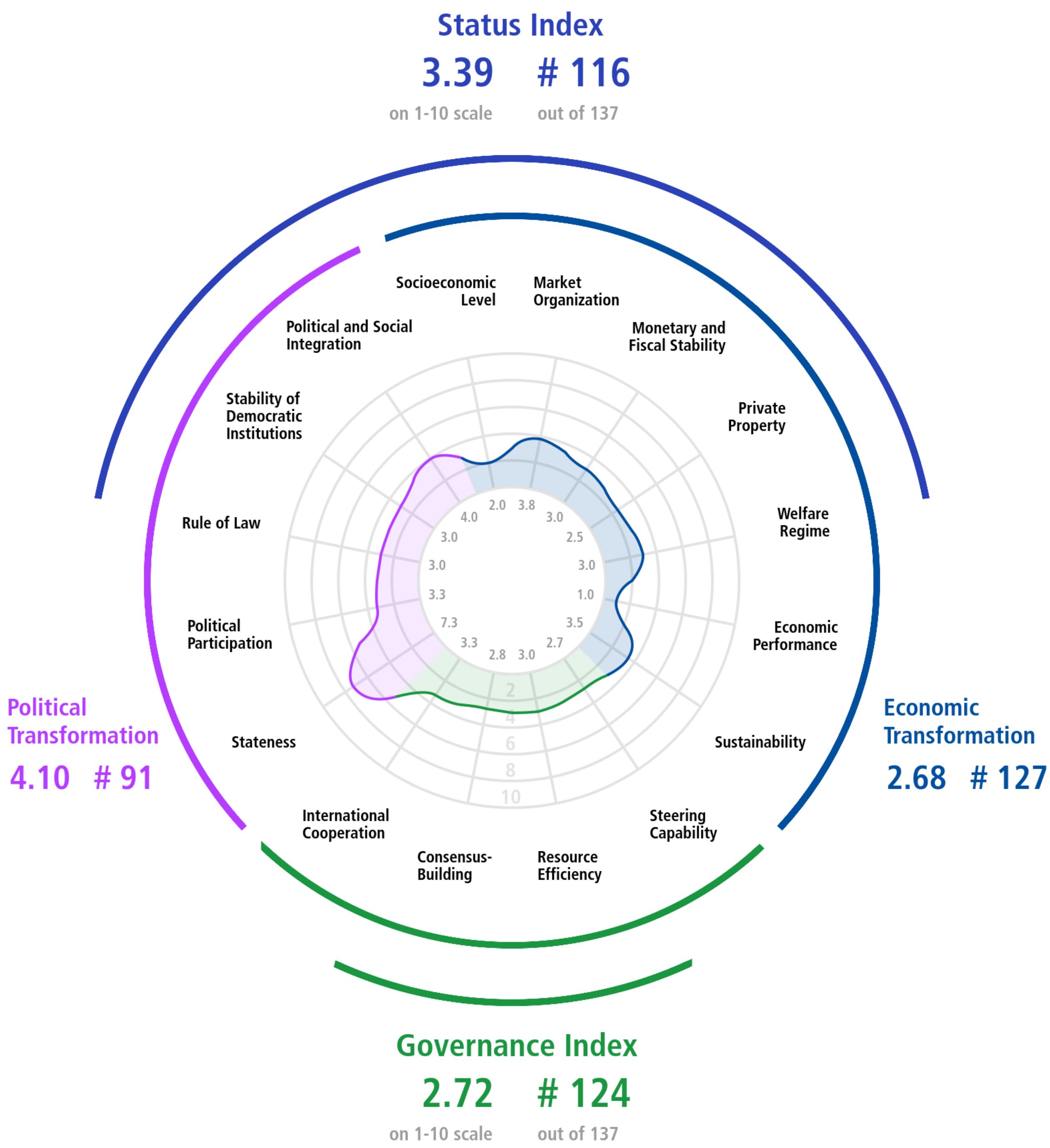
BTI 2022 Country Report

Zimbabwe



This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at https://www.bti-project.org.

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Key Indicators

Population	M	14.9	HDI	0.571	GDP p.c., PPP	$	2895
Pop. growth[1]	% p.a.	1.5	HDI rank of 189	150	Gini Index		50.3
Life expectancy	years	61.5	UN Education Index	0.587	Poverty[3]	%	63.8
Urban population	%	32.2	Gender inequality[2]	0.527	Aid per capita	$	66.6

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. 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

In the past two years, the hope for positive change in Zimbabwe after the departure of former President Robert Mugabe has been effectively dashed. Under President Emmerson Mnangagwa's "new dispensation" many of the country's challenges remained unaddressed or even intensified. Zimbabwe's multi-faceted crisis was further exacerbated by this and the impact of COVID-19. Its continued economic decline was characterized by high prices, cash shortages and a huge debt overhang. The phased reintroduction of the Zimbabwe dollar led to record inflation, which peaked at over 700% in July 2020 and nearly eradicated the income of many Zimbabweans. The economic decline resulted in a severe humanitarian crisis, with over seven million Zimbabweans in need of food aid at the end of 2020, according to the U.N.

Of particular concern in the past two years have been the further shrinking of democratic space and the failure to uphold to constitutionalism. The January 2019 crackdown by the state security apparatus, which responded with disproportionate force to protests over poor living conditions, was followed by two years of increased repression against opposition members, activists, journalists and other actors. The most notable cases were the abduction, torture, sexual abuse and subsequent arrest of three female opposition leaders in 2020 and the repeated arrest and detention of prominent journalist Hopewell Chin'ono after he had exposed government corruption. The government's systematic repression made use of an increasingly partisan judiciary, which led to lengthy pretrial detentions of opposition members, activists and journalists. These arrests have led to further polarization of the political domain and to a continued stalemate between the ZANU-PF (Zimbabwe African National Union-Patriotic Front) and the MDC Alliance, which also negatively affected the prospects for a much-needed national dialog process.

Furthermore, the militarization of public institutions since the 2018 elections is worrying and illustrates the further conflation of a military, political and business cartels elite. Zimbabwean civil society organizations (CSOs) expressed continued concern over the centralization of power under the president and weakened independent oversight mechanisms.

The lack of reforms, continued repression and increased confrontational rhetoric by the ZANU-PF has also halted international re-engagement efforts with Zimbabwe. Discussions with international financial institutions derailed, since Zimbabwe did not manage to implement the agreed-upon reforms, which means a solution to Zimbabwe's unsustainable debt is not yet on the horizon. Western governments were very disappointed in the Zimbabwean regime, which, they believe, did not make use of the opportunities Mugabe's departure provided. There was also growing criticism and concern from South Africa in 2020, which could change regional engagement with Zimbabwe.

Zimbabwe's economic crisis was further exacerbated by the impact of COVID-19. The economy contracted by 12.8% in 2019 and is projected to contract by 10.2% in 2020. In response to COVID-19, the government instituted a stimulus package equivalent to 9% of GDP (ZWL18.02 billion), which was not new money but a reprioritization of the 2020 budget. In April 2020, President Mnangagwa launched an international humanitarian appeal, which included $300 million for COVID-19 support. Zimbabwe's highly informalized economy meant the COVID-19 lockdown restrictions exacerbated the crisis for many Zimbabweans. The pandemic further magnified the public health crisis, as the health sector was not prepared for COVID-19, with limited intensive care capacity, shortage in resources and frontline health workers working without protective clothes. Prominent journalist Hopewell Chin'ono exposed a massive $60-million scandal of government corruption by the Ministry of Health around the procurement of COVID-19 supplies.

History and Characteristics of Transformation

When Zimbabwe gained Independence in 1980, the abolition of the Rhodesian system of apartheid awakened hopes for political transformation. However, in the years afterward, Zimbabwe effectively transformed into a one-party state led by President Robert Mugabe and his Zimbabwe African National Union – Patriotic Front (ZANU-PF). One of the first, and most severe, glimpses of the violent nature of the new regime were the Gukurahundi massacres in Matabeleland, which resulted in around 20,000, mostly from the Ndebele minority, dead. However, Zimbabwe's economy continued to perform well in the first decade after independence, and Zimbabwe remained the "breadbasket" of southern Africa.

The formation of the Movement for Democratic Change (MDC) in 1999, by a wide range of civic movements, led to the first opposition party that posed a serious threat to ZANU-PF rule. Not only did the MDC win a significant number of parliament seats in 2000, but it also managed to successfully mobilize a "no" vote during a referendum around proposed constitutional amendments earlier that year.

The fast-track land reform program, which ZANU-PF initiated shortly after its defeat in the constitutional referendum in 2000, exacerbated an economic crisis that had started in the 1990s and was aggravated by Zimbabwe's adoption of the Economic Structural Adjustment Programs (ESAP). Combined with economic mismanagement and other factors, this led to a 40% decline in GDP between 1998 and 2009, and the notorious hyperinflation and shortages of almost all commodities in 2008.

After the 2008 elections, the Zimbabwe Electoral Commission (ZEC) took five weeks to announce the results, which many believed was an indication Morgan Tsvangirai's MDC-T had won. ZEC did indeed announce an MDC-T win but stated that Tsvangirai had received only 47.9% of the vote (against Mugabe's 43.2%), not enough to secure an outright, first-round victory. The resulting run-off was marred by violence, as opposition leaders and supporters were beaten, tortured, kidnapped and killed. To avoid further violence, Tsvangirai decided to withdraw from the run-off.

Following the international community's refusal to accept ZANU-PF's blocking of an apparent MDC-T victory, a Government of National Unity (GNU) was formed with South Africa acting as mediator. This forced political parties to jointly govern the country and form the first coalition government since independence. The GNU managed to ensure political and economic stability, halting inflation and ensuring economic growth. One of the other major gains in this period was the formulation of a new constitution, which was overwhelmingly approved in a referendum after years of negotiations.

The GNU ended with the 2013 elections, which resulted in a contested ZANU-PF win. It was the scale of their victory that shocked most observers, as Mugabe won 61% of the vote, while Tsvangirai only managed to secure 33%. Moreover, the ZANU-PF went from being a parliamentary minority to a holding resounding majority (from 99 to 160 out of 210 seats). In the years that followed, the political landscape was dominated by intense factionalism within ZANU-PF, continued political and economic paralysis and a lack of substantial reforms. The factionalism ultimately culminated in the coup presented as a military intervention, called Operation Restore Legacy, in November 2017, which led to the forced departure of President Mugabe.

The 2018 elections were historic, as they were the first ones in which Mugabe did not participate. ZANU-PF's Mnangagwa, who took over from Mugabe in 2017, beat the young MDC-A leader, Nelson Chamisa, who became the leader of the opposition after Tsvangirai's death earlier that year.

The departure of Mugabe after his 37-year rule led to renewed hope for political and economic transformation, which was further fueled by Mnangagwa's public remarks that his "new dispensation" was "open for business" and willing to implement democratic reforms. However, Mnangagwa's initial years were marked by increasing repression, a lack of reform, severe corruption and a worsening economic crisis.

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

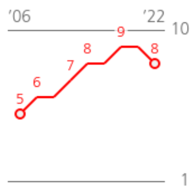
I. Political Transformation

1 | Stateness

Question Score

Monopoly on the use of force

8



The government's monopoly on the use of force is broadly accepted by the Zimbabwean population. However, as highlighted in an International Crisis Group report in 2020, there has been an increase in violence in Zimbabwe's mining sector. The emergence of the so-called Mashurugwi, violent machete gangs that are often linked to political actors, has led to hundreds of deaths among artisanal miners.

Although the population is largely split into two ethnic groups (Shona and Ndebele), there are no major political actors or movements seeking secession. However, decades of marginalization and discrimination against the Matebeleland provinces has led to the resurgence of the Mthwakazi Republic Party (MRP), which seeks to create a sovereign state free from Shona political control. This desire is strengthened by the fact that the Gukurahundi massacres in the 1980s, in which an estimated 20,000 people were killed, have never been resolved.

