. The party is represented with offices and officials in all parts of the country. Nevertheless, the party became fragmented, as the question of who will succeed President Robert Mugabe, who turned 92 in February 2016, remains unresolved. In 2015/16, factional fights intensified within ZANU-PF. There was an accelerated purge of perceived and known political opponents within ZANU-PF. Two distinct factions exist within ZANU-PF that is the Mnangagwa faction commonly known as Team Lacoste and the Grace Mugabe faction commonly known as the “Generation 40” (G40) grouping of

Party system



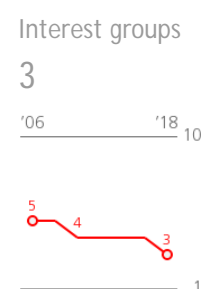
young politicians. There have been three cabinet reshuffles since the 2014 congress with the most significant in September 2015 where 14 additional ministers were appointed, making a compliment of 72 ministers and deputy ministers. However, Grace Mugabe has not been given a formal position besides being the head of the Women's League as predicted by many. The Women's League is a vital component of ZANU-PF machinery and an intriguing succession issue. Grace Mugabe recently resumed her controversial rallies around the country. Her public appearance now might signal the kick-off of the election campaign for her husband as she is currently Mugabe's public face. Grace might also have personal ambitions. Meanwhile, factional infighting escalates in Masvingo Province. The party in this province is reported to be embroiled in deep factional battles, which have seen Mugabe visiting the province several times in 2016 in a bid to heal the rift.

Until the emergence of the Movement for Democratic Change (MDC) in 1999, the dominance of the ruling party was almost unchallenged by other parties. In 2005, the MDC split. This proved to be a major setback to further democratization. However, it was perhaps a necessary step toward the formation of a multiparty system. The 2014 split in the MDC party saw the MDC's former Secretary-General, Tendai Biti, forming a splinter party, the MDC Renewal. The name reflected the splinter party's demand for leadership renewal. The split within the opposition led to a substantial decline in the opposition's active party members.

The former Vice-President Joyce Mujuru also formed a party Zimbabwe People First (ZIMPF) in 2016 whose leadership largely consist of her purged counterparts from ZANU-PF. There are rumors that infighting has also become part of ZPF. Nevertheless, Zimbabwe can still be expected to develop a fairly stable two- or three-party system in the long run, though many smaller parties have emerged in 2015 and 2016. Although it will remain polarized for some time, the fragmentation within and between the political parties has resulted in growing mistrust among the citizens.

Zimbabwe's civil society can be divided into three parts, interest groups representing certain parts of society and the private sector, advocacy groups, and community-based groups. Until the early 1990s, interest groups were certainly the strongest of civil society groups. The associations of industry and commerce, employers, miners, and farmers had built up considerable strength and were partly incorporated by the government in the conceptualization and implementation of its policies, while the government focused on improving the representation of indigenous businesses. Advocacy groups, trade unions, parts of interest groups and especially students joined forces in a coalition for the reform of the constitution and democratization of government institutions as well as policies. This resulted in the formation of the Movement for Democratic Change (MDC) party in 1999.

The economic crisis, with unemployment rates at 95%, seriously hampered the activities of interest groups, trade unions and some community-based groups. However, when it became clear that state services were compromised, self-help



initiatives appeared to focus on coping mechanisms for their membership and stimulated cooperation, which was hindered due to systematic harassment, intimidation, repression and infiltration of civil society organizations. There has also been some weakening of civil society groups in the period under review due to the economic downturn and donor fatigue.

Of major concern is the population in rural areas is traditionally not adequately represented in interest groups. The power-sharing agreement between the main opposition party MDC and the ZANU-PF led to a further weakening of advocacy groups, as some groups aligned more with the opposition MDC. The last few years have also seen the emergence of state-sponsored interest groups competing with mainstream NGOs; e.g., Resource Exploitation Watch, which was formed by ZANU-PF to protect its interests in the mining sector.

Despite decades-long experience with authoritarian rule and the enduring political stalemates under a more democratic system, the general support for democracy is still quite stable. In a survey of Southern Africa, seven out of ten Zimbabweans support multiparty competition (Afrobarometer 2017, No. 38). Key findings of an earlier survey (Afrobarometer 2014), reveals that more than half of Zimbabweans (59%) want the government to be accountable to its citizens. While almost two-thirds (65%) say, MPs should make laws even if the president does not agree with them (Afrobarometer 2014). Seven of 10 Zimbabweans (71%) say the president must always obey the country's laws and courts even if he or she thinks they are wrong. On accountability, 58% believe that parliament should ensure that the president explains on a regular basis how the government spends taxpayer money. Almost 61% believe that the media should constantly investigate and report on government mistakes and corruption. Only a minority (38%) of citizens think the country's elections work well to enable voters to remove nonperforming leaders from office. Such survey results show there is a yearning for democracy, however, the institutions that should ensure democracy remain weak or untrustworthy, as is the case with the Zimbabwe Electoral Commission (ZEC).

Afrobarometer on Zimbabwe data for 2014 indicates that public trust in politics is low due to social and political polarization. An authoritarian context creates conditions of fear and mistrust of authorities and the extended community beyond the family and clan. This is supported by authoritarian political culture, including political control and surveillance, and a traditional culture that fears witchcraft. There is an extensive sector of voluntary and autonomous cultural, environmental and social associations. However, these organizations do not challenge state hegemony. Political associations are more restricted in their operations because of the closed nature of democracy in Zimbabwe. The situation slightly improved during the Government of National Unity. However, it has regressed since July 2013.

Approval of
democracy

n/a

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n/a 1

Social capital

4

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II. Economic Transformation

6 | Level of Socioeconomic Development

The problem of Zimbabwe is not so much the structural exclusion of specific demographic groups along gender or ethnic lines, but widespread economic exclusion within the whole population. This exclusion is due to economic mismanagement and a political elite that pursues its own self-interest.

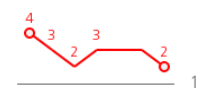
In July, the Zimbabwe Vulnerability Assessment Committee reported that some 1.5 million people were in need of food aid during the 2015 to 2016 lean period leading up to the next harvest. 29 districts were the most severely affected and in 2016 overall maize production went down by 30% to 40% less than 2015 production. In 2016, the World Bank reported that 72% of the population is living below the national poverty line of \$1.25 per day. The number of extremely poor people are estimated to have increased by 100,000 during 2015 to 3.2 million. Very little primary data exists on unemployment in Zimbabwe, some estimate it within the range of 60% to 95%. There is no doubt that some of the employees with a formal job are also gaining an additional income in the huge informal sector.

The World Bank reports weakening economic activity during the first half of 2016, which was compounded by a liquidity crisis that intensified since May 2016. This saw the Reserve Bank of Zimbabwe (RBZ) imposing quantitative limits on cash withdrawals of \$50 per day and \$150 per week. Parallel to withdrawal limits, RBZ announced on May 4, 2016, the introduction of “bond notes” which the RBZ Governor Mangudya claimed was backed by a \$200 million loan from Afreximbank; triggered panic and increased demand for the U.S. dollar. As a result, demand for imports was constrained by liquidity shortages and restrictions introduced to protect domestic producers. According to UNDP (2016), Zimbabwe has a Gender Inequality Index (GII) value of 0.540 and is ranked number 125 out of 159 countries in the 2015 index. It has 35.1% women parliamentarians in comparison to 51.9% of their male counterparts. Also, the percentage of adult women who reach secondary education levels and those participating in the labor market remain below their male counterparts. Zimbabwe’s Human Development Index score (0.516) and rank (154) for 2015 is lower than its 2014 score and ranking (0.507 and 153) The downward trend in the above figures goes to show the near collapse of the economy and efforts to rescue it under the current government have yet to yield positive results.

