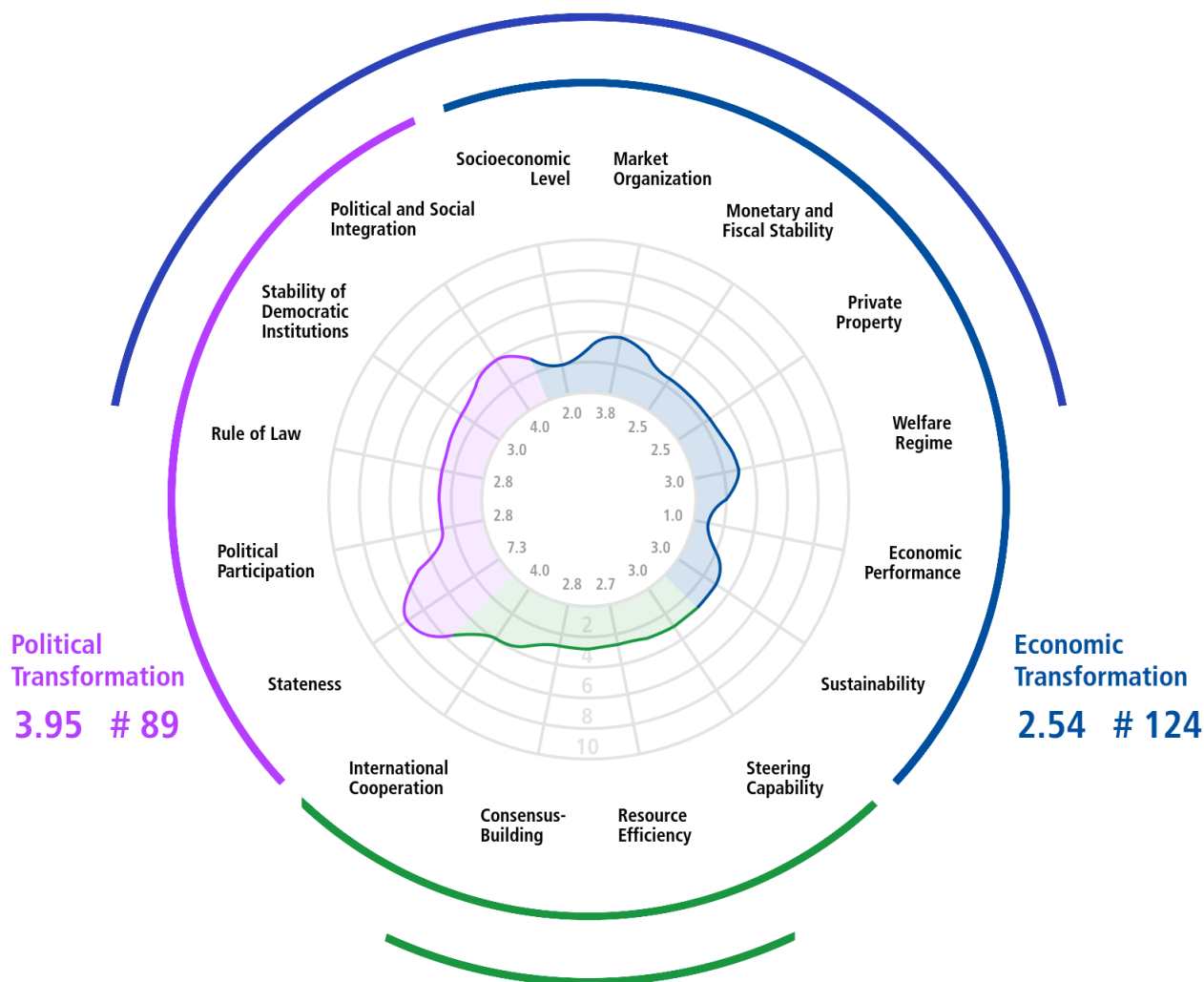


Zimbabwe

Status Index

3.24 # 120

on 1-10 scale out of 137



Political Transformation
3.95 # 89

Economic Transformation
2.54 # 124

Governance Index

2.86 # 119

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. 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>.

Please cite as follows: Bertelsmann Stiftung, BTI 2024 Country Report – Zimbabwe. Gütersloh: Bertelsmann Stiftung, 2024.