State identity

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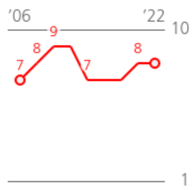

The legitimacy of the nation-state is rarely questioned, and the right to citizenship is guaranteed under the constitution of Zimbabwe. The 2013 constitution provides for three classes of citizenship: by birth, by descent or by registration.

However, the issue of citizenship and belonging has been a major area of contestation, manifesting itself mainly along the lines of race and national origins. Zimbabwe's land reform program not only caused thousands of white farmers to be evicted during the 2000s, it also increased racial tensions, called the citizenship of white Zimbabweans into question, and illustrated how citizenship can be politicized.

It is estimated that over 300,000 residents are legally or de facto stateless, as a result of failure to register births (according to U.N. estimates, only 74% of births in Zimbabwe are registered), strict nationality transmission regulations and migration patterns. The inability to adequately demonstrate citizenship influences people's ability to participate in democratic processes.

Zimbabwe is a secular state, with a secular constitution that guarantees freedom of worship and religion. Religion is very important for the majority of Zimbabweans, with Christianity being the dominant religion. According to a 2017 Survey by the Zimbabwe National Statistics Agency, 84% of Zimbabweans follow one of the denominations of Christianity, among which Protestant Christianity (69%) is the most popular. In the past decade, Pentecostal and apostolic churches have become increasingly popular.

No interference of religious dogmas
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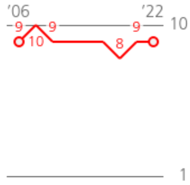

Given the important role of the church in Zimbabwe, there has always been close intertwinement between religion and politics. The ruling ZANU-PF has always tried to assume different forms of control over churches, which has led to tensions between denominations. The more indigenous churches (particularly the white Vapostori garment) are particularly targeted and involved in election campaigns.

Zimbabwe's 10 provinces are divided into 59 districts, with 1,200 wards. The area covered by towns and cities in these districts are managed by 32 Urban Local Authorities, while the rest of the area is under the management of 59 Rural District Councils. Regulation and administration exist, but implementation continues to be a challenge. More information regarding basic administration needs, such as access to water, is not available.

Basic administration
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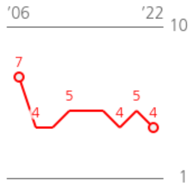

Zimbabwe's crisis has negatively affected the capacity of national and local authorities and institutions, further deteriorating their ability to provide key social services. Even before the COVID-19 pandemic, the state was hardly able to provide basic services to Zimbabwean citizens, particularly in rural areas. The education and health sector are in a dire state, and the government's inability to provide adequate resources led to conflicts with health practitioners and educators. Both teachers and health care workers have been on strike on several occasions, highlighting low pay and a lack of equipment and medical supplies. Despite some efforts by the Zimbabwean government, the majority of Zimbabwe's road network is in poor condition due to a serious lack of maintenance. The same applies to Zimbabwe's air and rail services, which both struggle with outdated, mostly defective fleets.

Zimbabwe's health sector was not prepared for COVID, and only had limited ICU capacity in the early stages of the pandemic. Frontline health workers worked without personal protective equipment (PPE) and sufficient resources.

2 | Political Participation

Free and fair elections

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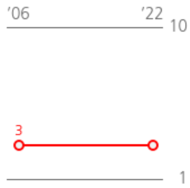

Zimbabwe holds harmonized elections (presidential, parliamentary and local government elections) every five years. The outcomes of successive elections during the period from 2000 to 2018 were highly contested, while the elections themselves were marked by gross human rights violations (particularly in 2002 and 2008) and election irregularities. The 2013 and 2018 elections were characterized by more subtle forms of intimidation and violence. These included the politicization of food aid and the use of traditional leaders and ZANU-PF candidates to remind rural constituencies about the wave of violence in 2008.

As noted by local and international election observers, the run-up to the 2018 elections was characterized by a largely peaceful environment. They further indicated the opening of democratic space and the ability of the opposition to campaign freely, including in areas it previously could not access. The fact that the EU was invited to send an Election Observation Mission (EOM) for the first time in 16 years further testified to this change. However, despite some positive developments, most international EOMs concluded the elections were not in accordance with international standards. They indicated there was no level playing field and highlighted the partisan role of the Zimbabwe Electoral Commission (ZEC), the biased state media, the use of state resources by ZANU-PF and subtle forms of intimidation. Two primary areas of contestation were the lack of clarity around the vote count and verification of the results.

The key conditions for free and fair elections, as outlined in the Global Political Agreement and the 2013 constitution, were not met and key electoral reforms not implemented. As the country heads toward the 2023 elections, the concerns raised by Zimbabwean civil society members and various EOMs have not yet been addressed.

Recently, the government has been accused of selective application of COVID-19 restrictions against the opposition in order to decrease its influence in parliament and local authorities. As more than 30 MDC Alliance legislators and councilors were recalled from parliament and city councils, the unconstitutional decision of the Electoral Management Body (EMB) to suspend the needed by-elections under the guise of COVID-19 lockdown measures effectively decreases the opposition's representation and influence in parliament.

Effective power to govern
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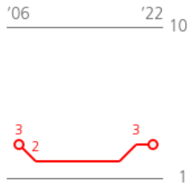

There are two major areas of concern with regards to the undermining of democratic processes and procedures. First, the removal of Mugabe in 2017 was a clear indication of the important role of Zimbabwe's military in political processes. Since the 2018 elections, there has been increased militarization of the state, with several (former) army generals appointed to cabinet positions. This led to an increased party-military-state conflation. Essentially, the military – most prominently represented by Vice President Chiwenga – holds a veto power in Zimbabwean politics.

Second, the increased concentration of power is seen as a threat against constitutionalism and democratic processes. Zimbabwean human rights organizations have campaigned against the envisaged constitutional amendments by the government. They strongly oppose the Amendment Bill (Number 2), which seeks to allocate more power to the president, while at the same time weakening independent oversight institutions. This is illustrative of the increased concentration of power in the ruling elite. The case of business tycoon Kuda Tagwirei is the most notable example of the influence of economic elites on decision-making. According to the United States, which implemented sanctions against Tagwirei and his firm, Sakunda Holdings, in 2020, he supported specific government programs in return for state contracts.

Association / assembly rights
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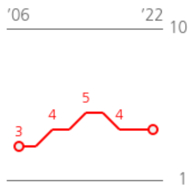

Although the right to freedoms of association and assembly are guaranteed in the constitution, the risks of the state's militarization became clear in January 2019, when Zimbabwe's security forces used disproportionate force in response to widespread protests against the worsening economic crisis. The massive human rights violations were believed to be the worst in a decade, with at least 17 deaths and hundreds of wounded. Findings of the Zimbabwe Human Rights Commission (ZHRC) revealed that armed and uniformed members of the army and police instigated systematic torture. The ZHRC also verified reports of massive door-to-door searches and unlawful entry into private homes. Several opposition members and civil society leaders were arrested and even abducted from their homes. These abductions continued in 2019 and 2020, with the abduction, torture and subsequent prosecution of three young women from the MDC Alliance being the most notable case.

The U.N. Special Rapporteur on the Rights to Freedom of Peaceful Assembly and of Association visited Zimbabwe in 2020 and highlighted the concerning number of allegations related to arrests, detentions and abductions. He further concluded that the country's newly established legal framework does not address long-existing concerns and is not conducive to free and unhindered exercise of the right to freedom of peaceful assembly. One of the key changes made in the legal framework was the replacement of the notorious Public Order and Security Act (POSA). However, many of POSA's restrictive provisions are replicated in the new Maintenance of Peace and Order Act (gazetted in 2019). For example, failure to notify the police of the intention to hold a public gathering of more than 15 people can still result in criminal prosecution.

The president declared a state of disaster on March 17, 2020 in response to the COVID-19 pandemic, which was extended for an indefinite period of time, in contravention to the law. This meant public gatherings are prohibited, unless permitted by the authorities. Despite this prohibition, the government is proceeding with public consultations to ensure the constitutional amendments aiming to strengthen the president's power will soon be adopted by parliament. Meanwhile, the U.N., Human Rights Watch and diplomats all condemned the Zimbabwe government for using the COVID-19 pandemic as a pretext to clamp down on freedom of expression and freedom of peaceful assembly and association. As an example, a number of opposition members faced charges relating to breaking lockdown regulations.

Freedom of expression

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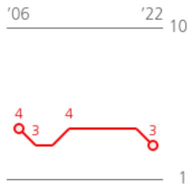

In 2020, the controversial and much-criticized Access to Information and Protection of Privacy Act (AIPPA) was repealed and replaced with the Freedom of Information Act (FOIA). Despite a number of shortcomings, FOIA is seen by Zimbabwean media organizations as an improvement. The licensing of six television players ended the Zimbabwe Broadcasting Corporation (ZBC) monopoly, although the new players are all linked to the ruling ZANU-PF party, which local civil society believes presents a challenge to the genuine democratization of the airwaves. The government's refusal to allow independent community radio stations remains a key challenge in terms of democratic space.

The Media Institute of Southern Africa (MISA) noted almost 50 violations against journalists and media workers in 2020. They also signaled increased levels of online surveillance by the government, which has led to arrests of journalists, opposition members and civic activists. Furthermore, the state is developing the Cybersecurity and Data Protection Bill, which includes a number of provisions that would consolidate mass surveillance. This can be seen as a further attempt by the state to gain increased control over social media platforms. In January 2021, two opposition leaders and a number of others were arrested on allegations of "publishing or communicating falsehoods prejudicial to the state," after posting a tweet.

Prominent journalist Hopewell Chin'ono exposed a massive scandal of government corruption around the procurement of COVID-19 supplies by the Ministry of Health, which led to the firing of Minister of Health Moyo for allegedly awarding contracts (worth $60 million) for test kits and protective gear at inflated costs. Although Moyo was arrested, he was immediately released on bail. Chin'ono, by contrast, has been arrested three times since he exposed the ministry's corrupt procurement processes, spending several weeks in maximum security detention.

3 | Rule of Law

Separation of powers

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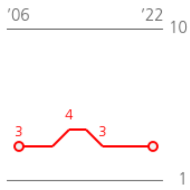

The principle of separation of powers is one of the founding values of the Zimbabwean constitution. Zimbabwe has three arms of government: the executive (the president and cabinet), the legislature (the parliament) and the judiciary (the courts). The legislature includes 270 members of the National Assembly of Zimbabwe and 80 senators. After decades of autocratic rule, the de facto situation is that the executive is much stronger than the parliament and judiciary, which clearly affects the checks and balances on the executive branch.

In response to COVID-19, the president declared a state of disaster on March 17, 2020, which has since been extended several times. Contrary to a state of public emergency, a state of disaster does not need parliamentary approval. As noted by parliamentary watchdog, Veritas Zimbabwe, the powers exercisable under a state of disaster are rather limited, which explains why more robust measures were taken under the Public Health Act. This act gives the government extensive powers to deal with "formidable epidemic diseases." Soon after lockdown measures were announced, a law was passed to allow parliament to convene. Parliament holds virtual plenary meetings with members sitting in different rooms.

Independent judiciary

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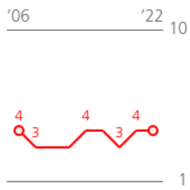

The constitution provides for an independent judiciary, but executive influence and interference remain a problem. Throughout 2020, the law and judiciary were increasingly used as an instrument against dissenting voices, particularly via magistrate's courts. In politically charged cases, opposition members, activists and journalists experienced arbitrary arrest without substantial prior investigation, lengthy pretrial detentions, and unfair bail conditions to limit freedom of expression (such as bans on using specific social media accounts).

Lower court justices in particular make politicized decisions, as a result of threats and intimidation used to force magistrates to rule in the government's favor. There continued to be some instances, mainly in the High Court, in which the judiciary demonstrated its independence, despite being under intense pressure to conform to government policies. A number of High Court justices granted opposition party members and civil society activists bail against the government's wishes.

Zimbabwean human rights organizations such as the Zimbabwe Lawyers for Human Rights (ZLHR) warned that proposed constitutional amendments will further undermine the independence of an already-compromised judiciary.