Question
Score

Socioeconomic
barriers
2

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| Economic indicators | | 2013 | 2014 | 2015 | 2016 |
|---------------------------|----------|---------|---------|---------|----------------|
| GDP | \$ M | 15223.5 | 15834.1 | 16072.4 | 16289.2 |
| GDP growth | % | 5.3 | 2.8 | 1.4 | 0.7 |
| Inflation (CPI) | % | 1.6 | -0.2 | -2.4 | -1.6 |
| Unemployment | % | 5.2 | 5.1 | 5.1 | 5.1 |
| Foreign direct investment | % of GDP | 2.5 | 3.0 | 2.5 | 2.0 |
| Export growth | % | -1.3 | -3.1 | -3.0 | 1.0 |
| Import growth | % | 3.5 | -6.7 | -16.2 | 4.8 |
| Current account balance | \$ M | -2525.7 | -2254.3 | -1520.6 | - |
| Public debt | % of GDP | 48.3 | 49.6 | 51.9 | 69.7 |
| External debt | \$ M | 8199.9 | 8039.2 | 8738.0 | 8897.6 |
| Total debt service | \$ M | 483.4 | 467.1 | 564.3 | 1106.3 |
| Net lending/borrowing | % of GDP | - | - | - | - |
| Tax revenue | % of GDP | - | - | - | - |
| Government consumption | % of GDP | 23.1 | 24.1 | 23.4 | 24.9 |
| Public education spending | % of GDP | 8.5 | 8.4 | - | - |
| Public health spending | % of GDP | 2.8 | 2.5 | - | - |
| R&D expenditure | % of GDP | - | - | - | - |
| Military expenditure | % of GDP | 2.3 | 2.3 | 2.3 | 2.2 |

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

During the last 15 years, excessive state interference increased. This included manipulating foreign exchange, price mechanisms, labor market and property rights as well as systematically favoring state enterprises controlled by the ruling party or important power brokers. As a result, together with the economic crisis, which led to hyperinflation in the years up to 2008, the informal sector has seen tremendous growth in recent years.

A further increase of 10% yearly is to be expected, with mainly the younger population participating in the informal sector.

Market-based competition

3

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1

With more job losses in 2015/16 Zimbabwe is ranked 20 out of 20 countries with highest unemployment rates by Statista (2017). The Confederation of Zimbabwe Industries (CZI) in its State of the Manufacturing Survey observed that “Industries in Zimbabwe are under serious threat. Deindustrialization has reached catastrophic levels, with dire consequences to the state of the economy” (CZI, 2014: 6).

Since the adoption of the U.S. dollar as the official currency, there have been improvements in trade, business, fiscal, labor and monetary freedoms. There was also a growing consensus that the business environment, for example, the restricted licensing policy should be improved. Nevertheless, since the IMF and its staff-monitored program left the country in 2015, the government reintroduced import and currency controls. However, the World Bank Group does see improvements concerning swifter dealing with construction permits, registering of property, getting credit and protecting minority investors. Yet, in the 2017 Economic Index Freedom, the Heritage Foundation ranks Zimbabwe as one of the least economically free countries, only ranked higher than Eritrea, The Republic of Congo, Cuba, Venezuela and North Korea.

Investment freedom is still nonexistent. In March 2016, the Indigenization Minister was again threatened with an ultimatum to close all foreign firms who do not comply with the controversial Indigenization Law enacted in 2007. The law limits foreign ownership of companies to 49%. Private property in the agricultural sector is also no guarantee. The unpredictability of the government’s economic policies and the unstable political and economic climate has undermined foreign investment. In 2014, foreign direct investment (FDI) in Zimbabwe (\$545 million) was nine times lower than FDI in Mozambique (\$2.4 billion). Since then, according to the Reserve Bank for Zimbabwe FDI, FDI has fallen further and will not surpass \$300 million in 2016.

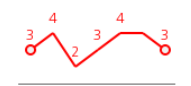
Zimbabwe’s anti-monopoly legislation, introduced as part of the Competition Act (1996), is rarely implemented and not enforced by the Ministry of State Enterprises, Anti-Corruption and Anti-Monopoly. Monopolies or quasi-monopolies are common to Zimbabwe’s economy. For example, Delta supplies more than 90% of locally produced beverages, while Econet dominates the telecommunications market and has moved into the banking sector. There have been few privatization efforts for large state companies which maintain monopoly-like holds in their individual areas; only 10 highly indebted state enterprises and parastatals, out of a total of 78, have been sold. Audits of the controversial Grain Marketing Board (GMB) and Air Zimbabwe have taken place. In the case of the latter, negotiations to find a commercial partner are underway. Attempts to recapitalize the National Railway have not yet been fruitful. The World Bank has assisted these initiatives with its Capital Budgets Technical Assistance Program.

Institutionalized corruption within parastatals by many public officials is still rampant, as demonstrated by the astronomic payouts to management and board members. For example, former Zimbabwe Broadcasting Corporation (ZBC) C.E.O.

Anti-monopoly
policy

3

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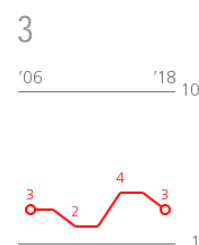
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Happison Muchechetere received an agricultural loan of almost \$300,000 which he has failed to pay back and eight Zimbabwe Revenue Authority (ZIMRA) executives were suspended and expelled after a forensic audit in December 2016. However, it has been difficult to limit monopolies like the Grain Marketing Board, as businesses and investors need to consider ZANU-PF or its affiliates to prosper. As such, many businesses avoid interfering or competing in ZANU-PF dominated markets. For example, President Mugabe and other prominent politicians have interests in the fuel market, and illegal cartels linked to the ZANU-PF youth protect these interests. The Harare City Council, for example, is said to have lost almost half a million U.S. dollars monthly to the ZANU-PF youth who took over council properties like markets and car parks.

As part of the Economic Structural Adjustment Program (ESAP), Zimbabwe went through a liberalization-of-trade exercise from 1990 to 1994. The pace of implementation was much quicker than expected, resulting in a contraction in output, rising unemployment and an increased trade deficit. These problems were not addressed on a structural level before Zimbabwe went into the years of crisis (2000 – 2008). Zimbabwe was forced to abandon the Zimbabwe dollar in February 2009. As the Reserve Bank could not wield authority over the use of U.S. dollar and South African rand that often were used in place of the Zimbabwe dollar, exchange controls and regulations restricting almost all imports fell away. In 2012, a comprehensive National Trade Policy (2012 – 2016) was presented, and Zimbabwe committed itself to become part of the Continental Free Trade Area (CFTA) within Africa. Exported commodities are mainly platinum, cotton, tobacco, gold, iron alloys, textiles and diamonds. Zimbabwe is party to a number of trade agreements including the WTO. Since 2009, Zimbabwe is also part of an Interim Economic Partnership Agreement (EPA) with the European Union, which used to be the country's biggest trading partner. Despite these trade agreements, in the Doing Business Survey 2016, Zimbabwe ranked 161 out of 175 countries for "trading across borders." This was well below the average for Sub-Saharan Africa and no improvement over 2010. This is due to the low competitiveness of Zimbabwe's industries. World Integrated Trade Solutions (WITS) estimated Zimbabwe's country growth at -10.63% in 2015, and world growth stood at 0.15.

According to the 2017 Index of Economic Freedom, the value of imports and exports equal 75% of its GDP with an average applied tariff rate of 13.6. Zimbabwe imported in 2016 values worth \$5.3 billion (fuel, medicines, maize, vehicles, etc.) and exported \$3 billion (gold, tobacco, nickel, diamonds) resulting in a trade deficit of \$2.3 billion. At this moment the balance of trade deficit narrowed by \$700,000 million as compared to 2016. According to experts, this was more a result of the economic decline and harmful policies than because of the protection strategies imposed by the government.

Liberalization of
foreign trade



South Africa is still the country's largest trading partner, though analysts like Tony Hawkins warn that the size has been overestimated in past years, as it accounts only for 40% of its trade volume (Hawkins 2017). It is followed by Singapore with half of that volume.

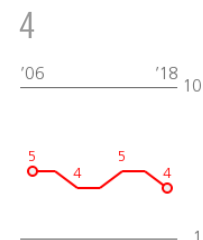
In an effort to protect the local market from cheap South African products, which the crisis-torn local manufacturing sectors cannot compete with, temporary protective measures were intensified in 2016. A ban was placed on importing certain commodities, specified in Statutory Instrument 64, which prohibits the import of 43 products that have local equivalents. The measure sparked a public protest and the burning of a warehouse at the Beitbridge border post. The measures also led to heavy protests from the South African side as the regulations contravened the WTO and SADC trade protocol. Hence, the government was forced to withdraw its trade barriers and reduce duties and surtax on Southern African products.

Domestic savings, estimated at -11% of GDP, implies a huge savings-investment gap. The Zimbabwe Stock Exchange (ZSE) experienced challenges in 2016, as investors exited the bourse due to cash and liquidity challenges, weak aggregate demand and reduced business confidence – the turnover was 29% lower than the same time in 2015.