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Key Indicators

Population	M	16.3	HDI	0.593	GDP p.c., PPP \$	2531
Pop. growth ¹	% p.a.	2.0	HDI rank of 189	146	Gini Index	50.3
Life expectancy	years	59.3	UN Education Index	0.627	Poverty ³	% 64.5
Urban population	%	32.4	Gender inequality ²	0.532	Aid per capita \$	60.9

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

In the past two years, Zimbabwe's multifaceted crisis has continued, with most of the country's challenges remaining unaddressed. Throughout this period, Zimbabwe has already been in election mode, with the elections scheduled for 2023 contributing to the ongoing political and economic impasse. In 2022, there was continued repression against opposition members, civil society and other actors, which must be understood as part of a long trend of sustained pressure on democratic space in Zimbabwe, particularly since the 2018 elections. The ongoing intertwinement between the political elite, business cartels and the military is a disturbing characteristic that undermines Zimbabwe's potential for democratic and economic transformation.

In the past two years, President Emmerson Mnangagwa has further concentrated power through a number of constitutional amendments. In combination with the increased militarization of the state, this has severely limited the capacity of pro-democratic forces in Zimbabwe to hold the government accountable through relevant institutions, processes and mechanisms. The criminal justice system and judicial processes have been used to restrict fundamental civil rights. Of particular concern is the much-contested Private Voluntary Organization (PVO) Amendment Bill, which passed parliament and senate in 2022. Under this law, the government can interfere in the operations of NGOs (replacing their leadership, expropriating NGO funds and assets, and shutting down organizations). Additionally, the law criminalizes the work of civil society on vaguely defined "political issues" and imposes a potential penalty of 10 years in prison. Zimbabwean human rights organizations have also highlighted the alarming increase in lengthy pretrial detentions, with opposition legislator Job Sikhala's case being the most notable. He was arrested in June 2022 and remained in prison as of February 2023.

The Mnangagwa regime has employed a series of measures aimed at systematically dismantling the opposition. Besides ongoing arrests and repression, it is widely believed that the regime utilized its influence on the judiciary to secure rulings in favor of the breakaway opposition faction. These rulings resulted in the seizure of the MDC Alliance headquarters and party resources and

the removal of members of parliament from office. Consequently, opposition leader Nelson Chamisa made the decision to relinquish the MDC name and establish a “new” political party known as the Citizens Coalition for Change (CCC) in 2022. Due to its broad popular support, this party is generally regarded as the primary opposition party.

After a temporary recovery in 2021 following the relaxation of COVID-19 measures, along with a period of good rains and high global commodity prices, economic activity slowed down again in 2022. Macroeconomic instabilities, high inflation and exchange rate pressures reemerged, and the continued economic crisis was characterized by high prices, cash shortages, corruption and a huge debt overhang. In 2022, Zimbabwe recorded an annual inflation rate of 284%, one of the highest such figures in the world.

The strong interest in European capitals following the events in 2017, when President Robert Mugabe was forced to leave office, has rapidly faded due to the lack of substantial political and economic reforms and the shrinking of democratic space. If repressive legislation such as the PVO Bill is signed into law, it will seriously limit Zimbabwe’s opportunities for international engagement and support. However, discussions on a debt arrears clearance framework initiated by the African Development Bank gained momentum in the beginning of 2023 and coincided with what seemed to be a new reengagement attempt by the European Union.

History and Characteristics of Transformation

When Zimbabwe gained its independence in 1980, the abolition of the Rhodesian system of apartheid raised hopes for political transformation. However, in the years following independence, Zimbabwe effectively became 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 instances of violence under the new regime were the Gukurahundi massacres in Matabeleland during the 1980s, which resulted in an estimated 20,000 deaths, primarily targeting the Ndebele minority. Despite these atrocities, Zimbabwe’s economy continued to thrive during the first decade after independence, and the country retained its status as 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 parliamentary seats in 2000, but it also successfully mobilized a “no” vote during a referendum on proposed constitutional amendments earlier that year. In response, the period from 1999 to 2008 was marred by state repression and severe human rights violations against MDC supporters and civil society. Subsequent elections were highly contested and extremely violent.

Zimbabwe's history is marked by examples in which short-term power deliberations and the self-interest of the ruling regime has overridden longer-term national interests. Mugabe's 37-year rule was littered with cases of political expediency that 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-time payout of over \$4,000, as well as a monthly pension of \$140. Since these were not budgeted for and amounted to 2.6% of GDP, this compensation package was one of the initial triggers of 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 and heavily contributed to the contraction of Zimbabwe's economy by 15% in the following two years. 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 started with economic mismanagement and Zimbabwe's subsequent adoption of the Economic Structural Adjustment Programs (ESAP) in the mid-1990s. A 40% decline in GDP between 1998 and 2009 and the notorious hyperinflation and shortages of almost all commodities in 2008 followed.