Prosecution of office abuse
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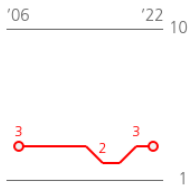

While a key principle of the rule of law is that is has to be enforced without fear or favor, the application of the law in Zimbabwe has been largely selective. Whereas opposition members, activists and journalists have faced politically motivated arrests and detentions, ruling party officials and officeholders are mostly not adequately prosecuted. The most notable case in 2020 concerned Minister of Health Moyo, who was charged with criminal abuse of office, after continued online publications revealed he awarded a $60 million contract to a company that sold COVID-19 supplies to the government at inflated prices. Although he was arrested and removed from his role as minister, it was the whistleblowing journalist rather than Moyo who has spent over 50 days in prison since.

Following the post-election violence on August 1, 2018, a commission of inquiry (the Motlanthe Commission) was installed, which recommended that the perpetrators be held accountable. To this day, no official or security force personnel has been arrested or prosecuted for these abuses. The same applies to the state security forces that used excessive and lethal force after the January 2019 protests. Zimbabwe's police have also been hesitant to examine the abductions of opposition members and activists.

With regards to civil judicial procedures, legal experts note that the judiciary has been subject to political influence and intimidation, particularly in cases involving high-ranking government officials, politically connected individuals, or individuals and organizations seeking remedies for human rights violations.

Civil rights
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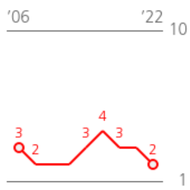

Although President Mnangagwa repeatedly stated his commitment to democratic reform, the human rights situation has continued to decline during his presidency. The Zimbabwean government remained highly intolerant to dissenting voices and took advantage of the COVID-19 lockdown regulations to further limit space for opposition members, journalists and human rights defenders, who increasingly became victims of harassment and human rights violations.

Between May 13–15, 2020, three female opposition members of the MDC Alliance were abducted, sexually abused and tortured. They were arrested after having participated in a demonstration aimed at drawing attention to the problem of hunger at a time when the nation was under a government-enforced lockdown. It was alleged the government facilitated their abduction by state security agents. The trio were found badly beaten and with their clothes torn, after being dumped in a pit in the bush.

In August 2020, a young student named Tawanda Muchehiwa was abducted in Bulawayo, enduring three days of physical and mental torture. He too was dumped on the roadside, with clear wounds and damaged kidneys. He later said his interrogators repeatedly asked about his uncle, journalist Mduduzi Mathuthu, who was reporting on government corruption.

The United Nations expressed concern about "a reported pattern of disappearances and torture that appear aimed at suppressing protest and dissent," naming 49 cases of abduction and torture in 2019. In addition, Human Rights Watch noted how unidentified assailants, suspected to be state security agents, abducted and tortured more than 70 critics of the government in 2020. The government responded to many of these abductions by stating they were stage-managed affairs to tarnish its image.

The above cases need to be understood as a continuation of a long trend of sustained pressure on democratic space and civil rights in Zimbabwe, especially since the 2018 elections. Among the high-profile cases in 2020 were the arrests of vocal MDC Alliance member of parliament Job Sikhala, prominent journalist Hopewell Chin'ono and student activist Allan Moyo.

In 2019, the government gazetted the long-awaited Marriage Bill, which aimed to align the marriage law to the constitution. The Marriage Bill outlaws child marriages, prohibiting marriage of boys and girls under 18. Furthermore, lobola or roora (customary bride wealth) are no longer a legal requirement for customary marriages. According to the new law, same-sex marriages will not be allowed, which follows the prohibition stated in the constitution. Zimbabwe's restrictive legislation, the Criminal Law Act, punishes same-sex conduct between men and contributes to the stigma of and discrimination against lesbian, gay, bisexual, and transgender people in Zimbabwe.

4 | Stability of Democratic Institutions

Performance of democratic institutions
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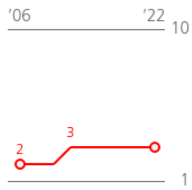

Public administration in Zimbabwe is guided by the interplay between the legislature, judiciary and the executive arms of government. Parliament usually performs its oversight role via portfolio committees. While some of those committees have tried their best to hold the government to account, high officials have resisted being subject to democratic scrutiny on several occasions.

With regards to local government in Zimbabwe, current legislation grants unfettered power to the minister of local government. This allows the minister to reverse or rescind council resolutions and requires councils to seek the minister's approval before certain acts may be done. This leads to continued tension between urban authorities (often dominated by the MDC Alliance) and the ZANU-PF led the government, particularly on issues of budget ratification and the appointment of key officials. ZANU-PF's centralized style of governance also leads to top-down decision-making when it comes to rural governance, which in turn leads to tensions with rural district councils. While there appears to be wide support for the need for devolution, the challenge has been the nature of implementation.

Another key challenge, highlighted repeatedly by the auditor-general's reports, is that of weak institutions, which are confronted by poor leadership, bad corporate governance, conflicted leadership, corruption and technological lag. These problems also occur in local authorities, which face corruption, misplaced priorities and poor-quality councilors.

The MDC Alliance and their leader Nelson Chamisa have consistently argued that the crisis in Zimbabwe is the result of an unresolved electoral legitimacy of the presidency. This has complicated various political processes, as the ruling ZANU-PF did not want to engage with Chamisa unless he acknowledged Mnangagwa as the legitimate president.

Commitment to democratic institutions

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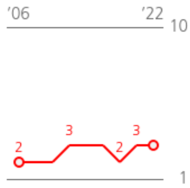


Moreover, both opposition and civil society have continued to raise questions about the legitimacy of particular institutions, for example, the Zimbabwe Electoral Commission (ZEC), which they believe is partisan and captured by the state. This sentiment is fueled by the intertwinement of ZANU-PF and the state.

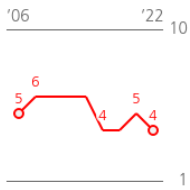
The so-called Chapter 12 independent commissions also struggle to perform their oversight duties. Like almost every government institution, the commissions have severe resource constraints, and must negotiate with a government that is ambivalent about their independence. This was the experience of the Zimbabwe Human Rights Commission when it issued its report about post-election violence, which was dismissed by the minister of justice as "biased and inaccurate." This is illustrative of the attitude of ZANU-PF, particularly its military elements, with regards to being held accountable by specific institutions. As a result, the government deliberately weakens institutions by not providing them resources.

5 | Political and Social Integration

Since it is relatively easy to register a political party in Zimbabwe, 107 political parties ran in the last elections in 2018. However, for over two decades, Zimbabwe's political landscape has been shaped by ZANU-PF, the ruling party, and the MDC Alliance, the main opposition party (the alliance was formed as an electoral bloc in 2017). This is illustrated by the composition of Zimbabwe's parliament, where ZANU-PF (179) and MDC-A (89) hold 268 of 270 seats.

Party system

4



In the past two years, the MDC-A has been weakened by leadership tensions and political wrangles, which have divided the opposition. A number of prominent (former) party leaders, including Thokozane Khupe and Douglas Mwonzora, contested the leadership of Nelson Chamisa through a series of legal battles. This led to a Supreme Court judgment which gave Khupe the right to use the party's old name (MDC-T), which in turn resulted in new legal battles over the opposition's resources.

Since its electoral victory in 2018, Mnangagwa's regime has intensified his predecessor's repressive politics against the political opposition. Mnangagwa has employed a cocktail of strategies and measures calculated to systematically dismantle the opposition. Apart from the arrests mentioned above, it is generally assumed that the regime has used its influence on the judiciary to ensure rulings in favor of the breakaway opposition faction, which it believes constitutes a more controllable opposition in parliament. These court interventions included the appropriation of the

MDC Alliance headquarters, party resources, and the recall of over 30 MDC-A legislators from parliament and city councils.

After years of intense factionalism within the ZANU-PF between the so-called G40 faction (with Grace Mugabe) and “Team Lacoste” (around current President Mnangagwa), reports of factionalism within the ZANU-PF continue. The increased presence of military elements in the state has led to new frictions within the ZANU-PF. The relation between President Mnangagwa and Vice President Chiwenga (a former commander of the army) is said to be volatile. Combined with the growing influence of so-called cartels in the ZANU-PF and the state, this continues to contribute to policy paralysis.

Thus, Zimbabwe’s political landscape continues to be extremely polarized. Although the need for national dialog to resolve Zimbabwe’s economic crisis is generally acknowledged, increased polarization has led to a continual political impasse, which also halted initiatives to develop multiparty processes. Zimbabwe’s party system is further weakened by the very personalized nature of Zimbabwean politics, centered around party leaders.

Interest groups

4

There is a wide range of industrial, commercial, employers, miners and farmers associations in Zimbabwe, although some of these groups are not independent because they are (partly) incorporated by the government. In past decades, a wide range of civil society organizations (CSOs) and social movements have emerged in bid to fight for social justice and political change.

The roots of the antagonism between the ruling party and the state it controlled on the one hand, and the CSOs, on the other, can be traced to the period around 2000. The interplay between authoritarianism and economic crisis fueled this antagonism. The growth of CSOs in the governance and human rights sectors sped up after 2000 as a response to the upsurge in repression and election irregularities.

It was CSO activity in these sectors that drew the ire of the state, resulting in severe human rights violations against activists. It should be noted, though, that the majority of CSOs, such as those in the development and social service sectors like health, enjoyed reasonably good working relations with the state. At the same time, members of groups from outside the capital, Harare, particularly those from Matabeleland, often feel marginalized.

While relations with ZANU-PF were difficult at best, there was a “special relationship” between some of these CSOs and the MDC, especially between 1999 and 2005, built on shared values and rejection of authoritarianism. Furthermore, a number of social movements and CSOs were involved in the founding of the MDC. This special relationship influenced the effective watchdog role of CSOs, as they had difficulties criticizing internal democracy and leadership issues in the MDC.

The continued economic crisis and the decline in donor funding has severely weakened the capacity and programs of Zimbabwean CSOs in recent years.

There is no public opinion survey data available to assess how strong the citizens' approval of democratic norms and procedures is.

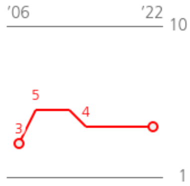
Approval of democracy

n/a

According to Afrobarometer surveys from 1999 through 2018, adult Zimbabweans have regularly been asked, "generally speaking, would you say that most people can be trusted or that you must be very careful in dealing with people?" On average, more than eight out of 10 adult citizens felt they had to be very careful. During the latest survey in 2018, 89% of respondents indicated the need to be careful, which implies that Zimbabweans do not trust each other. The survey further notes that most adult Zimbabweans (75%) are not members of voluntary associations, although rural residents are more likely to join voluntary groups than their urban counterparts.

Social capital

4



The continued, worsening economic crisis is likely to play a role here. However, despite the severity of the economic crisis, Zimbabweans throughout the country mobilized support for the victims of cyclone Idai in 2019, which affected the area around Chimanimani. This is illustrative of the various private initiatives that respond to urgent calls for support in times of distress. Similarly, societal responses to COVID-19 demonstrated that social solidarity on the local level is substantial.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question Score

According to the latest World Bank data, poverty levels increased sharply in 2019. The World Bank estimates the number of extreme poor to have reached 6.6 million in 2019, double the level of 2011. Extreme poverty levels reached 40% of the population in 2019, up from 30% in 2017, with urban poverty increasing more (from 4% to 10%) than rural poverty.

Socioeconomic barriers

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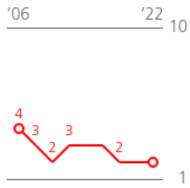


Poverty levels are projected to rise further in 2020, due to the continuing economic contraction and sharp rise in prices of food and basic commodities. The World Bank projects the number of extreme poor to further increase to 7.6 million (over half the population) in 2020. At the end of December 2020, the U.N. indicated that seven million Zimbabweans were in need of food aid, resulting from a substantial decline in agricultural production and high food prices.