Zimbabwe's banking system, by and large, is not operating at capacity with chronic cash shortages. Many local banks are non-functional. Depositors find it difficult to access their hard-earned money, as liquidity is low. The Reserve Bank of Zimbabwe (RBZ) imposed withdrawal limits even after the introduction of "bond notes" which were meant to ease the liquidity situation. In March 2016, the government announced through the RBZ Governor what they termed "liquidity facility to promote exports," called "bond notes." This was said to have been backed up by a \$200 million facility guaranteed by Afreximbank. However, the financing of the facility is a mystery with lots of skepticism from both exporters and foreign investors. One reason for this is that the shortfall is triple the amount of what Afreximbank apparently reported, according to analyst Chakravarti (2017). Experts view it as a way to re-introduce the Zimbabwe dollar and hint at dire consequences like inflation, and negative impact on savings, pensions and the like (Hawkins 2017).

There have been no improvements as far as availability of cash in the country is concerned until recently. The cash shortages have been widely felt throughout the economy and society in the past year. Generally, there is a deep distrust in government pronouncements on bond notes, and in the banking sector. The depositors' plight has been further worsened by RBZ's restrictions not allowing locals to swipe their Visa/Master cards in neighboring countries. It is reported that 19 of the banks that form the Financial Traders Association of Zimbabwe (FTAZ) were poorly capitalized during 2015/16 and were at risk of defaulting. Consequently, the availability of credit to businesses was limited. One bank, AfrAsia Bank Zimbabwe

Banking system



Limited, formally known as Kingdom Bank, had its license canceled in 2015 due to under-capitalization (the minimum capital requirement is \$100 million).

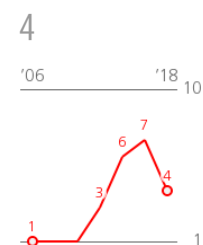
According to the IMF, the financial sector remains vulnerable because of nonperforming loans, low capitalization and tight liquidity conditions. Further constraints are put on banks by the Indigenization and Empowerment Act, which requires an investment of \$49 million by a foreign investor needs to be followed by the investment of \$51 million by a local shareholder. Zimbabwe gave the March 31, 2016, deadline for foreign companies (banks included) to submit empowerment compliance plans or risk being shut down. Finance Minister Chinamasa and Indigenization Minister Zhuwao had a heated dispute when the latter put an ultimatum to the banks and threatened to expropriate foreign-owned banks if they did not comply with the Indigenization and Economic Empowerment Act. However, President Mugabe is on record clarifying the confusion regarding the implementation of the law and said banks remained under the competence of the RBZ and the Finance Ministry.

8 | Currency and Price Stability

Until 2008, Zimbabwe was renowned as a country with the world's highest inflation rates in this century. The management of the Reserve Bank of Zimbabwe (RBZ) was a key contributor to hyperinflation. The currency exchange rate began its rapid decline in 1998 and ended its free-fall at an annual rate of 90-sextillion percent (in November 2008). In January 2009, the Zimbabwean dollar was officially replaced by a multicurrency system. Currently, the U.S. dollar, the South African rand, the Botswana Pula and Chinese yuan are in use. Currently, there are discussions to introduce the South African rand as sole currency.

Since 2009, the inflation rate has been in single-digit levels. The inflation rate was -0.2 % in 2014 and -2.4% in 2015 and projected at -1.6% in 2016 by the IMF. From 2013 to 2016, Zimbabwe participated in a staff-monitored program (SMP) that addresses central bank reforms, financial sector reforms, and monetary and exchange policies. John Mangudya became the new Reserve Bank Governor in 2014. One major problem was the indebtedness of the RBZ. RBZ's owed \$1.35 billion to mining companies, banks and exporters, (e.g., tobacco farmers). Of this, RBZ owes \$93 million to the banks. RBZ accrued these debts after RBZ took over the foreign currency accounts of domestic businesses to fund the government. The RBZ Debt Assumption Act was passed in 2015. The act seeks to transfer all RBZ liabilities to the government when it allocated farming equipment (cost-intensive tractors and other bigger machinery) to the new farmers. Many of the beneficiaries were senior ZANU-PF officials. To meet the obligations treasury bills have been issued amounting to more than \$300 million. Analysts complain that this measure decreases the money available to for loans to companies in the productive sector.

Anti-inflation /
forex policy



Though a new RBZ board was formed to overcome the legacy of the past, no substantial structural reforms have been tackled so far. The reason being that RBZ still cannot operate as an independent body, free from political influence.

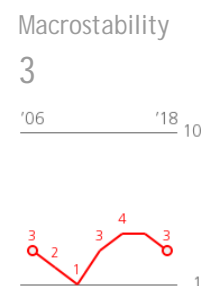
Toward the end of 2016, Zimbabwe finally cleared its arrears of \$107.9 million to the IMF's Poverty Reduction and Growth Trust (PRGT). As long as the debts toward the World Bank and the African Development Bank (AfDB) are not settled, Zimbabwe is not eligible for the Heavily Indebted Poor Countries (HIPC) initiative and cannot get any new credit.

The passing into law of the RBZ Debt Assumption Bill in 2015, meant that the government took over responsibility for the \$1.35 billion owed by the Reserve Bank of Zimbabwe (RBZ). However, Zimbabwe Coalition on Debt and Development (Zimcodd), a domestic NGO, wants a Public Debt Commission to conduct an official public debt audit before writing off the debts owed to beneficiaries whose names have not been made public. This has not been done. According to the African Development Fund-13 Report, the regional bank's deputies agreed to ring-fence Transition Support Facility Pillar II resources for arrears clearance of Somalia, Sudan and Zimbabwe on a first come, first served basis (AfDB, Zimbabwe Processing of Debt Arrears Clearance Information Note for July 2016).

In his budget analysis of the 2017 National budget and the projected impact on economic development, economist Godfrey Kanyenze gave current figures as of 31 October 2016. Zimbabwe's public debt stood at \$11.2 billion or 79% of GDP, of which \$7.5 billion, 53% of GDP, is external debt. Of the \$7.5 billion external debt, \$5.2 billion (69.3%) is in arrears – resulted in deteriorating relations with creditors, and hence inhibiting access to finance. Domestic debt stands at \$3.7 billion including treasury bills and other debt instruments (Chakravarti 2017).

Consistent with the Arrears Clearance Strategy agreed with creditors in Lima in October 2015 toward accelerating re-engagement with the international community, Zimbabwe settled its overdue obligations to the IMF on 20 October 2016. As a result, the IMF Board removed sanctions on Zimbabwe, and the next step is resolving arrears to the other multilateral creditors, i.e., \$610 million to the AfDB, \$1.16 billion to the World Bank, \$212 million to the European Investment Bank, and other debts to multilateral institutions and bilateral official creditors. Total deposit stands at \$6.2 billion.

International reserves are very low because of the effects of the crisis and continuous political insecurity. Government spending is still dictated by high employment costs, half of them are not net salaries but allocations paid to employees. Most discouraging to foreign investors were the Indigenization and Economic Empowerment regulations introduced in 2007, which require foreign investors to relinquish up to 51% of ownership shares to indigenous people within five years.



Analysts emphasize that government expenditure and the increasing fiscal deficit are the main reasons for the liquidity crisis (Chakravarti 2017).

9 | Private Property

Since the implementation of the fast-track land reform program in 2000, property rights in Zimbabwe are not guaranteed. This is further complicated by the confiscation of land from white farmers and continued threats to seize the remaining farms owned by white farmers. For example, at the beginning of 2015, senior officials of the ZANU-PF, including acting President Emmerson Mnangagwa, threatened to evict the remaining white farmers. Such threats were repeated in 2016 during election campaigns for the by-elections held around the country. The Commercial Farmers Union (CFU) continues to represent the interests of white farmers, but their membership declined from 4,500 to 300. Although the MDC did not approve of these policies, the party has not managed to reverse them during the Government of National Unity (GNU).

The new constitution guarantees property rights. Nevertheless, compulsory deprivation and acquisition are possible, but at least the right to compensation and a court hearing are recognized, rights which the farmers were previously excluded. But, consistent with the government's discriminatory policies of the past, agricultural land is exempted from the clause. According to the constitution, Section 72, agricultural land may be "acquired for public purposes" by the state without any compensation. The constitution also allows those who occupy seized land to remain on the land. In practice, there is a lot of confusion. While court judgments do return property, other property owners are threatened and chased off from their land. However, Africa Confidential reports on politicians benefiting from the land seizures by securing title deeds, which are valuable once the political tide turns, through compensation payouts (November 2016). By so doing, they ensure that the legality of the holdings cannot be challenged by an independent land audit. Another case of disrespect for property rights is the Indigenization and Empowerment Act. The law requires foreign and white-owned businesses valued more than \$500,000 to create and present a plan to the Ministry of Indigenization and Economic Empowerment which shows steps toward the empowerment of indigenous (i.e., black) entrepreneurs. Changes to the controversial law were already announced and marked by a stop and go policy. The highly controversial issue has fallen prey to the factional infighting notably marked by a fierce debate between the Indigenization Minister and the Finance Minister.