After the 2008 elections, the Zimbabwe Electoral Commission (ZEC) took five weeks to announce the results, which many believed was an indication that Morgan Tsvangirai's MDC-T had won. The ZEC did indeed announce an MDC-T win but stated that Morgan 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 runoff 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 runoff.

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 under the mediation of South Africa. 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 of this period was the formulation of a new constitution, which was overwhelmingly approved in 2013 after years of negotiations.

The GNU ended with the 2013 elections, which resulted in a contested ZANU PF win. The scale of its victory shocked most observers – Mugabe scored 61% of the vote, while Tsvangirai only managed to secure 33%. Moreover, ZANU PF went from a parliamentary minority to a resounding majority, with 160 of 210 seats, up from 99. A military coup dubbed Operation Restore Legacy in November 2017 ultimately led to the forced departure of President Mugabe.

Emmerson Mnangagwa, who assumed power in 2017 after Mugabe's departure, defeated the young MDC-A leader Nelson Chamisa in another fiercely fought election. Chamisa had assumed the position of opposition leader after the passing of Tsvangirai 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 announcements that his "new dispensation" was "open for business" and that he was willing to implement democratic reforms. However, the past five years have been marked by increasing repression, a closing of civic space, a lack of reform, severe corruption and a deteriorating 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

The government's monopoly on the use of force is widely accepted by the Zimbabwean population. However, there has been an increase in violence in Zimbabwe's mining sector, where violent machete gangs, often linked to political actors, have caused 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 discrimination against the Matabeleland provinces have led to the resurgence of the Mthwakazi Republic Party (MRP), which seeks to create a sovereign state free from Shona political control. Nevertheless, it should be noted that the party represents only a minority position. This sentiment is reinforced by the fact that the Gukurahundi massacres in the 1980s, during which an estimated 20,000 people were killed, have never been resolved.

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.

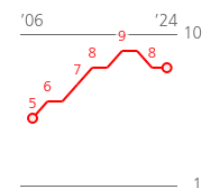
However, the issue of citizenship and belonging has been a major area of contestation, which manifested itself mainly along the lines of race and national origin. The land reform program in Zimbabwe led to the eviction of thousands of white farmers during the 2000s, while also increasing racial tensions, calling the citizenship of white Zimbabweans into question and illustrating how citizenship can be politicized.

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

Question
Score

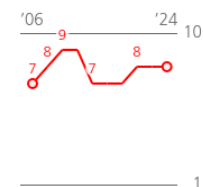
Monopoly on the
use of force

8



State identity

8



Zimbabwe is a secular state with a secular constitution that guarantees freedom of worship and religion. However, religion holds great importance for the majority of Zimbabweans, with Christianity being the dominant faith. A 2017 survey conducted by the Zimbabwe National Statistics Agency reported that 84% of Zimbabweans adhere to one of the denominations of Christianity, with Protestant Christianity (69%) being the most prevalent. Over the past decade, there has been a growing popularity of Pentecostal and apostolic churches.

Given the significant role of the church in Zimbabwe, religion and politics have always been closely intertwined. The governing ZANU PF party has consistently sought to exert various forms of control over the churches, resulting in tensions between denominations. The indigenous churches, particularly the white garment “Vapostori,” are specifically targeted and engaged during election campaigns.

Compared to other sub-Saharan African countries, the quality of basic service delivery in Zimbabwe is relatively low. About 62.7% of the population has access to a basic water source, 35.2% have access to basic sanitation, and 52.7% have access to electricity. The data reflects the fact that many Zimbabweans do not have access to basic necessities, and the situation has stagnated or even deteriorated, except for access to electricity.

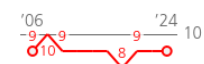
Zimbabwe’s 10 provinces are divided into 59 districts, with 1,200 wards. The area covered by towns and cities in these districts is managed by 32 urban local authorities, while the rest falls under the administration of 59 rural district councils. The necessary regulatory provisions and administrative structures are in place, but the implementation of these measures remains a significant challenge.

Zimbabwe’s crisis has negatively affected the capacity of national and local authorities and institutions, further undermining their ability to provide key social services. Particularly in urban areas, this crisis is also fueled by tension between the ZANU PF national government and opposition-controlled city councils.

The education and health sectors are in a dire state, and the government’s inability to provide adequate resources has led to conflicts with practitioners. Both teachers and health care workers have been on strike on several occasions, highlighting the low pay and the lack of equipment and medical supplies.