Additional figures show that, according to the World Economic Forum's Inclusive Development Index, Zimbabwe's net income Gini coefficient is 44.3. In 2019, Zimbabwe's Gender Inequality Index (GII) stood at 0.527. The UNDP reported that Zimbabwe's Human Development Index in 2019 was 0.571, which ranked Zimbabwe 150th out of 189 countries.

Zimbabwe's highly informalized economy meant the COVID-19 restrictions exacerbated the crisis for many Zimbabweans, as it became increasingly hard for poor families to afford a nutritious diet with incomes drying up due to the lockdown.

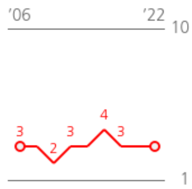
Economic indicators		2017	2018	2019	2020
GDP	$ M	19015.3	19523.6	16932.4	**16768.5**
GDP growth	%	4.7	3.5	-8.1	**-8.0**
Inflation (CPI)	%	0.9	10.6	-	**-**
Unemployment	%	5.2	5.1	5.0	**5.7**
Foreign direct investment	% of GDP	1.3	3.8	1.7	**-**
Export growth	%	4.8	-29.3	-	**-**
Import growth	%	3.2	-25.3	-	**-**
Current account balance	$ M	-307.8	-	-	**-**
Public debt	% of GDP	54.4	61.5	113.9	**86.1**
External debt	$ M	12510.4	12620.1	12244.5	**12740.7**
Total debt service	$ M	715.4	606.1	1587.5	**980.7**
Net lending/borrowing	% of GDP	-10.9	-6.3	-	**-**
Tax revenue	% of GDP	14.7	12.6	-	**-**
Government consumption	% of GDP	20.0	15.7	-	**-**
Public education spending	% of GDP	5.4	3.6	-	**-**
Public health spending	% of GDP	1.7	1.3	-	**-**
R&D expenditure	% of GDP	-	-	-	**-**
Military expenditure	% of GDP	1.5	1.2	0.7	**-**

Sources (as of December 2021): 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

Market organization

3



The main challenges confronting the economy are high levels of foreign and domestic debt, poor infrastructure, policy inconsistencies, political uncertainty, corruption and low capacity utilization. As a result of economic woes, Zimbabwe's economy is mostly informal, with an estimated 90% of the population working in the informal sector. Public enterprises rank among the worst performers and have become the epicenter of rent-seeking behavior to the extent that their contribution to the economy plummeted from around 60% to about 2% of GDP, with 70% of the parastatals deemed technically insolvent.

According to the 2020 Index of Economic Freedom, Zimbabwe's economic freedom score was 43.1, ranking it the 174th freest economy in the world. Regionally, Zimbabwe ranked 45th out of 47 countries in the sub-Saharan Africa region. In addition, the country continues to rank low on other indicators, such as global competitiveness (127th out of 141 countries, 2020) and ease of doing business (140th out of 190 countries, 2020).

These scores are further reflected in the uncompetitive nature and organization of the formal economy, which is largely dominated by cartels. An explosive study published by the South African newspaper, Daily Maverick, in February 2021 exposed cartel power dynamics in Zimbabwe in detail. It showed how political patrons are at the heart of almost all cartels, which dominate the transport, mining, energy and agricultural sectors. The report demonstrated that this costs Zimbabwe billions of dollars per year, while it entrenches the political elite's hold on power, hinders democratization, damages service deliveries to citizens and creates an uncompetitive business climate. Furthermore, Zimbabwe's institutions for regulating property rights, law and finance are actively abused to facilitate rent-seeking by cartels.

In general, Zimbabwe's economy remains unstable because of extreme government interference and mismanagement. During the period of the Government of National Unity (2009 – 2013), Zimbabwe recorded the best growth rates in the sub-Saharan Africa region, with an all-time high of 12.9% in 2012. What accounted for the rebound during the GNU period was fiscal discipline and the adoption of a multi-currency regime that stabilized the macro-economy and inflation, even in the absence of structural reforms.

Competition policy
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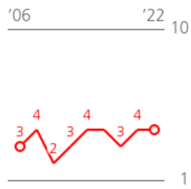
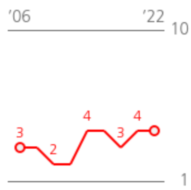


The competition law was introduced in Zimbabwe in 1996 through the Competition Act, Chapter 14:28. The autonomous Competition and Tariff Commission (which is also a member of the International Competition Network) is the statutory body mandated with implementing the competition law, which mainly prohibits restrictive and unfair business practices. However, while the competition policy advocates non-discrimination in the treatment of business enterprises, there are certain sacred cows that receive preferential treatment. The involvement of very senior political and military figures in a range of cartels limits effective enforcement. In fact, these heavyweights often use their political powers to promote and strengthen their business interests.

The fact that certain state-owned enterprises receive financial and administrative support from the government inhibits fair competition in the relevant markets where private firms compete. More importantly, Zimbabwe's government frequently works with subsidies, particularly in the agricultural sector, which often lead to market distortions. Partly informed by the dire financial situation, current Finance Minister Mthuli Ncube removed a number of subsidies in the past two years, for example, those on fuel, electricity, grain and wheat. This immediately led to a huge increase in costs for Zimbabweans, which, in some cases, forced the government to reinstate subsidies.

Liberalization of foreign trade
4



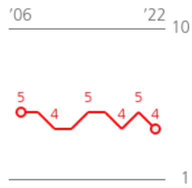
Since the 1990s, Zimbabwe has largely pursued a trade liberalization agenda, following immense pressure to liberalize the economy from the World Bank and the IMF. This led to the launch of the Economic Structural Adjustment Program in the 1990s, with the aim of creating a free market and liberalizing import and exports. The adoption of ESAP entailed a fundamental shift from the state intervention system to one largely driven by market forces, which many economists believe was one of the triggers for the economic crisis the country later experienced. The reorientation of public spending meant the government had to remove subsidies to socially important sectors like health, education and agriculture.

Zimbabwe is a member of the World Trade Organization. It further belongs to the 22-nation Preferential Trade Area (PTA) of Eastern and Southern Africa, which provides for reduced duties on imports from member countries subject to certain rules of origin. Zimbabwe is also a member of a number of other regional trade agreements, which provide frameworks for the further liberalization of trade. In February 2020, Zimbabwe officially joined the African Continental Free Trade Area (AfCFTA), which aims to create a single continental market for goods and services, and eventually envisages the establishment of a customs union. Lastly, Zimbabwe also has bilateral trade agreements with South Africa, Botswana, Namibia, Malawi, Mozambique and Zambia.

In 2012, Zimbabwe signed the Economic Partnership Agreement (EPA) with the European Union (EU). The agreement is aimed at removing trade barriers with the EU, which is one of Zimbabwe's major trading partners after South Africa. However, one of the concerns about the EPA is that the implementation of the agreement requires capacity-building, an area in which Zimbabwe is weak. A further concern is that the country lacks manufacturing and export diversity, because of lack of competitiveness and the high cost of exporting, which in turn are due to industrial capacity constraints, de-industrialization and informalization. Despite continued sanction rhetoric from ZANU-PF, Zimbabwe enjoyed a positive trade balance with the EU in the period from 2015 to 2019.

Banking system

4



The banking sector in Zimbabwe is composed of a variety of banks. The sector is governed under the Banking Act with the direct supervision of the Reserve Bank of Zimbabwe (RBZ). Zimbabwe issued the Basel Capital Accord (aimed at safeguarding overall stability and boosting capital positions) in 1988. Subsequent financial crises led to widespread distrust of the formal banking system among Zimbabweans. This paved the way for mobile money services, with Ecocash being used by closely 90% of Zimbabweans. In the last quarter of 2019, mobile money accounted for 85% of transactions and 22.6% of value according to the RBZ. The RBZ regulatory restrictions on mobile money transactions imposed in June 2020 therefore had a major impact. Users were restricted to one mobile wallet, a reduced daily transfer limit and a ban on making transactions through mobile money agents (which meant close to 50,000 agents lost their sources of income) Since many Zimbabweans increasingly relied on mobile money platforms for bill payments and receipt of remittances, particularly in light of extended COVID-19 lockdown measures, the move significantly affected people's lives.

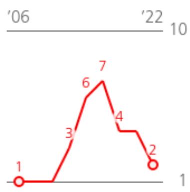
The 2021 national budget stated that the financial sector remained strong and adequately capitalized. The low loan-to-deposit ratio was 36.75% at the end of September 2020, reflecting cautious lending approaches by banks. Loans to the productive sector constituted almost 85% of total banking sector loans. The quality of the banking sector's loan portfolio continued to improve as reflected by the decline in non-performing loans (NPLs) from 1.03% on June 30, 2020 to 0.41% on September 30, 2020. It was noted all banks were generating profits, with total banking profits up from ZWL2.09 billion in 2019 to ZWL 23.37 billion i n 2020. However, leading Zimbabwean economists questioned the government's depiction of the banking sector, as nearly all indigenous banks have collapsed. The most important critique was that banks are denominated in Zimbabwe dollars, which are susceptible to erosion. Furthermore, the so-called profits are derived not from banking's core business, which is lending, but from non-core activities, especially in the form of bank fees. These fees affect ordinary Zimbabweans, as they are charged for each transaction, while their deposits don't accrue interest.

In an attempt to ensure the stability of local financial institutions, the RBZ revised the capital requirements for banks in February 2020. Large and foreign banks will be required to have a minimum of $30 million, whereas smaller banks must have a minimum of $20 million. With regard to the 2021 national budget, Finance Minister

Ncube stated that, because of the prevailing challenging environment, exacerbated by the COVID-19 pandemic, the deadline for banks to comply with the new minimum capital levels has been extended by one year to December 31, 2021.

8 | Monetary and fiscal stability

Monetary stability
2



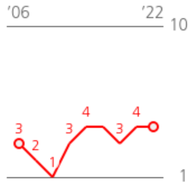
Zimbabwe experienced turbulent years in terms of its monetary policies, with continued instability, significant currency changes and skyrocketing inflation. In its desire to have its own currency again, the government officially adopted the electronic real-time gross settlement (RTGS) dollar in February 2019, alongside bond notes and multiple foreign currencies. In June 2019, the use of the U.S. dollar and other foreign currencies was outlawed for most transactions (a move which was later revoked), and Zimbabwe dollar notes were reintroduced in October 2019.

From the time of its introduction, the value of the local currency plummeted. The original notion that the RTGS dollar equaled the U.S. dollar could not be maintained. Financing the fiscal deficit with the Reserve Bank of Zimbabwe (RBZ) overdraft facility and treasury bills created liquidity challenges, as banks lacked the U.S. dollar reserves needed for convertibility. Demand for cash exceeded supply, leading to a continuing increase in the parallel market premium for the dollar, which undermined the viability of the financial and foreign exchange regime. As a result, the local currency quickly lost its value against its benchmark, the USD, inflation skyrocketed and a parallel market emerged, which benefited those with access to foreign currency.

In 2020, year-on-year inflation rose from 540.2% in February, to a record 837.5% in July, one of the highest inflation rates in the world. In June 2020, the government introduced a foreign exchange auction system, which led to relative stability in foreign exchange with the exchange rate set at 1USD: ZWL 81 from July to year end. The adoption of the auction system, combined with reining in lack of discipline in the financial markets, slowed down inflation figures, which dropped to 348% in December. Furthermore, the parallel market exchange rate premium, which had reached over 300% at the time the auction was introduced, declined to 10%.

The role of the Reserve Bank of Zimbabwe (RBZ) has been highly contested for decades, particularly in fueling the hyperinflation in 2007 with the continuous printing of money. Moreover, its quasi-fiscal activities, mostly informed by partisan motivations, worsened Zimbabwe's debt position and led to an untenable overdraft. The recent report on Zimbabwe's cartels also showed the dubious role of the RBZ in providing cheap foreign currency to senior political and military figures, who benefit from an official rate which is substantially lower than the parallel market exchange rate.