In the past, the government heavily favored the 78 state-owned enterprises and parastatal companies (SEPs). These companies were important in strategic business sectors, including electricity, water, fuel, communications and agriculture. They accounted for 40% of the economy, but have been underperforming over the last two decades. Most of them depend on government funding to function, including the

Property rights

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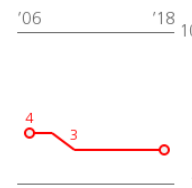
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Private enterprise

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National Railways of Zimbabwe and Air Zimbabwe. Out of the 10 parastatals listed in 2010 by the Ministry of State Enterprises and Parastatals to be privatized, none have been sold because of enormous debt, rampant corruption and unqualified staff. The announced comprehensive restructuring process of SEPs was staggering in the last years.



Only in early 2014, when it became that some managers were paying themselves monthly salaries up to \$535,000 and probably due to the pressure of the IMF Staff-Monitored Program to cut state expenditure within the public sector, a new corporate governance framework was adopted. It requires annual meetings attended by representatives of government, treasury, auditors and comptrollers, limits the time of heads of public enterprises to 8 years and caps their salaries to \$6,000 per month. Furthermore, an audit of all SEPs and local authorities remuneration' was commissioned. However, transparency in the procedures was missing. In the Doing Business Index 2017, Zimbabwe ranked 161 (out of 190) while in the previous Index of 2016 it had improved its position to place 155 (out of 189, significantly up from 171 (out of 189) in 2015. In the 2017 index dealing with construction permits, registering property and getting credit had improved while trading across borders had decreased. Generally, the performance of most SEPs has been poor and further compounded by corruption. This is an additional burden on them.

10 | Welfare Regime

Zimbabwe has a compulsory national social security welfare system. In 1994, the National Social Security Authority (NSSA) started its operations with a National Pension Scheme (NPS) and a Workers Compensation Insurance Fund (WICF) for employees and workers. All workers are required to pay into a pension fund (50% by the worker, with the other half provided by the employer), from which they receive payments once they have reached retirement age, become disabled or suffer an accident. Household employees, agricultural laborers and those employed in the information sector, a group that together makes up the vast majority of workers, are excluded from the fund.



A health care program is available for low-paid workers, and free health care is available to those under a certain income bracket. Problems have occurred due to the economic crisis, as payments and claims have been neglected, and pensions were devalued by a high inflation rate. Despite doubled NSSA collections over the past years, no changes happened in social security coverage. Based on the multi-million projects NSSA has been engaged in over the past years, in July 2015, the Parliamentary Portfolio Committee on Public Service, Labor and Social Service recommended monthly pension benefits increase from \$60 to \$150. The unemployment rate is extremely high with only a minority of benefit payments paid by NSSA. The AIDS levy acknowledged internationally as the best practice for

offering social safety nets is almost dying out since very few companies have been paying while the government has long defaulted.

There is no de jure discrimination against certain social, ethnic, sexual or religious groups. However, same-sex marriages are illegal, and the president publicly talks disdainfully about homosexuality. It is widely known that the police persecute homosexuals, while access to legal representation, education and health care for homosexuals is limited. There is also no legislation to compensate women or others for gross social differences.

The social groups most severely affected by the economic crises of recent years were women. Maternal deaths have not been reduced, mainly due to the breakdown of the health sector. Maternal Mortality Ratio (MMR) for Zimbabwe was reported by WHO to have declined from 960 deaths per 100,000 live births in 2010 to 614 deaths per 100,000 live births in 2014. Health and Child Care Minister David Parirenyatwa also admitted in 2015 that the government was still battling high maternal mortality. According to the latest WHO data published in 2015 life expectancy in Zimbabwe is 59.0 for men, and 62.3 for women, which means the average life expectancy is at 60.7, which gives Zimbabwe a World Life Expectancy ranking of 156, this is an increase from the previous 57.5. However, the current crisis puts the country at risk of falling back.

The new constitution includes an equality and non-discrimination clause, which comprises equal opportunities in “political, economic, cultural and social spheres.” The new constitution provides opportunities through 60 reserved seats for women in the National Assembly. This provision will expire after 10 years, in 2023. But despite their increased number in parliament, little has changed. There are complaints that only the usual voices of the same powerful women are receiving coverage (e.g., Women’s Affairs Minister Oppah Muchinguri (ZANU-PF), MDC Secretary-general Priscilla Misihairabwi-Mushonga, MDC-T Deputy President Thokozani Khupe, MP Nyasha Chikwinya (ZANU-PF) and MP Jessie Majome (MDC-T). With more women as MPs, women’s issues have been articulated in both Houses, but far less than half of the women in parliament are vocal, even on issues that directly affect them. Thus, ensuring seats for women in the National Assembly may not be creating much better parity for women in Zimbabwe.

11 | Economic Performance

Zimbabwe’s economy continues to deteriorate with a crippling crisis of confidence anchored on structural issues of low productivity, deflation, stagnation and a corrosive macroeconomic crisis. That macroeconomic crisis is a trilemma of a fiscal crisis, liquidity crisis and external sector collapse. Despite its resilience, the economy remains under stress because of low domestic production. The economy was weighed down by the El-Nino induced drought in the 2015/16 season and further exacerbated

Equal opportunity

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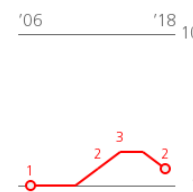


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Output strength

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by Cyclone Dineo coupled with depressed international commodity prices on mineral exports. Depressed domestic and foreign investment has seen both local and foreign businesses shunning Zimbabwe. Over-dependence on imports in manufacturing, against the background of the strong U.S. dollar and a weakening South African rand, has undermined competitiveness. Low domestic production underpins low capacity utilization across sectors, while low incomes, high unemployment levels, and domestic liquidity and cash challenges, all have a negative impact on the performance of the economy. Unemployment levels among young people are reported to have reached about 97% (Confederation of Zimbabwe Industries, 2014), and the situation has worsened in the period under review. Small and Medium Enterprises (SMEs) employ about 60% of the workforce and contribute about 50% of GDP.



In the 2016/2017 budget statements, exports were projected to fall from \$3.614 billion in 2015 to \$3.365 billion in 2016, a decline of 6.9%. The country remains a foreign direct leper hence remittances by people in the diaspora has become a significant contributor to the country's economy. However, formal remittances from Zimbabweans in the diaspora went down by 17% in 2016, down to \$780 million compared to \$935 million in 2015. This is partly due to the appreciation of the U.S. dollar against the other source currencies, especially the South African rand. The projected capital inflows at \$692.4 million in 2016, against \$1.2 billion in 2015 is a clear indication of a struggling economy. A high import bill of \$5.35 billion in 2016, against exports of \$3.365 billion is truly unsustainable. This has resulted in a huge savings-investment gap with domestic savings estimated at -11% of GDP.

Zimbabwe's FDI inflows are by far lower than its counterparts in Southern Africa. According to the Reserve Bank of Zimbabwe, a decline from \$399.2 million in 2015 to \$254.7 million in 2016 (as compared to \$1.7 billion for Zambia). Such low foreign investor interest can be attributed to the poor operating environment, policy inconsistency and unfavorable investment policies. The indigenization law is chiefly blamed for scaring away investors.

At the same time, deflationary conditions persisted throughout 2016 with inflation recorded at -2% for October 2016, with a poor revenue collection of \$2.876 billion, against a target of \$3.158 billion. Despite these variances, budget expenditure performance during 2016 was inconsistent with the revenue collection shortfalls, as cumulative expenditures for January to October 2016 amounted to \$3.84 billion, against a target of \$3.32 billion, hence a shortfall of \$520 million.

Non-budgeted expenditures such as drought-related grain importation (\$253.5 million), December 2015 salary payment arrears (\$119.4 million) and debt servicing (\$100.9 million) account for the shortfall.

Since 2013, there has been a consistent decline in revenue collected by the Zimbabwe Revenue Authority. Revenue fell from 32% of GDP in 2011 to 23% in 2016. Other contributing factors to revenue decline include de-industrialization, and declining

capacity utilization leakages, corruption and the increased informalization of the economy.