Fiscal stability
4



According to the IMF, Zimbabwe is classified as “in debt distress.” Domestic debt has grown in recent years due to large fiscal deficits, quasi-fiscal activities by the Reserve Bank of Zimbabwe (RBZ), which include the accumulation of parastatal debt, a large public wage bill and negligible access to external finance. Domestic debt, which was negligible around 2013, reached ZWL12.5 billion by the end of 2020. As highlighted by local watchdogs, this mainly happened through the assumption of debt by the Zimbabwe Asset Management Company, which took over non-performing loans and debts resulting from government agricultural programs. However, the value of domestic debt, in real terms and as a percentage of GDP, has fallen drastically since the introduction of the Zimbabwe dollar and the redenomination of domestic debt into the new currency in 2019. The new currency and its subsequent depreciation led to a significant decline in domestic debt from $8,398 million (37% of GDP) in 2018 to $535 million (3% of GDP) in 2019. Another contribution to fiscal consolidation were government measures to bring down employment costs, which constituted to 78.3% of total revenues (and over 90% with pensions included). Employment costs declined to 61% in 2018 and expected to decline further to 42% at the end of 2020.

At the end of 2020, Zimbabwe’s external debt stood at $8.2 billion. Multilateral external debt accounted for $2.65 million, of which 90% are arrears. Bilateral debt is estimated around $5.56 billion, of which 71% are arrears.

Zimbabwe’s most productive sectors faced output and employment losses because of the COVID-19 pandemic. In response, the government instituted a stimulus package equivalent to 9% of GDP (ZWL18.02 billion). It is important to note that this was not new money, but based on reprioritization of the 2020 budget. In April 2020, President Mnangagwa, in conjunction with the United Nations, further launched the Domestic and International Humanitarian Appeal for assistance for $1.8 billion, which included $300 million for COVID-19 support in line with government’s national COVID-19 preparedness and response plan. In the same month, the G20 agreed on debt relief measures for 73 lower income countries in order to support them in fighting the impact of COVID-19. Zimbabwe was on of that list, but due to payment arrears to the World Bank, was subsequently removed.

9 | Private Property

Property rights
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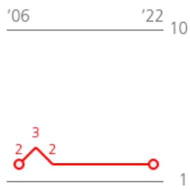
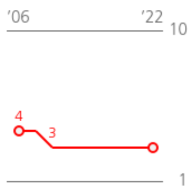


The free movement of assets and trading of private property is guaranteed in Zimbabwe, but in reality this is one of the most contentious issues in the country. The land reform program, which resulted in thousands of white farmers being violently evicted from their land without compensation, was one of the most divisive policies of the Mugabe era. Furthermore, years of threats of indigenization laws posed a risk to international investors.

In 2020, Zimbabwe agreed to an historic $3.5 billion deal, which is envisaged to compensate white farmers for the infrastructure on their farms, but not the land itself. The government hopes the deal will restore international confidence in Zimbabwe and attract the much-needed foreign investment. However, given Zimbabwe's dire situation, there is not enough money to pay the farmers and so the government is issuing long-term bonds and planning to fundraise from international donors.

On the property rights index, a subcomponent of the Index of Economic Freedom measuring the degree to which a country's laws protect private property rights and enforces those laws, Zimbabwe scores 27 out of 100. This makes Zimbabwe one of the lowest-scoring countries in sub-Saharan Africa.

Private enterprise
3



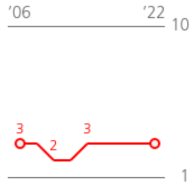
At the end of 2018, the government introduced the Transitional Stabilization Program (TSP), a short-term program (2018 – 2020) aimed at macro and fiscal stabilization. As part of this, the government committed to introducing a set of reforms to improve the efficiency and governance of public enterprises to reduce their recourse to the fiscus. These include improved monitoring of public enterprises balance sheets, incomes and debt levels. The auditor-general pointed out non-compliance and lack of accountability and transparency in state-owned enterprises as major constraints on their performance. Over the years, their contribution to the economy decreased from 60% to around 2%. The Public Accounts Committee further observed rampant misuse of public funds.

Decisions were made for each enterprise regarding full or partial privatization, de-mergers, outright disposals, formation of strategic partnerships or reverting to government department status. Although progress on public enterprises reforms has been rather slow, a number have taken place. For example, the de-merger of the Grain Marketing Board into GMB Strategic Grain Reserve and Silo Foods has been completed. Other processes underway include the unbundling of the Civil Aviation Authority and the approval of the joint venture of the Zimbabwe Consolidated Mining Company (ZCDC) with Russian diamond miner, Alrosa.

Zimbabwe's private sector continues to face a wide range of challenges. The deindustrialization trend in Zimbabwe continued with projected manufacturing activity further falling to 27% in 2020, according to a study by the Confederation of Zimbabwe Industries (CZI). The CZI study highlighted the currency problem faced by 88% of companies, of which 53% obtain less than 10% of what they require. For manufacturers who rely on imported raw materials, forex scarcity remains a serious challenge. A good example was the intermittent beer and soft drink supply, Delta Corporation, which at times failed to secure the forex to purchase raw materials. Other challenges to the private sector include inadequate infrastructure, power shortages and high electricity prices. Lastly, access to credit lines is limited for most small-scale manufacturers, who often lack the necessary collateral.

10 | Welfare Regime

Social safety nets
3



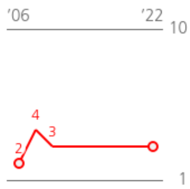
According to the latest World Health Organization data published in 2018, life expectancy in Zimbabwe was 61.4 years, with a life expectancy of 59.6 years for men and 63.1 years for women. This ranked Zimbabwe 162nd in the world according to the World Health Rankings, which is relatively good compared to other sub-Saharan African countries. Zimbabwe's national social protection strategy framework is centered on the need to reduce social and economic risks and vulnerability. In the first 15 years of Independence, Zimbabwe had a well-functioning social security system. As stated in the 2021 National Budget, "the challenging environment facing the country has resulted in increases in the number of vulnerable households while the capacity of the existing social safety nets has equally deteriorated."

The challenges faced by Zimbabwe's pension system are exemplary of this deterioration. Two decades of mismanagement, economic crisis and severe currency shifts repeatedly led to losses in the value of pensions. The currency change and inflation in 2019 devalued pensions to around 10 times less than their value in 2018 while, at the same time, prices continued to rise. This meant that despite the three-month COVID-19 support payment of $30 for retired civil servants in June 2020, most pensioners could still not afford their monthly basic commodities. The same was true for vulnerable people eligible for the government's COVID-19 stimulus package. The government allocated ZWL2.4 billion for COVID-19 cash transfers to cushion the vulnerable. Thus far, there are over 200,000 beneficiaries in the database, who are said to be receiving monthly allowances of ZWL300 ($3.69) per household.

One of the weaknesses of Zimbabwe's social system is its over-reliance on development partner funding. In this regard, there are also worries about the increased politicization of food aid. Lastly, lack of coordination, fragmentation and high administrative costs undermine the efficiency of social protection programs.

Given Zimbabwe's long-lasting crisis, diaspora payments, particularly from South Africa and the UK, are of considerable importance to numerous Zimbabweans families. In early 2020, the World Bank projected global remittances would decline by as much as 20%, as a result of the impact of global COVID-19 lockdowns on the employment opportunities of those in the diaspora. However, according to Reserve Bank of Zimbabwe figures, remittances to Zimbabwe were at a record high in 2020, with over $1 billion sent home by Zimbabweans in the diaspora.

Equal opportunity
3



Zimbabwe's constitution provides a strong framework for the protection and promotion of equal rights, which promotes "full participation of women in all spheres of Zimbabwean society on the basis of equality with men." Zimbabwe is a signatory to a number of international agreements on gender equality, including various U.N. Conventions and Southern African Development Community (SADC) declarations. However, women and girls in Zimbabwe continue to face great gender disparities and strong societal discrimination.

Only 34.6% of parliamentary seats are currently held by women, mostly through the system of Proportional Representation (PR), which reserves 30% of the seats in parliament for women. In November 2019, the cabinet approved a constitutional amendment to extend the PR quota (due to expire in 2023) for another ten years. In December 2020, President Mnangagwa signaled his support for a women's quota in local government, where just 14% of councilors are women (compared to 18% in 2013). According to 2019 U.N. statistics, 59.8% of adult women have achieved at least a secondary level of education, compared to 70.8% of their male counterparts. Female participation in the labor market is 78.1% compared to 89% for men.

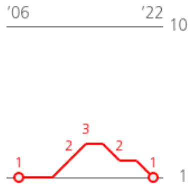
According to the Zimbabwe Demographic Health Survey (2016), one in three women have experienced gender-based violence, while one in four has experienced sexual violence. A problem in this regard is that the state has increasingly perpetrated violence against women. A drastic example was the continued targeting of the MDC-A trio, Mamombe, Chimbiri and Marova, who were abducted, assaulted and sexually abused, and subsequently arrested and detained multiple times.

Women have been hit disproportionally hard by the effects of COVID-19. Restrictive measures affected informal workers, agricultural workers and traders, which are the occupations of many women. Most frontline health workers, who were often treating COVID-19 patients without personal protective equipment, are women. The pandemic has further magnified the public health crisis. Women struggle to access maternal, prenatal and other medical services. The worsened financial and food insecurity has raised tensions in households, resulting in increased reports of gender-based violence. Furthermore, strong gender division ideologies meant that the responsibility for caring for children and sick family members fell on their shoulders.

11 | Economic Performance

Output strength

1



Zimbabwe's economic crisis was further exacerbated by COVID-19. According to the IMF, Zimbabwe's economy contracted by 12.8% in 2019. Projections for 2020 are a further contraction of 10.2%. The combined impact of recurring droughts, a lack of effective fiscal and monetary management, severe austerity measures, and the impacts of Cyclone Idai and the COVID-19 pandemic all contributed to poor economic performance and double-digit contraction in key sectors. The agricultural sector contracted 17.8% in 2019, while Zimbabwe's mining sector didn't benefit from the global mineral price recovery and contracted by 12.4% in 2019. The effects of COVID-19 particularly affected exports, manufacturing and tourism.

After the economic crisis in the 2000s, foreign direct investment (FDI) flows to Zimbabwe gradually improved beginning in 2009, owing to a period of relative macroeconomic stability under the Government of National Unity (2008 – 2013). Although UNCTAD figures show FDI inflows into Zimbabwe increased from $349 million in 2017 to $717 million in 2018, this was only associated with one large project (Sinosteel). FDI inflows declined to $249 million in 2019 and are projected to decline further to $150 million in 2020, due the country's perceived increased risk and the impact of the COVID-19 pandemic. What has further undermined FDI are unpredictable government policies, the unstable political and economic climate, corruption, and, until recently, the indigenization law that required foreign investors to yield 51% of their capital to Zimbabweans.

Zimbabwe recorded a record inflation rate of 837.5% in July 2020. A set of government measures resulted in increased fiscal stability and a gradual decrease in inflation figures, which was 348% in December 2020 and projected to decrease to 135% in 2021. Zimbabwe further recorded an improved account balance, according to the Reserve Bank of Zimbabwe, as the account deficit of $1.4 billion in 2018 was followed by a surplus of $311.2 million in 2019.

According to Zimbabwe's 2021 national budget, cumulative revenue collections for the first nine months of 2020 stood at ZWL88.7 billion, against a target of ZWL72.2 billion. Tax revenues amounted to ZWL86.6 billion, mostly from taxes on income and profit (35%), VAT (25%) and excise duty (14%).

At the end of 2020, Zimbabwe's external debt stood at $8.2 billion, of which over 70% was accumulated arrears. Public & Publicly Guaranteed Debt is estimated to be 78.7% of GDP by the end of 2020, above the SADC threshold of 60% and the Public Debt Act statutory threshold of 70% of GDP.

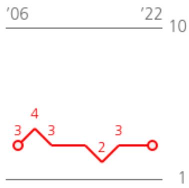
Unemployment statistics in Zimbabwe have always been controversial, as the Zimbabwe authorities also include people working in the informal sector and communal agriculture sectors as employed. Whereas the official unemployment rate was 5% in 2020, economists estimate unemployment figures around 85 –90%.

After a GDP per capita growth of 3.2% in 2017 and 3.4% in 2018, Zimbabwe experienced a decline in GDP per capita growth of -9.4% in 2019 (at $ 2,953). The Gross Capital Formation (formerly Gross Domestic Investment) stood at 9.3% of GDP, which ranks Zimbabwe among the lowest in the region.

12 | Sustainability

Environmental policy

3

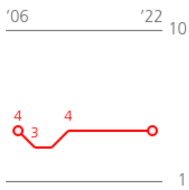


Zimbabwean law, through the Environmental Management Act, provides for the sustainable management of natural resources, protection of the environment, and prevention of pollution and environmental degradation. However, the government has failed to demonstrate a strong commitment to environmental issues, with a lack of implementation and enforcement of existing laws, policies and regulations. This is, for example, evidenced by continued wetland degradation in Harare as a result of housing and industrial development. Furthermore, the government frequently allows mining in protected areas and other locations with critical ecosystems. Moreover, veldfires and deforestation mean hundreds of thousands of hectares of forest are destroyed each year. The Environmental Management Authority lacks regulatory powers, as evidenced by the lack of action against mines that damage the environment.

The Ministry of Energy and Power Development is exploring ways to integrate renewable energy into the nation’s energy power mix, exploring the possibility of developing 500MW in solar parks. Furthermore, Zimbabwe and Zambia are planning to build the joint Batoka Gorge hydroelectric power plant. Among the private sector and consumers, solar energy has become increasingly popular in the past decade.

Education policy / R&D

4



One of Zimbabwe’s main post-independence achievements is the quality, expansion and equality in the nation’s education system. For decades, Zimbabwe was believed to have one of the best education systems in Africa, with one of the highest literacy rates on the continent. The latest available World Bank data on the literacy rate placed it at 88.7% (2014). Today, Zimbabweans continue to find education important, but years of economic crisis resulted in inadequate public investment in primary and secondary education. However, Zimbabwe still scores 0.587 on the U.N. Education Index, which ranks it higher than most of its neighbors.

In 2018, Zimbabwe allocated 5.9% of GDP to education. However, it is important to note that 90% of the allocation to primary and secondary education are for employment costs. This underfunding has severely negatively impacted the quality of education.

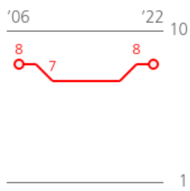
Moreover, relations between teachers and government have been on edge in the past two years, following a series of teacher strikes. Since they suddenly began to be paid in the local ZWL currency, teachers' salaries were slashed from around \$500 to \$30 in 2019, which teachers stated was not enough to pay for their basic needs and the education of their own children. Several teacher union leaders were arrested and jailed for their participation in strikes, with the latest case being that of Sheila Chisirimunhu, who was arrested and detained after being arrested while protesting against low salaries. Toward the end of 2020, the government offered a significant pay raise to teachers in attempt to end their latest strike, which included a 10% COVID-19 risk allowance.

Governance

I. Level of Difficulty

Structural constraints

8



Zimbabwe is a landlocked country, which thus depends largely on neighboring countries for bulk imports and exports. This dependence on neighboring countries for external trade means that the country incurs huge transaction and transport costs due to inadequate infrastructure and bottlenecks. Zimbabwe has only one land border post (Beitbridge) with its largest trade partner, South Africa.

Zimbabwe is further affected by the effects of climate change and resulting climate shocks. In recent years, Zimbabwe endured severe droughts, which affected agricultural production and livelihoods. The country increasingly suffers from natural disasters such as heavy rains and resulting floods, and cyclones. When cyclone Idai struck the Chimanimani district in 2019, over 250 people died. Zimbabwe continues to have one of the highest HIV rates in sub-Saharan Africa at 12.8%, with 1.4 million people living with HIV in 2019.

In terms of infrastructure, Zimbabwe has one hydropower plant and four coal-fired generators with a total combined capacity of 2,240 MW, which is just enough to meet the country's demand. However, continuous droughts meant the Kariba hydropower plant has produced far less of its envisaged outputs. Furthermore, because of poor maintenance of other plants, power generation was below capacity. There are a number of projects underway to increase Zimbabwe's power generation.

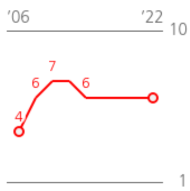
There has been a general deterioration in the quality of infrastructure due to low levels of capital expenditure for maintenance. This has severely impacted the productive sectors and contributed to the further deindustrialization of Zimbabwe's economy. The COVID-19 pandemic almost paralyzed a number of Zimbabwe's productive sectors through output and employment losses, with tourism and manufacturing being the most affected sectors.

Although Zimbabwe has one of the highest reported literacy rates at around 90%, the lack of investment in education is also affecting its quality. Furthermore, as a result of the continued economic crisis, several rounds of brain drain mean a large portion of Zimbabwe's highly educated professionals are working and living abroad. It is estimated over three million Zimbabweans are currently in the diaspora.

Like most sub-Saharan countries, Zimbabwe was relatively spared from COVID-19 throughout 2020. However, since the beginning of 2021 there has been a steep rise in the number of COVID cases. As of February 2021, there were more than 30,000 infections and nearly 1,000 deaths, which included four cabinet ministers and several senior officials.

Civil society traditions

6



During the 1990s, two major developments led to the emergence of a wide range of social movements and civil society organizations (CSOs) in Zimbabwe. First, the deteriorating economic conditions due to economic mismanagement and the Economic Structural Adjustment Programs led to strong civic campaigns led by the labor and student movements. These drew a great deal of support from their articulation of socioeconomic grievances that included hyperinflation, unemployment, a high cost of living and a deterioration of basic social services, such as health, education and water. Second, the formation of a constitutional reform movement under the National Constitutional Assembly (NCA, led by Morgan Tsvangirai) in the late nineties showed the growing influence and resonance of CSOs, as the government lost the constitutional referendum in 2000.

The growth of CSOs in the governance and human rights sectors accelerated particularly after 2000 in response to the upsurge in repression and election irregularities. The regime responded by putting into effect a raft of laws to restrict basic freedoms of assembly, expression and participation. The substantial donor support Zimbabwe's civil society received during the 2000s is widely believed to have further contributed to a thriving civil society. During this period, Zimbabwean CSOs created a number of influential coalitions and networks that coordinated the efforts of civil society with regard to specific topics. Examples of such membership-based coalitions include the Crisis in Zimbabwe Coalition (focusing on democratization) and the Zimbabwe Human Rights NGO Forum (a network of human rights organizations) and the Zimbabwe Elections Support Network (ZESN).

A combination of declining donor funding, the economic crisis, repression by the state and a lack of civil society engagement have severely weakened the state of civil society in Zimbabwe. However, the crackdown in January 2020 illustrated the strength of certain civil society organizations and the response mechanisms they have developed, with support for human rights activists from the Zimbabwe Lawyers for Human Rights (ZLHR) being a notable example.

Conflict intensity

6

With the emergence of an opposition movement, the post-2000 period in Zimbabwe entailed an increased polarization of politics and society between the ZANU-PF and MDC. One of the worst examples of state-sponsored violence was the aftermath of the first round of the 2008 elections. The resulting run-off was marred by violence against opposition leaders and supporters, who were beaten, tortured, kidnapped and killed. The campaigns of violence by Zimbabwe's security forces instilled fear in Zimbabwe's citizens, which continues to influence their political participation to this day.

The current ongoing stalemate between the ZANU-PF and the MDC-A is indicative of the continued polarized environment in Zimbabwe. Throughout the past two years, the need for a national dialog dominated discussions on Zimbabwe, but the ZANU-PF and MDC-A did not share a dialog platform as they could not agree on the parameters of such a process. President Mnangagwa insisted on using the Political Actors Dialog (POLAD) platform he created, but the opposition questioned the set-up and did not join. Other, more inclusive dialog initiatives, for example, those offered by the churches, failed to materialize due to the unwillingness of the key political actors to join.

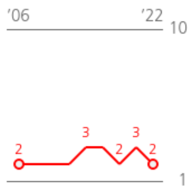
Since assuming power in 2017, Mnangagwa has intensified repressive politics against the opposition, particularly in the past two years. This has been done through a series of measures calculated to systematically dismantle the opposition. Throughout 2020, several high-profile MDC-A members, including party spokesperson Fadzayi Mahere, Harare Mayor Jacob Mafume, Vice President and former Minister of Finance Tendai Biti and Member of Parliament Job Sikhala, faced arbitrary arrests and lengthy pretrial detentions. Democratic space continued to shrink in 2020, with an increase in repression of opposition members, activists, journalists and other actors.

II. Governance Performance

14 | Steering Capability

Question
Score

Prioritization
2



Zimbabwe's history is marked by incidents in which short-term power deliberations and the preservation of the ruling regime's self-interest overrode long-term national interests. Mugabe's 37-year-long rule is littered with cases of political expediency, which seriously impacted Zimbabwe's development trajectory. Serious discontent among Zimbabwe's war veterans in 1997 posed a threat to the regime and led Mugabe to award an estimated 50,000 war veterans a one-off pay-out of over $4,000 and a monthly pension of $140. Since these were not budgeted for and amounted 2.6% of GDP, this compensation package was one of the initial triggers for the economic decline of the past decades. Similarly, the controversial Fast-Track Land Reform Program of 2000 had a devastating effect on Zimbabwe's agricultural sector. It contributed heavily to Zimbabwe's economy shrinking 15% in the following two years. The current Mnangagwa regime has failed to fulfill its promises of economic and democratic reforms and appears to be mostly driven by self-preservation imperatives.

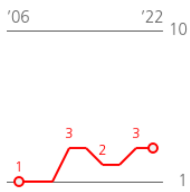
The constitutional alignment exercise, which should align Zimbabwe's laws to the constitution adopted in 2013, is still not complete. Although around 160 laws out of

206 acts have been amended, a significant number of key provisions have still not been aligned. These include crucial democratic reforms, such as the Electoral Act and ensuring independence of the Zimbabwe Electoral Commission. Instead of completing the constitutional alignment exercise, the ZANU-PF proposed contested constitutional amendments in 2020 aimed to further centralize power and limit independent oversight.

In this regard, Zimbabwe’s derailed negotiations with international financial institutions limit the government’s maneuvering room. Ultimately though, it has been the lack of political will to implement the necessary political and economic reforms that overrides strategic policymaking and prioritization.

Implementation

3

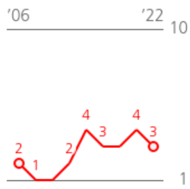


In the past two decades, different Zimbabwean governments have formulated various long-term policy frameworks. However, there has been a failure to implement the majority of programs, which meant the government mostly resorted to short-term and makeshift policy responses. For the period of 2013 – 2018, the ZANU-PF-led government introduced the Zimbabwe Agenda for Sustainable Socioeconomic Transformation (ZimAsset). The implementation of this economic blueprint mostly failed, particularly the promise to deliver 2.2 million jobs. Limited funding capacity (the government indicated it needed $27 billion for the program), mismanagement and policy inconsistencies affected implementation.

Ahead of the 2018 elections, the Mnangagwa administration promised to build 300,000 houses per year until the 2023 elections. However, it soon had to admit its failure to meet the set target. In 2020, the responsible minister indicated that 20,000 houses would constitute a good result. More recent examples of policy frameworks adopted by the current government are the Transitional Stabilization Program (TSP), the Motlanthe Commission recommendations, and agreements with international financial institutions in the form of the Lima Agreement and an IMF Staff-Monitored Program (SMP). However, there has been widespread disappointment, both domestic and internationally, about the lack of implementation of envisaged policies and reforms. After its Article IV consultation process in 2020, the IMF concluded that the SMP was off track because of uncoordinated and uneven implementation of reforms. It should be noted that the government managed to implement a number of fiscal consolidation and austerity measures. Policy implementation is affected by a range of constraints, including inadequate financial resources, corruption, poor sequencing of events, policy inconsistencies, mismanagement and, most importantly, a lack of political will.