As of October 31, 2016, Zimbabwe's public debt stood at \$11.2 billion or 79% of GDP, of which \$7.5 billion, 53% of GDP, is external debt. Of the \$7.5 billion external debt, \$5.2 billion (69.3%) is in arrears – as a result, relations with creditors are deteriorating, and they are inhibiting access to finance. Although there has been growth, it has been very slow. Improved agriculture performance in the 2016/17 season may lead to some improvement in growth figures.

12 | Sustainability

Zimbabwe has deteriorated to a surviving economy as such concerns over sustainability and environmental protection are much talked of, but enforcement is very weak. Major environmental concerns in Zimbabwe are water, land and air pollution, illegal mineral extraction and processing, unsustainable wetland utilization and implementation of projects without carrying out environmental impact assessments, unsustainable sand and clay abstraction, and veld fires and deforestation. Zimbabwe is generally environmentally aware with a number of legislative acts to deal with the need to protect the resource base. However, existing regulations are fragmented and difficult to enforce for example there are conflicting pieces of legislation with provisions of exemptions allowing companies to pollute, in some cases, which makes enforcement difficult.

An increase in wetland utilization for infrastructure development in response to the housing crisis – especially in Chitungwiza township – has gone unchallenged. While the frequent occurrence of veld fires throughout the country stands out as one of the major threats to biodiversity, increased deforestation estimated loss of 100,000 – 320,000 hectares per year of forest cover is destroyed according to Environmental Management Agents, 2016 report. Deforestation is mainly due to wood collection for resale, clearance for cultivation, curing of tobacco, the establishment of human settlements, woodcarving, etc.

Many challenges hamper effective enforcement of environmental law such as lack of support and understanding from other law enforcement arms, statutory limitations in the enforcement of prescribed penalties for environmental crimes, lack of adequate resources, and lack of comprehensive laws on the management of solid waste. As a result, the country's natural resource base is threatened by human activities, and with the economic crisis, legal enforcement becomes even weaker.

Zimbabwe had one of the best education systems on the continent and is still competitive when compared to South Africa. However, the pronouncement of policy changes without adequate consultation and planning by the Minister of Primary and Secondary Education, Lazarous Dokora, has caused a lot of discontent among

Environmental
policy

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Education policy /
R&D

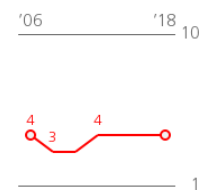
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parents, guardians, teachers, school heads, teachers' unions and students. While Dokora managed to continue with the curriculum review process initiated by his predecessor David Coltart, his announcement of new policies without adequate consultation with all stakeholders has made him unpopular. Policies included the new curriculum, which many took as a positive initiative as it had features of balancing academic and vocational training. However, this new curriculum introduced new history and heritage studies; however, the syllabus was developed without wide consultation and is viewed by many as politically biased in favor of ZANU-PF. The new language policies plan to teach Mandarin, Portuguese, French and Swahili to the detriment of English as a subject. The declaration of National Pledge in April 2016 as a mandatory policy was met with stiff resistance from parents and Zimbabweans at large who took to the street and dragged Dokora to the courts over the pledge.

The ministry is also faced with serious budget constraints hence schools are unable to maintain or invest in infrastructure which is continuously becoming dilapidated. The educational materials found in schools are a donation from the United Nations Children's Fund (UNICEF) and Western donors. Otherwise, the situation in Zimbabwean schools remains poor and fragile. Major problems are the lack of human, material and financial resources, which have led to a lack of physical infrastructure, government financing and trained teachers. Many teachers continue to leave the country as they do not find teaching to be a recognized, respected and adequately remunerated profession. Security guards in some companies earn far more than what Zimbabwean teachers receive.

Universities and colleges have not been spared; they still face a tremendous lack of human, material and financial resources as well as basic infrastructure issues such as accommodation for students, water shortages and sewage problems. Libraries are not well-equipped, grants and loans are rare and scholarships are given only to a few, often to ZANU-PF supporters. According to *Africland Post*, in 2015, Zimbabwe was still ranked first in literacy of 90.7% followed by Equatorial Guinea and South Africa with second and third positions respectively.

While the Minister of Finance in his 2017 National Budget statement announced the freeze in school fee hikes, effective January 2017, many poor families still cannot afford the current fees. Government spending on education is low. The problem lies not only with allocations but with the disbursement of funds. Every year, the education sector does not receive the full amount of its allocated budget, and about 90% of the amount was spent on salaries and only 7% on operations.



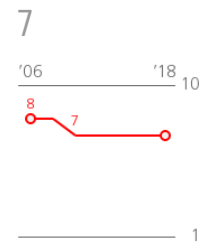
Governance

I. Level of Difficulty

In its quest to move the country forward, the Zimbabwean government is unquestionably faced with serious challenges. Economic transformation is not an easy task, given the country's laundry list of barriers: the historic and unfair distribution of land; periodic and frequently occurring droughts; a high birth rate and HIV and AIDS infection rate (14.6 % in 2016 or 1.2 million people); Zimbabwe's dependence on exporting agricultural goods and raw minerals; and the relatively high transaction costs for imports and exports that Zimbabwe faces as a landlocked country. The political crisis has, however, deepened pre-existing structural constraints throughout the last decade. Zimbabwe is rich in mineral resources (more than 40 different minerals exploited in 800 operating mines), including gold, coal and iron ore, and had one of the largest diamond fields in the world. However, the alluvial diamonds are getting scarcer and therefore more investments are needed to exploit the deeper level of the fields. The legal system and trade barriers do not convey confidence to new investors. Other constraints include uncertainty over environmental regulations, the taxation regime, disputed land claims and poor physical infrastructure. The unresolved issue of land ownership has hampered agricultural output. On the positive side, Zimbabwe has a relatively favorable climate and tourist attractions. Moreover, the debt overhang, high-interest rates, antiquated machinery, unstable water and energy supply, a poor transport system, high labor costs, rigid labor laws, high corruption levels and insufficient liquidity continue to pose obstacles to overall economic recovery. In the past, Zimbabwe lost estimated \$15 billion income to looting and corruption within the diamond mining sector. The African Development Bank estimates the country loses almost \$50 million a month to gold smuggling.

The traditions of civil society in Zimbabwe are meager. Under white minority rule, European settlers, on the one hand, restricted and criminalized civil society work, yet on the other hand managed to establish efficient interest groups and engaged in charity work that followed a largely patronizing approach. The civil society of the African majority was more or less confined to community-based self-help groups and religious organizations. Nevertheless, well-organized labor movements were established which led to a nationwide strike by the end of the 1950s.

Structural
constraints



Civil society
traditions

6

In the decade before independence, illegal solidarity groups for an armed struggle were formed. The restrictions changed only slowly after 1980, with restrictive laws from colonial times still prevailing until civil society experienced a major upswing in the 1990s as a consequence of the social effects of the first structural adjustment programs and of rising disgruntlement with the authoritarian rule of Zimbabwe African National Union-Patriotic Front (ZANU-PF).

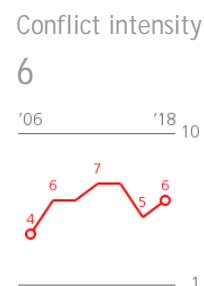
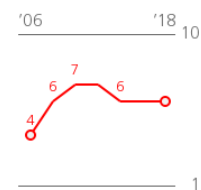
The height of civil society activity was the “no” vote campaign in the 2000 referendum when ZANU-PF proposed far-reaching constitutional changes to consolidate its power. Afterwards, political repression, infiltration, brain drain due to massive emigration and frustration left its mark. The scale of emigration – following successive fraudulent elections, the end of the Government of National Unity and the return of a ZANU-PF dominated parliament – has worsened the situation for civil society. The situation of civil society organizations has been worsened of late due to a significant reduction of donor support for civil society including those that are active in the human rights and governance sector. This has constrained their activities and influence that should have increased in the run-up to the 2018 election.

Another challenge is the so-called founding member syndrome, in which founding members of civil society organizations hold on to their leadership positions despite everything, leading to splits within organizations or general disillusionment.

Another phenomenon has been the emergence of civil society organizations sponsored by ZANU-PF. These organizations have been created to counter the mainstream civil society organizations and are present in a number of civil society spaces. The idea has been to dilute the influence of mainstream civil society as well as to shape public discourse within Zimbabwe. The emergence of the government-sponsored organizations among young people, students and workers weakens civil society. It remains a serious threat in the current authoritarian setting.