Zimbabwe’s 2021 budget focused on the strategic priorities for economic recovery and growth, taking into account the effects of the COVID-19 pandemic. The budget marks the transition from the TSP (2018 –2020) to the longer-term National Development Strategy: 2021-2025 and toward Vision 2030 with the objective of achieving a middle-income status economy.

Policy learning
3



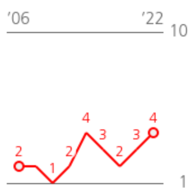
Sadly, the ZANU-PF's policy learning has been mostly focused on preserving power and maintaining their system of control. The 2013 election was an illustration of the ZANU-PF's ability to adjust. The overt, visible violence that characterized the 2008 elections and was not accepted by the international community was replaced by more subtle, yet effective, forms of intimidation and violence. Preserving power is the key objective, at the expense of national governance and implementing policies that benefit the general population. During the Government of National Unity, a number of successful policies were implemented. There was, for example, adherence to fiscal discipline through cash budgeting, which resulted in minimal inflation, limited domestic borrowing and no deficit. However, the post-GNU period saw a return to fiscal indiscipline that fueled hyperinflation in the pre-GNU era, resulting in rapidly rising budget deficits, increased domestic borrowing and a repeat of past mistakes.

It is important to note the distinctions even within the system. Within various government institutions there is technical capacity, as well as a willingness to learn, improve and reform. However, the current trend toward centralization of power can also be observed in those institutions, in which there has been increased top-down decision-making at the expense of innovation and input from below. The current regime enforces its policies quite rigidly and is increasingly less open to criticism and accountability, whereas transparency is a precondition for policy learning. Outside the realms of politics, there have been many examples of fruitful international cooperation in different development projects over the past three decades. However, two decades of economic and political crises has led to a backlog in knowledge in both the public and private sectors.

The lack of transparency in Zimbabwe's COVID-19 policies makes it difficult to monitor and improve response mechanisms and needs. Following an urgent application from MISA Zimbabwe in January 2021, Zimbabwe's High Court ordered the ministers of Health and Information to disseminate widely "comprehensive and adequate information" on testing, isolation and treatment, and the types and quality of medical equipment and personnel needed.

15 | Resource Efficiency

Efficient use of assets
4



Public sector salaries have always been a major expenditure outlay, contributing heavily to recurring budget deficits. Public employment costs rose from 48% of total revenues in 2009 to a peak of 78% in 2017 (90%, including pensions). While the country enjoyed budget surpluses under the GNU due to the government's cash-budgeting approach, fiscal deficits returned when the GNU ended. The high employment costs mean there was limited capital spending available to finance infrastructural, development and social service delivery projects.

Through a series of austerity measures, employment costs receded to 61% in 2018 and were expected to be around 42% by end of 2020. The government introduced a package of wage and non-wage expenditure rationalization measures, which included a 5% salary cut for all senior positions, the retirement of government officials over the age of 65 and the termination of contracts of thousands of Youth Officers. In November 2020, the government also removed more than 10,000 "ghost workers" from the payroll. As a result, fiscal consolidation was achieved with the 2021 budget almost balanced and account deficits turned into small surpluses.

However, there continued to be severe tension between the government's austerity measures (fiscal reality) and the impact on the civil servants (daily life reality). Since their wages are denominated in the Zimbabwe dollar, whereas the prices of goods and services are indexed against the U.S. dollar, their income has almost completely eroded. Civil servants who were earning $500 a month in 2018 earned the equivalent of $30 to $40 in Zimbabwe dollars in 2020, leading to several protests and strikes. Furthermore, most government ministries remain structurally underfunded.

The Civil Service Commission is charged with civil service recruitment, but most senior officials are political appointees. Allies of President Mnangagwa are posted in key positions, while there has also been an increase in appointments of (former) military officials, leading to the militarization and politicization of public institutions.

Policy coordination

3

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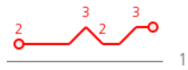


A key characteristic of the ZANU-PF government during and after Mugabe's presidency has been policy clashes and inconsistencies. During the GNU. these evolved around the conflicting positions between the ZANU-PF and MDC, while the post-GNU period was characterized by policy paralysis as a result of conflicting interests and factionalism within the ZANU-PF.

A vivid example of conflicting interests was President Mugabe's public dressing down of then Finance Minister Chinamasa in 2015. Whereas Chinamasa had announced that the government would suspend the payment of bonuses as these were unsustainable, Mugabe quickly reversed the decision in response to public outcry. In 2016, during the height of ZANU-PF factionalism, different factions continued to fuel opacity by releasing conflicting statements about the controversial indigenization policy.

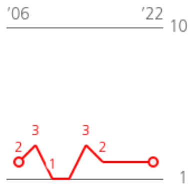
Continued frictions in top policy organs persisted, fueling inconsistencies. In 2020, it was reported the ZANU-PF politburo summoned Finance Minister Ncube and RBZ Governor Mangudya to explain the economic meltdown and their austerity measures, fearing it could cost the ZANU-PF the 2023 elections. When Ncube presented a 2020 budget that removed subsidies on maize mail and rice, President Mnangagwa responded, "the issues of mealie meal prices affect a lot of people and we cannot remove the subsidies. They had not consulted the president."

Zimbabwe's centralized governance style led to continued frictions between the MDC-led urban authorities and the ZANU-PF national government. Central government interference affects local authorities, through limited budget allocations, the overruling of policies and even harassment of mayors and councilors. These divisions also contribute to poor planning and social service delivery collapse. In recent years, there has also been limited funding for devolution processes.

In order to respond to the COVID-19 pandemic, the government instituted a stimulus package equivalent to 9% of GDP, which was not new money but based on a reprioritization of the 2020 budget.

Anti-corruption policy

2



The Zimbabwe Anti-Corruption Commission (ZACC) has a constitutional mandate to fight corruption. However, political interference complicates the work of the anti-graft body, with ZACC officials stating on record they have received threats from cabinet ministers. As a result, the ZACC has been accused of being selective its investigations.

Although political heavyweights in the ZANU-PF have largely gotten away with corruption, there have been a few cases in the past two years. Most notably, Tourism Minister Mupfumira was charged with corruption involving $95 million from the state pension fund during her time as labor minister. The few cases brought to court provide an insight into the scale of the elite's corruption. Even respective budget statements stated the culture of impunity promoted rent-seeking behavior, which led to alarming levels of corruption in both the public and private sectors. The mid-term 2015 Fiscal Review estimated that the government was losing $1.8 billion annually to revenue leakages associated with illicit financial flows, which included smuggling, illegal mineral dealings and corruption. More recent estimates suggest $1.5 billion of gold is illegally leaving Zimbabwe annually. Given the alleged involvement of senior ZANU-PF and military officials, this matter remains largely unaddressed.

The ZACC also refused to look into allegations by the Public Accounts Committee (PAC) that an estimated $3 billion was misused under the government's Command Agriculture scheme. A recent study by the Zimbabwe Democracy Institute explained how the proceeds of the ZANU-PF- / securocrats-led Command Agriculture Program are a powerful means for financing and rewarding regime loyalists from at the national to village levels.

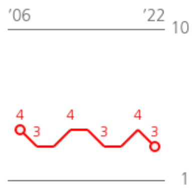
The establishment of the Special Anti-Corruption Unit (SACU) in the Office of the President and Cabinet in 2020 is further evidence of the continued weakening of the roles of constitutionally mandated bodies, in this case the National Prosecuting Authority (NPA) and the ZACC. The auditor general's office audits public spending, which can be quite revealing, but no serious attention has been given to its reports.

Journalists addressing corruption have been victims of state repression, as evidenced by the repeated incarceration of Hopewell Chin'ono.

16 | Consensus-Building

Consensus on goals

3

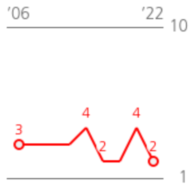


The continued stalemate between the ZANU-PF and MDC-A is indicative of the polarized political environment in Zimbabwe. At the beginning of 2021, the political impasse was such that there was hardly room for consensus on anything. Since the disputed elections in 2018, there have been continued calls for a national dialog to explore ways out of Zimbabwe's crisis. Initially, the National Peace and Reconciliation Commission (NPRC) organized nationwide consultations to develop a national dialog, but President Mnangagwa soon came up with his own Political Actors Dialog (POLAD) platform. POLAD brought together most of the political parties that contested the 2018 elections, apart from the MDC-A. The MDC-A argued President Mnangagwa was not a suitable convener and refused to participate, calling for an independent convener and process. Since the ZANU-PF refused to participate in any other initiative outside POLAD, no formal inclusive national dialog process had occurred by the beginning of 2021. Meanwhile, Zimbabwean civil society raised issues concerning inclusivity and constitutionalism, since POLAD operates outside the constitutional framework. More importantly, civil society members suggest that a credible national dialog process should be inclusive and thus include non-state actors. The opposition's desire for democratization faced continued resistance from the ZANU-PF and the military.

In the past two years, there were continued reports of rifts between President Mnangagwa and Vice President Chiwenga, with Mnangagwa eyeing a consolidation of power after 2023, which has raised tensions. Initial reports after the 2017 coup were that Mnangagwa would only serve one term and then hand over power to former Army General Chiwenga. The COVID-19-related deaths of cabinet ministers and former Army Generals Shiri and Moyo (in 2020 and 2021) is believed to have weakened the Chiwenga faction.

The ZANU-PF has a history of socialist economic thinking. President Mnangagwa's "open for business" mantra and his perceived liberal ideas around a market-based economy are generally endorsed by the MDC-A. There are however a number of civil society organizations that challenge these envisaged neoliberal policies, also resulting from memories of the Structural Adjustment Programs of the 1990s. Both the opposition and civil society have criticized the severe austerity measures of the past two years and their effects on social services and the majority of Zimbabweans. They also oppose the current cartel-based, predatory economic system. It should be noted though, corruption is not limited to the ZANU-PF, as there are several reports about corruption among MDC-A councilors.

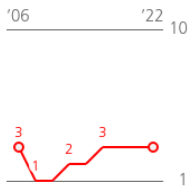
Anti-democratic actors
2



The hope for meaningful change in Zimbabwe, caused by the initial rhetoric of democratic and economic reforms that President Mnangagwa and his "new dispensation" voiced when assuming power, has evaporated during the past two years. The increased militarization of the state has led to further centralization of power and severely limited the capacity of pro-democratic forces to use relevant institutions, processes and mechanisms to bring government to account. The army, particularly through the Joint Operations Command (JOC), remains a decisive power broker and kingmaker. The increased militarization has not been limited to the cabinet, but also affects other public institutions, state agencies, the judiciary and even the ZANU-PF, as senior army members increasingly assumed positions in the public domain. The military is also believed to be deeply involved in the various cartels that control key sectors of the economy and are mostly aligned with ZANU-PF actors. This has, in effect, led to the further conflation of military, business and political interests among a powerful ruling elite.

Reform-minded elements within the ruling party are difficult to identify, but a number of high-ranking officials are said to be somewhat open to reforms, as are technocratic civil servants in various government departments. However, they have hardly any power over their leadership. Business leaders aligned with the ruling party, such as influential business tycoon Kuda Tagwirei, are able to influence government decision-making, further strengthening the role of cartels.

Cleavage / conflict management
3

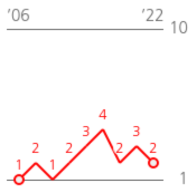


Zimbabwe's history since independence has led to a number of cleavages in society, along the lines of politics, ethnicity and class. Most of these cleavages are the result of unresolved violent conflicts in the past. Some observers note that the characteristics of the liberation struggle, with its intense intrigue, factionalism, violent purges and assassinations, nurtured a culture of violence and instability in Zimbabwe. The liberation struggle also plays an important role in some of the ongoing divisions. The ZANU-PF leadership has a sense of ownership of the state and a strong belief that only those with liberation credentials can assume power.