Social trust, which was already low, declined further during the recent crises and is yet to recover. International donor support for civil society has been reduced further since the 2013 elections. This has increased competition within civil society for scarce financial resources, reducing cooperation and increasing antagonism between civil society actors.

Zimbabwe experienced a decade of brutal civil war between the armed forces of European settlers and the liberation fighters of the African majority. The memory of this war and the continued use of violence as a political tool by the Zimbabwe African National Union-Patriotic Front (ZANU-PF) regime after independence was the main reason preventing the political opposition from escalating the conflict with the ZANU-PF government. Compared to other countries in the region, Zimbabweans show the highest evidence of trauma and other stress-related syndromes. This is only the result of the war but also of the ethnic and political cleansing massacres of the 1980s and political repression against rivals around elections and the demolition of



thousands of houses during the Operation Murambatsvina in 2005. Throughout the political and economic crisis (2000 – 2008), opinion polls showed clearly that an overwhelming majority of Zimbabweans dismissed the option of taking up arms against their oppressors.

After 2008, the level of political violence diminished considerably until a new wave of street protests increased state-sponsored repression in 2016. The polarization between ZANU-PF and opposition supporters and any critic has not diminished. ZANU-PF still pursues its exclusionary campaign message, establishing anyone who is not their supporter as their enemy. Heading toward elections in 2018 violence exercised through the police, military, ZANU-PF youth and some war veterans, is likely to increase again.

The fierce infighting within ZANU-PF over the succession of Robert Mugabe is likely to become more violent as the Mnangagwa camp seems to have support from the military, part of the war veterans and the Central Intelligence.

II. Governance Performance

14 | Steering Capability

The ZANU-PF's rhetorical support for democracy is put into practice only as long as its hold on power is not endangered by elections. Market economy reforms have not been driven by a governmental sense of conviction but rather by the twin pressures of national debt and reluctant international lenders. ZANU-PF's main goal is to maintain power. When the patronage system required more resources, the government turned in 2000 to its only resource available in abundance, land. ZANU-PF supporters, especially war veterans, were allowed to occupy and loot the vast properties of white owners. This process lacked preparation and guidance and has had disastrous consequences for the economy. It has turned the economy from a regional breadbasket to an economy that lacks foreign capital while being dependent on food imports. Another policy which only serves short-term interests of government is the decision taken in 2014 to convert part of the 1.35 billion debt of the Reserve Bank (RBZ) which it owes to banks, tobacco exporters and gold miners. The debt was accrued when RBZ raided the foreign currency accounts prior to the dollarization of the economy. Of this amount, \$103 million were issued as treasury bills valid until 2019. Following policy guidelines is regularly hampered by the destructive factionalist policies within the ruling elite. As an attempt to consolidate the economic situation, the government's priority list was pushed and partially influenced by the IMF. Nevertheless, in the past, the government did not show a

Question
Score

Prioritization

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political will to implement these policies as they might have a negative influence on the ZANU-PF power base.

ZANU-PF has been very effective at achieving its main priority, staying in power. However, policies to establish a sound market economy or democratic procedures have not been the priority of governmental policies. The famously announced blueprint Zimbabwe Agenda for Sustainable Socioeconomic Transformation (ZIM ASSET) promulgated in 2013 as the official policy agenda of the government focusing on the areas indigenization, empowerment and employment has met the same fate as many other governmental blueprints before – it has dismally failed. The economy is worse than it was when the ZANU-PF majority government replaced the coalition government and Zimbabwe is now heading toward another socioeconomic catastrophe. In the majority government, most cabinet appointments were based on patronage rather than merit. As a result, most cabinet ministers are incapable and inefficient besides some exceptions as in the field of transport or, to a certain extent, in higher education. The factional infighting has resulted in a deep paralysis of government and cabinet. Factional fights within the ruling party are usually obstructing any efficient operation of government, leaving only rare pockets of rational policies. The factionalism in ZANU-PF results in policy contradictions and policy reversals of rational approaches or responses advocated by some of the factions.

Zimbabwe's ruling elite is hardly interested in taking advantage of developmental opportunities or replacing failed policies. Their primary objective is to maintain power and they are quite skillful in this even in times of fierce and open factional infighting. Robert Mugabe still manages to keep a balance within the camps struggling to succeed him. Nevertheless, he is seeming weaker, turning 93 in 2017 and is much less in control of day to day politics.

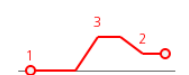
Besides power politics, only isolated pockets of policy learning can be seen in areas not deemed to be political as, e.g., in the field of transport. At the end of 2016 Air Zimbabwe finally found a commercial partner and introduced Rainbow Airlines in January 2017 after years of mismanagement of the parastatal Air Zimbabwe. The national airline made headlines because of heavy debt and year-long operations without a Chief Executive officer just to name a few of the many challenges.

Other examples of isolated pockets of policy learning can be observed in the field of education. During the period under review, Minister of Higher and Tertiary Education pushed to implement STEM-oriented education programs.

Implementation

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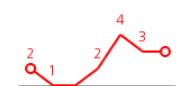
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Policy learning

3

'06 '18 10



15 | Resource Efficiency

The Zimbabwean government is not efficient in the use of human, financial or organizational resources. Zimbabwe's budget has been extremely poor in past years. Expenditure is dominated by the wage bill, which in 2016 accounted for over 97 % of revenues and 70% of total expenditure during the same period (down from 76% in 2014). Though the Finance Minister tried to cut down expenses in the civic sector announcing a restructuring plan in September 2016, he hit fierce resistance within his own party. Nevertheless, expenses are high, the delivery of basic administrative structures (e.g., transport, water, education, health) are far from being satisfactory. While the weight of civil servants presses on the national budget, the remuneration of ordinary civil servants remains low which opens the door for corruption. Morale within civil servants on the district, provincial and national level is often low. No devolution of powers and budget responsibilities to provincial, metropolitan and local councils, as required by section 264 of the new constitution, has taken place so far.

The bloated public administration statistics indicate that the patronage system of President Mugabe's regime is still alive and well. There were rumors in the past that so-called ghost workers are on the payroll of public agencies, particularly parastatals, the Ministry of Youth and within the security sector. They help keep ZANU-PF in power and present a major obstacle to the implementation of any kind of reform program. Effective auditing, particularly of the indebted parastatals, has not yet taken place.

Another major burden is high debt distress. Zimbabwe's public debt stood at \$11.2 billion or 79% of GDP in 2016, of which \$7.5 billion, 53% of GDP, is external debt. Of the \$7.5 billion external debt, \$5.2 billion (69.3%) is in arrears – resulting in deteriorating relations with creditors, and hence inhibiting access to finance. Consistent with the Arrears Clearance Strategy agreed with creditors in Lima in October 2015 toward accelerating re-engagement with the international community, Zimbabwe settled its overdue obligations to the IMF amounting to \$107.9 million on 20 October 2016. Arrears to the African Development Bank, \$610 million; the World Bank, \$1.16 billion; the European Investment Bank, \$212 million; and other multilateral institutions, as well as bilateral official creditors are still not settled.

The central government deficit widened during the first half of 2016 as revenues contracted while expenditures increased. Revenue fell in the first half of 2016 by 3.6% year-on-year, while total expenditure rose by 21%.

The introduction of treasury bills and bond notes weakened the financial market further and exaggerated an existing banking crisis. In early 2016 health personnel and teachers went to the streets as December salaries and bonuses had not been paid. The government had struggled to afford their remuneration throughout the year.

Efficient use of assets

2

'06 '18 10



The recruitment processes for government administrative personnel is hardly shielded from political influence. After the 2013 elections, civil servants who had been operating in MDC lead ministries during the Government of National Unity were often quite contrary to the provisions of the new constitution.

In the coalition government, the quality of coordination was dependent on the policy issue. There were fewer trade-offs and more horizontal forms of coordination policy when less “political” areas like defense, security, resources and land reform were involved, whereas, in non-political areas like health and education, policy coordination between parties had improved under the Government of National Unity. In the majority government of ZANU-PF, frictions within ZANU-PF are evident and negatively impact their policies. This has led to contradictory government statements and conflicting government programs. In his Mid-Term Fiscal Policy Review Statement from September 2016 the Minister of Finance proposed a cut to the expenditure in the public sector. Over weeks, particularly the issue of freezing the bonuses (or 13th check) for civil servants for two years was highly disputed. Two months later the president blocked the initiative to relieve the wage bill which occupies 97% of the national budget. Similar back and forth on policies are known to go on for longer with regard to the Indigenization and Empowerment Act. With the factional struggle intensifying, further policy coordination has suffered even more leading into a partial policy paralysis.

Since 2005, an anti-corruption commission has existed, but its performance was so meager that its actions received little credit. During the Government of National Unity (GNU), it took more than a year for the commissioners of the Zimbabwe Anti-Corruption Commission (ZACC) to be sworn in. Although the new constitution requires ZACC and the Commissioner General of Police to cooperate, no operating procedures exist to avoid confrontations between ZACC, the police and other law enforcement agents. At the end of 2016, ZACC was investigating not cases of senior politicians involved in corruption but of executives of the National Social Security Authority (NSSA). Hence, fighting corruption is a mere window-dressing for outside stakeholders, e.g., donors, as well as a tool of potential punishment against perceived opponents within the ranks of ZANU-PF. It has become a common feature that one faction uses corruption accusations as a political tool against its opponents.

Along this line, in 2016 several corruption charges have been unearthed for high-ranking ZANU-PF officials and cabinet ministers such as Saviour Kasukuwere (Local Government) and Jonathan Moyo (Higher Education). In the case of the latter, investigators of ZACC together with police officers tried to arrest Moyo but were stopped in doing so by Robert Mugabe. So far, no higher-ranking official, was summoned due to corruption allegations. Therefore, abuse of public office is endemic with major perpetrators escaping prosecution, which has encouraged petty and bureaucratic corruption. Corruption is widespread, including within the police, the Registrar Generals Office, the judiciary and land services. A particular sector

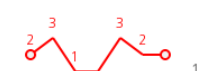
Policy
coordination
2

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Anti-corruption
policy
2

'06 '18 10



suffering from high levels of corruption is the lucrative mining sector with the senior army and ZANU-PF officials implicated. Any serious attempt to tackle corruption would damage the sophisticated patronage network build by ZANU-PF. Little action has been taken to reduce corruption

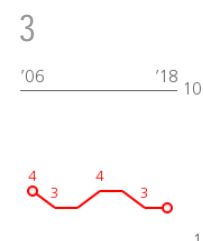
16 | Consensus-Building

There is a deep split among major political actors on the question of democracy. The ZANU-PF voices rhetorical support for democracy but fears the power of democratic procedures to undermine its legitimacy. The country's political history of conflict before and after independence has not provided a strong foundation for a strong democratic culture. There is more of a lip service rather than a genuine commitment to the principles of democracy by both ruling and opposition political parties. Within the cabinet, no moderates are left since the purge in 2014. On the other hand, it is questionable that the concept of democracy is well rooted within the moderates or even within MDC. After being kicked out of ZANU-PF the former Vice-President Joyce Mujuru launched Zimbabwe People First (ZPF) advocating for democracy. Nevertheless, party members accuse Mujuru of sticking to a dominant ZANU-PF like leadership style. Hence, the party was also hit by factionalism, and it remains opaque to which extent ZANU-PF is involved in this development. The core leadership of ZANU-PF does not see democracy as a strategic aim, while a market economy would be tolerated as long as the ZANU-PF business empire can benefit and as long as ZANU-PF freedoms were guaranteed to be protected. Although the opposition MDC was founded on democratic principles, concerns have emerged about party leadership's commitment. After the end of the Government of National Unity, policies taken within the fragmented opposition also leave room for speculation about their commitment to democratic principles.

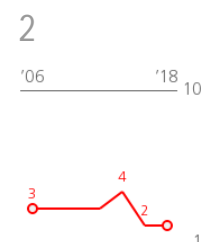
Market liberalization under the ZANU-PF government has been driven by high national debt and demand for FDI, rather than a commitment to the principles. There has not been any deliberate policy in the government to promote a consensus-building agenda on political, economic and social issues for a market economy.

As factional politics within ZANU-PF intensifies, reformers together with some hardliners have been kicked out in December 2014. This move first consolidated the power of Minister of Justice and Vice-President Emmerson Mnangagwa and his allies within ZANU-PF, which is seeking to succeed President Mugabe in leading the ruling party and dominating the government. The weight of the Mnangagwa faction was soon counterbalanced by a faction around the wife of President Mugabe, Grace Mugabe, and the leader of the G40 generation, the young minister of Local Government Saviour Kasukuwere (former minister of Youth Development, Indigenization and Empowerment) and his allies.

Consensus on goals



Anti-democratic actors



Both camps together with President Mugabe who is assumed to be siding temporarily with his wife Grace while he fuels the infighting to keep a balance of power are the most prominent anti-democratic actors. Together with the “securocrats,” the heads of the security sector (army, military, police, central intelligence and prison) they are the major obstacle to further political reform. Nonetheless, there exist groups among war veterans and some ministers who have advocated for economic and political reforms.

However, some fissures have emerged among the securocrats, as the factional struggle within ZANU-PF intensifies. The power of hardliners who are with Vice-President Emmerson Mnangagwa is based on siding with the military and some of the war veterans. Rumors are that Joyce Mujuru still has the support of the Police Commissioner.

On the reformers side, competing alliances have been formed, the National Electoral Reform Agenda (NERA) consists of MDC-T under Morgan Tsvangirai, ZPF under Mujuru and others as well as the Coalition of Democrats (CODE); a grouping of opposition parties to challenge ZANU-PF in the 2018 elections. Though there are talks of joining hands, no common platform has been found. Mistrust on both sides is still rampant. Furthermore, the major obstacle are the ambitions of all major opposition leaders angling to be the coalition’s presidential candidate in the next election. Thus, no political force to exclude or co-opt anti-democratic actors can yet be seen.

The main cleavages in Zimbabwe are not around ethnicity, class or region but around a political party holding onto its hegemonic claim. For the benefit of its own interests ZANU-PF has exploited and continuously fueled the polarization between ZANU-PF and MDC supporters and between those within the party and those outside of the party.

Nevertheless, there is a danger that with factionalism still intensifying ethnic and regional cleavages within the party might gain further strength. The intensified power games have also led to a deepening of cleavages between Shona subgroups. The political leadership has not actively sought to reduce cleavages based on region, ethnic group and race.

At the same time, there are no serious attempts by ethnic entrepreneurs to exploit the open wounds of the Gukurahundi massacre of the Ndebele minority. Even though the recruitment of the second vice-president is traditionally reserved for a ZANU-PF representative of the Ndebele community, the government is far from implementing a cohesive integration policy for the different social groups in Zimbabwean society.

Cleavage /
conflict
management

3

'06 '18 10



The political leadership of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) was never interested in the political participation of independent civil society groups but to incorporate them instead into party structures, or to infiltrate them. Therefore, the party created its own groups and associations, such as trade unions, women's organizations or war veteran's associations, and let them participate in political deliberations and in political agenda setting. There is minimal tolerance of civil society organizations by the state, and consultation around policy issues is limited.

The power-sharing agreement with Movement for Democratic Change (MDC) did not change these policies. Nevertheless, for the first time in Zimbabwean politics, civil society groups were invited to nominate candidates for commissions created according to the global political agreement (elections, human rights, anti-corruption, media and gender). However, ZANU-PF made sure strategically appoint party loyalists. The disrespect of the new constitution approved by the people of Zimbabwe in a referendum, particularly the nonexistent implementation of the bill of rights shows that the government is not interested in having civil society participate in the political process. When criticism of governmental policies became more pronounced as in 2016 through the #ThisFlag movement, led by Pastor Evan Mawarire, police clamped down on the protesters and even tried to ban public protests in Harare.

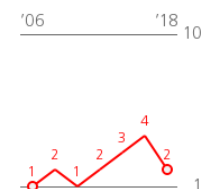
Political reconciliation between the white minority and the black majority appeared to have been successful after long years of civil war, but the forced eviction of white farmers from 2000 on and the indigenization law have led to a tense relationship as expressed mainly in government rhetoric.

By mid-2012, the creation of a National Peace and Reconciliation Commission (NPRC) was agreed upon, but this commission will only investigate cases from 2009 onwards, similar to the Human Rights Commission. The NPRC will ignore the postelection violence in June 2008 and the Gukurahundi massacre, despite public opinion polls indicating that 40% of respondents would want human rights abuses dating from 2000 to be investigated. Furthermore, the NPRC is yet to be operational, in January 2017 the NPRC Bill was still to be gazetted. The bill caused controversy as it does not provide for an independent mode of operation free from interference by government institutions. The commission has been given 10 years to conduct its investigations. However, concerns about the government's sincerity in dealing with issues of peace and reconciliation remain. For example, some of the alleged perpetrators of human rights abuses are part of the current government.