The ZANU-PF flourishes on the politics of divide and rule, with national wealth shared among a small elite, thus also creating a rift between the haves and have nots. State violence is an important feature, with recent crackdowns on opposition and civil society in 2019 and 2020. Moreover, a culture of impunity has taken root, which affects political stability and democratic processes. The current political leadership is unable to depolarize and resolve most of the structural cleavages, mainly because of its own involvement in the origin and course of these violent conflicts. In fact, its recent actions only created deeper social polarization.

Civil society participation

2



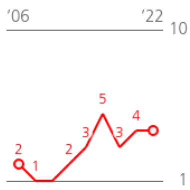
It appears that the achievements of Zimbabwean civil society are underestimated nowadays. Since the 1990s, Zimbabwe has had a strong civic movement that played a significant role in the creation of the political opposition movement, the constitutional process, addressing socioeconomic issues and human rights violations. Ever since the emergence of civil society organizations (CSOs) in Zimbabwe, the government has treated it with negative hostility. In particular, CSOs working on governance and human rights faced frequent harassment from the state and were often labeled "regime-change agents" or "puppets of the West." Development organizations and social service providers work closely with different government departments, which is often appreciated by government.

Despite the difficult circumstances, civil society has managed to influence government agenda setting, policy formulation and implementation in several ways. These include litigation, activism, monitoring mechanisms and policy discussions. Zimbabwe has a strong legal civil society, that has successfully managed to reverse government actions and decisions in the relatively independent higher courts (although the government ignores certain rulings). In terms of policy discussions, it should be noted that during the past decade, ZANU-PF officials have become more open to joining civil society platforms than they were previously, which meant government departments and parliament increasingly worked with civil society. Even the most critical, for example, human rights organizations or trade unions, engage with relevant ministries. The unions, for example, take part in the Tripartite Negotiating Forum (TNF), which was established in 2019 to facilitate structured tripartite dialog between government, business and labor. The TNF met regularly, but at times the Office of the President overruled the positions it took.

Today, Zimbabwe's civil society has to deal with increased military surveillance, repression, harassment, arrests and long pretrial detentions. This increased repression needs to be understood as a continuation of a long trend of sustained pressure on democratic space in Zimbabwe, especially since the 2018 elections. The government increasingly ignores civil society and opposes transparency and accountability mechanisms.

Reconciliation

4



Healing and reconciliation efforts in Zimbabwe continue to face substantial challenges, as a range of historical acts of injustice have not been resolved. These include the Gukurahundi massacres between 1982 and 1987 (when 20,000, mostly Ndebeles, were killed), the violent eviction of white farmers in 2000, Operation Murambatsvina (displacing hundreds of thousands of urban dwellers) and the electoral violence in 2008 (when opposition supporters were beaten, tortured, raped and killed).

To create a mechanism to resolve the burdens of these past violent conflicts, the newly adopted constitution in 2013 ensured the creation of the National Peace and Reconciliation Commission (NPRC). However, the commission faced several challenges from its inception, which delayed its operationalization. Human rights observers felt the government was unwilling to engage genuinely, believing many members of the regime feared implication for their roles in past atrocities. In this regard, they raised concerns that the NPRC was hindered from effecting meaningful change, as it reports directly to the administration. President Mnangagwa, for example, was Minister of State Security during Gukurahundi massacres.

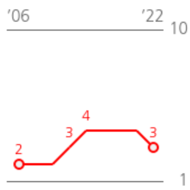
In 2014, a group of influential non-state Zimbabwean transitional justice stakeholders established the National Transitional Justice Working Group (NTJWG). In November 2020, they released the State of Transitional Justice report for 2019. The report highlighted concerns around the lack of funding of the NPRC and noted there had been no traction in establishing outstanding constitutional transitional justice bodies. The security sector continued committing serious human rights violations without the perpetrators being brought to account. The Motlanthe Commission recommendations, which included compensation to the victims of the post-election violence on August 1, 2018 and the arrest of the perpetrators, were not implemented.

President Mnangagwa engaged civil society organizations in Bulawayo and Matabeleland over how to deal with the legacy of Gukurahundi. After a number of engagements, the process derailed, due to a lack of trust among stakeholders when it came to engaging in meaningful dialog. The process was also criticized as an attempt by the government to hijack the process and sideline the NPRC.

17 | International Cooperation

Effective use of support

3



The first decade of independence saw Zimbabwe being guided by a socialist development agenda, aimed at redressing colonial imbalances. Development planning was a key feature of the command-oriented economy, which changed after the adoption of the ESAP program in the 1990s. Economic blueprints became central features of Zimbabwe's political and economic landscape, but their implementation mostly failed. Combined with years of economic mismanagement and policy inconsistencies, this complicated international engagement and led to low levels of trust. During this period, international donor support was misused, which contributed to large outstanding debts.

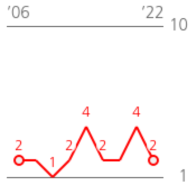
International relations became further complicated by increased violence and state repression in the early 2000s, which led the EU and United States to impose sanctions. Western donors mostly channeled their support through multilateral agencies and CSOs. Relations were characterized by confrontational rhetoric and mutual mistrust.

However, because of the lack of reforms Zimbabwe continued to be perceived as a high-risk country, which limited the government's access to external lines of credit. In 2015, Zimbabwe adopted the Lima Plan to clear debt arrears, which President Mnangagwa's government revived as part of a broad attempt to attract fresh credit lines and FDI. The lack of economic reforms, as stipulated by the Lima Plan, was illustrative of the country’s implementation challenges and became apparent during the IMF Staff Monitor Program visit in 2020. The IMF noted that the SMP was off track and stressed the need for Zimbabwe to address governance and corruption challenges, entrenched vested interests and enforcement of the rule of law.

Despite the lack of trust, international donors do try to align (some of) their programs to Zimbabwe’s National Development Strategy (NDS1, 2021 – 2025). The NDS1 is part of Vision 2030, which aims to create a prosperous upper middle-income country by 2030. In designing (part of) its development assistance, the EU tried to align its Multi-Annual Indicative Program for Zimbabwe to the priorities of NDS1.

In April 2020, the authorities launched a $2.2 billion humanitarian appeal to respond to COVID-19. As of September 2020, humanitarian support disbursements stood at $448.4 million, from a variety of donors. Furthermore, Zimbabwe continues to receive significant international humanitarian assistance.

Credibility
2

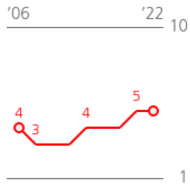


Zimbabwe’s failure to uphold its international commitments have affected international credibility. The failure of the government to respect the Bilateral Investment Promotion and Protection Agreements (BIPPAs), which should have protected evicted white farmers during the land reform program, led to bilateral disputes with many Western countries. Domestic and international investors’ confidence further decreased due to uncertainty around the protection of property rights, Zimbabwe’s indigenization policy and Zimbabwe’s failure to pay its arrears to international financial institutions. Decades of economic mismanagement and gross human rights violations also affected the credibility of the Zimbabwean regime, including failing to commit to SADC treaties on human rights and elections.

Mugabe’s departure in November 2017 led to a period of hope in the international community, which was strengthened by the initial rhetoric regarding the new dispensation and the relatively peaceful run-up to the 2018 elections. There was willingness to assist in the transition and provide significant support. International goodwill existed to such an extent that Zimbabwe was offered help to clear its arrears, provided it changed its course to a democratic one. However, the post-election violence in August 2018 and the repression in January 2019 led to caution among Western policy makers. In the past two years, the lack of significant reforms, increased repressions and the closing of democratic space have disappointed many international actors.

There was a strong sense among many international actors that Zimbabwe did not make use of the opportunities provided by the departure of Mugabe and a growing realization that preserving control is the driving factor of the current regime. Whereas Mnangagwa publicly urged Zimbabweans to “stop blaming sanctions” in the early days of his presidency, he revived the confrontational rhetoric about sanctions in 2020. The continuation of the political and economic paralysis that characterized the past decade has severely affected the credibility of Mnangagwa’s administration and strained international re-engagement and support.

Regional cooperation
5



As a landlocked country, Zimbabwe borders Botswana, Malawi, Mozambique, South Africa and Zambia. Botswana and South Africa in particular host many Zimbabwean (economic) refugees, which has led to several diplomatic tiffs in the past decade. The Southern African Development Community (SADC) has traditionally been reluctant to condemn repression and human rights violations, particularly in those countries where former liberation movements are in power. Instead, the regional bloc has preferred "quiet diplomacy" as response to escalations and expressed its solidarity against Western sanctions on Zimbabwe.

The Zimbabwean regime has invested significant, successful efforts in maintaining this status quo, which was again evident at the SADC Heads of State summit in August 2020, where no reference was made to the Zimbabwe crisis. The ZANU-PF government has also mobilized regional solidarity in support of Zimbabwe's anti-sanction rhetoric, which even resulted in a SADC anti-sanctions day on October 25, 2020.

The ZANU-PF maintains particularly close relations to former liberation movements in the region. However, one of the most significant developments in recent years has been the growing criticism from South Africa, in a fundamental policy shift from one of SADC's most influential members. Senior officials from the African National Congress (ANC) and the South African government publicly acknowledged that there was a crisis in Zimbabwe that needed to be resolved, simultaneously condemning the government's increased repression. In September 2020, the ANC sent two delegations to Zimbabwe to find a way forward out of the crisis, also trying to push for an inclusive national dialog.

In general, Zimbabwe's regime values active engagement in regional organs such as SADC, particularly to ensure regional solidarity and support and to prevent regional intervention or condemnation. As outlined above, the Zimbabwe government cooperates with various neighboring countries at the economic front.

Strategic Outlook

In many ways, the past two years constituted a return to the old ZANU-PF. The increased intertwinement between the political elite, business cartels and the military is a worrying characteristic that undermines Zimbabwe's possibilities for a democratic and economic transformation. At the beginning of 2021, the short-term outlook for Zimbabwe is gloomy as the country experiences a multi-faceted crisis, which is likely to continue. On the political front, the country already appears to be in election mode ahead of the 2023 elections, which are expected to deepen polarization. Furthermore, given the systematic attempts to dismantle the opposition, there is a serious danger of continued repressions. The upcoming elections will likely fuel factionalism in both the ruling and opposition parties, contributing to further policy paralysis and a continued political stand-off. In its relations with the international community, continued denialism, diversions, delays and confrontational sanction rhetoric can be expected from the ZANU-PF government, which will likely be accompanied by continued mixed messages.

Addressing Zimbabwe's crisis requires an inclusive national dialog. This dialog should move beyond political actors and include a variety of non-state actors such as members of civil society, churches, unions and the business community. The process should explore ways out of the current economic crisis, but also address issues around democratization and a shared national vision. Independent facilitation will be crucial for this process to succeed.

Increased repressions has deepened polarization in Zimbabwe and estranged the government from the international community. It seriously limits opportunities for international engagement and support. If Zimbabwe wants to move into an economically stable future, it is vital that the government breaks the hold of the cartels over the state and the economy. The strengthening of independent oversight institutions is key.

There is need for a coherent international approach to Zimbabwe. The difference in positions and approaches between the region and the larger international community have not been productive. In this regard, the growing criticism from South Africa provides opportunities for increased engagement between the region and the larger international community. International actors should strengthen the position of non-state actors in Zimbabwe, including by using their leverage to promote their inclusion in high-level discussions. The international community can still play an important role but should accept that most engagements will not be straightforward, require investments of time and resources, come with high levels of risk and be far from guaranteed success. This certainly applies to the need for civil society and the international community to explore ways to engage the military.

In terms of the government's future COVID-19 strategies, one key aspect would be to improve transparency and reduce mismanagement. More honesty in terms of the status of the virus, along with available capacity and resources to manage the pandemic, would help in the design of effective interventions. In this regard, the possible establishment of a COVID-19 vaccine partnership, which would include CSOs and the public and private sectors, discussed at the beginning of 2021 would be a good start.