The slow processing of the NPRC Bill and underfunding of other commissions indicates a limited will on the part of the state to address past violations and the trauma that is still experienced by those Zimbabweans that were affected.

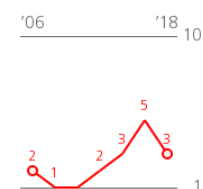
Civil society participation

2



Reconciliation

3



17 | International Cooperation

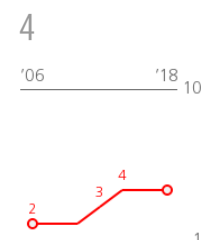
Regarding the modest national budget of Zimbabwe and the huge expenditure on the payroll of the civil sector (more than 90%), Zimbabwe is dependent on international aid in many sectors like health, education and food aid. So far, the ZANU-PF majority government has evaded a clear roadmap to economic recovery and blocks any kind of political reform. EU ambassador to Zimbabwe, Philippe von Damme made full reintegration of Zimbabwe into the international community dependent on free and fair elections in 2018. Zimbabwe is still excluded from direct budgetary support, missing political reforms and high corruption being named as some of the obstacles. At the beginning of 2015, the EU extended travel restrictions and an asset freeze renewed on Robert and Grace Mugabe in light of the continuous violation of human rights in Zimbabwe. In May, the EU issued a resolution supported by the European parliament demanding the release of human rights activist Itai Dzamara who disappeared in March 2015. Though in 2014, it overturned Article 96 of the Cotonou Partnership Agreement between the EU and African, Caribbean and Pacific countries. From 2002, this article had blocked the direct provision of development aid to the Zimbabwean government.

Under the Government of National Unity, cooperation between the donor community and selective ministries in the areas of education, health, water and energy supply, and finance was described as being fruitful, with international know-how being welcomed. On the other hand, ministries led by the ZANU-PF, especially the ones headed by hardliners, showed no real interest in accepting external advice but demonstrated openly that international cooperation is seen as undesired political interference. Such short-term calculations regarding power and political expediency have resulted in the government and political leadership failing to formulate a long-term development strategy.

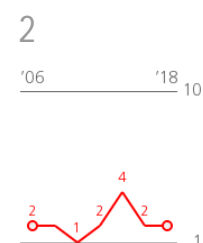
In the period under review, ZANU-PF lost further credibility not only because of the still unresolved succession struggle and the fierce infighting of the ruling party but also as it disregards the provisions of the new constitution. At the same time, the government has not been consistent in its policies as reflected in its mixed record in international cooperation efforts. The new legal framework is the result of a long negotiation process in which international donors had put in many resources during the Government of National Unity (GNU). Since 2013 the government blocks successfully the alignment process of existing laws to the new constitution. An increase in human rights violations as protests in 2015 and 2016 have increased shows the firm grip of ZANU-PF on state power.

Trust among international institutions like the IMF and World Bank was slowly built through the regular reviews of the Staff-Monitored Program. But this trust has been

Effective use of support



Credibility



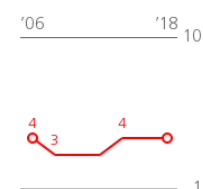
setback as promises have not been fulfilled regarding economic and financial reforms and this has contributed to a further loss of credibility.

Zimbabwe is a member of relevant regional and continental African organizations, especially the South African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) as well as the African Union (AU). In general, Zimbabwe values its relations with its neighbors and with such organizations. It has viewed their political and economic cooperation as valuable to its national interests. Zimbabwe's largest export destination is South Africa at 67%, followed by Mozambique at 18.8% and Zambia at 3.4% based on 2015 statistics. The country has managed to maintain bilateral trade agreements with these countries. The cooperation with neighboring countries has created opportunities for local companies like Zimbabwe Holdings Limited (ZHL) to seek additional capacity to grow their business. In September 2016, Zimbabwe and Zambia decided on a cooperative project in response to continued power cuts as Kariba Dam water levels went down. The two countries want to embark on construction of a 2,400-megawatt Batoka Gorge hydro-power project and have appointed the African Development Bank as lead financial advisers. If implemented, this will be the second biggest dam after the world's largest Kariba dam. The new dam's carrying capacity is estimated at 1.2 billion cubic meters of water. The two hydro-power stations combined form an important power generating initiative that could serve the two countries with a constant supply of electricity.

For nearly a decade, the international community has perceived Zimbabwe as an obstacle to furthering the regional cooperation and institutional reform. Fears loom high that after a few years of slightly improved prospects for political and economic reforms under the GNU, Zimbabwe's current crisis might again have a negative impact on the region. Zimbabwe is highly depended on finished goods coming from South Africa whereas South Africa has a stake in several mining companies in Zimbabwe, the political relationship is not as close as it used to be before the GNU. As the South African president, Jacob Zuma, is busy containing different interests within the African National Congress (ANC); Zimbabwe does not occupy a dominant place in his agenda.

Regional
cooperation

4



Strategic Outlook

The consolidation of ZANU-PF poses a huge challenge for domestic and external reformists. The state is far from reforming with hardliners winning the succession struggle within ZANU-PF. This coincides with the fragmentation of the opposition, which had been regarded as the beacon of progress. Factions within the opposition are increasingly rejecting the democratic principles around which the opposition had formed. In February 2017, the Zimbabwe People's First Party (ZPF) vested with hopes to challenge the regime in a coalition with MDC-T and others already split in two, producing a new National People's Party (NPP) launched headed by Mujuru. Public disillusionment with politics is increasing, which is reflected in skepticism toward the opposition and an increasingly weakened civil society.

The decline of the economy after some years of recovery cannot be solved without a government willing to tackle economic and fiscal reforms. The substantial rain in the 2016/17 season is likely to result in a better food crop harvests thus removing dependence on food imports, at least for the remainder of 2017. At the same time, better tobacco and cotton output may result in improved export earnings. As these will bring short-term relief to a constrained budget, the need for economic and fiscal reforms cannot continue to be ignored as another catastrophe is yet looming.

It is obvious that without assistance from the outside, democratic procedures will take even longer to be established.

Regarding the next two years, three main areas should be more closely examined. First, in light of the upcoming election, it is natural that the government should be held accountable to finally implement electoral reforms and provide free and fair elections. SADC and regional activists should insist that the SADC Principles and Guidelines Governing Democratic Elections are respected by the Zimbabwean authorities. The local Electoral Platform NERA requires that the elections should be conducted by the United Nations. This comes in light of past experiences as there is little hope that the electoral process is going to be free and fair as long as ZANU-PF has a firm grip on the Electoral Commission.

It is the task of the regional and international activists to remind representatives of SADC and AU that the stakeholders from different political parties of Zimbabwe and the local population through a referendum confirmed the following in chapter 7 of the 2013 constitution to "provide all political parties and candidates...with fair and equal access to electronic and print media, both public and private" and that the Electoral Commission is obliged to ensure that the elections are conducted "...freely, fairly, transparently and in accordance with the law" (Section 239 of the constitution).

Second, efforts should be centered around the constitution as it is not a piece of foreign intervention but the result of a long local negotiation process between stakeholders of different political parties which was confirmed through a referendum by the majority of the people of Zimbabwe. The non-alignment of existing laws according to the new constitution needs to be

denounced. Awareness in the region should be raised that basic elements of the Bill of Rights ensured in the new constitution, like media freedom, are still far from being realized. Contrary to article 61/4 until recently Zimbabwe only disposes of state-controlled TV and radio stations. Therefore, as the vote of the rural areas will be decisive for the outcome of the elections, local NGOs should concentrate on providing alternative information to what is provided by the state-owned radio stations.

Third, long-term measures are required to raise awareness and practice for democratic procedures. After so many years of widespread corruption, the system of accountability must start at the local level, where citizens participate and hold each other accountable at the local club and school development level to build accountability and regulatory mechanisms from the bottom up.

To strengthen the voice of individual efforts should be made to build more community-based groups in rural areas and smaller towns. Supported by the group, it is easier to ask for better social services, demand greater accountability or to ask for a devolution of power as outlined in the 2013 constitution.

In light of the brain drain, the frustration within the opposition parties and civil society alike, and the lack of an internal democratic culture within the opposition and some civic organizations, programs raising awareness of the nature and proceedings of a democratic culture within organizations and political parties should be intensified. Young people could be exposed to practical civic education programs which challenge their own democratic behavior in critical situations. This would raise awareness about the basic functions of democracy, the role of democratic leaders and will in the long term to possibly lead to a new generation of democratically minded politicians and civil activists.