No interference of religious dogmas

9



1

Basic administration

4



1

2 | Political Participation

Zimbabwe holds harmonized elections (presidential, parliamentary and local government elections) every five years. The outcomes of successive elections 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 pointed to the opening of democratic space and the opposition's ability to campaign comparatively freely, even in areas it previously could not access. The fact that the European Union 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 that the elections were not in accordance with international standards. They indicated that the playing field was not level and highlighted the partisan role of the Zimbabwe Electoral Commission (ZEC), the biased state media, the use of state resources by the ZANU PF party and subtle forms of intimidation. One of the key areas of contestation was the lack of clarity around the vote count and the result verification.

In recent years, the electoral cycle in Zimbabwe has been further affected by the government's decision to initiate a ban on electoral and political activities and suspend parliamentary business. Most notably, the democratic space has significantly contracted, hindering the ability of both the opposition and civil society to engage in electoral activities.

As the country heads toward the 2023 elections, the concerns raised by Zimbabwean civil society and the vast majority of EU EOM recommendations have not yet been addressed. Consequently, the key conditions for free and fair elections, as outlined in the Global Political Agreement and the 2013 constitution, have not been met, and key electoral reforms have not been implemented.

Free and fair elections

3

'06 '24 10

3

1

There are two major areas of concern regarding 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 an increased militarization of the state, with several (former) army generals appointed to cabinet positions. This led to a further conflation of party, military and state.

Second, the increased concentration of power is seen as a threat to constitutionalism and democratic processes. President Mnangagwa passed Amendment Bill No. 2, which allocates more power to the president, while at the same time diluting mechanisms to hold the president accountable.

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 placed Tagwirei and his firm Sakunda Holdings under sanctions in 2020, he supported specific government programs in return for state contracts. The concentration of power is further illustrated by the emergence of interest groups (such as Teachers4ED and nurses4ED, after the president's initials) that specifically support the president rather than the party ahead of the 2023 elections.

The prolonged and multifaceted attacks on the largest opposition party have affected the ability of opposition policymakers to carry out their duties. Many opposition parliamentarians were recalled, while a few faced long pretrial detentions, with the case of Job Sikhala being the most notable.

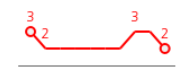
There has been sustained pressure on democratic space in Zimbabwe, particularly since the 2018 elections. This was noted by the U.N. special rapporteur on the rights to freedom of peaceful assembly and association, who visited Zimbabwe in 2020. The special rapporteur highlighted the concerning number of allegations related to arrests, detentions and abductions. Furthermore, he concluded that the newly established legal framework does not address long-standing concerns and is not conducive to the free and unhindered exercise of the right to freedom of peaceful assembly.

Following his visit in 2020, a number of other repressive legal provisions were introduced. Of particular worry is the much-contested Private Voluntary Organization (PVO) Amendment Bill, which Human Rights Watch stated further threatens the already compromised right to freedom of association. Under this law, the government can interfere in the operations of NGOs (replacing executives, expropriating NGO funds and assets, and shutting down organizations), and the work of civil society on "political issues" (which are very vaguely defined) has been criminalized, carrying a penalty of up to 10 years in prison. As reported by the Zimbabwe Human Rights NGO Forum, both the Maintenance of Peace and Order Act (MPOA) and COVID-19 lockdown regulations were used to restrict free, peaceful assembly throughout 2021.

Effective power to govern

2

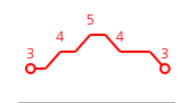
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Association / assembly rights

3

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Whereas the run-up to the 2018 elections was relatively peaceful, the Zimbabwe Peace Project (ZPP) has recorded an increase in politically motivated violence against opposition supporters in the run-up to the 2023 elections, especially in rural areas. As of the beginning of 2023, more than 60 opposition rallies had already been banned since the formation of the CCC in January 2022. Additionally, meetings are frequently disrupted. For instance, in January 2023, 26 CCC members conducting a meeting in a private residence were teargassed and arrested.

Zimbabwe's constitution provides for freedom of expression and freedom of the media, but there is little adherence to constitutional provisions in terms of the treatment and freedom of the media and alternative voices. The state-controlled Zimbabwe Broadcasting Corporation (ZBC) has historically dominated the country's broadcast media. The government's refusal to allow independent community radio stations remains a key challenge in terms of media diversity and the democratization of the airwaves.

In recent years, several legislative amendments have affected the media environment. Zimbabwean media organizations viewed the replacement of the controversial and widely criticized Access to Information and Protection of Privacy Act (AIPPA) with the Freedom of Information Act (FOI) as an improvement, despite some shortcomings. The introduction of the Cybersecurity and Data Protection Bill in 2021 included provisions that consolidated mass surveillance, which can be seen as an additional attempt by the state to gain increased control over social media platforms. Additionally, both the proposed Private Voluntary Organization (PVO) Bill, which grants the government extensive interference in NGO operations, and the Criminal Law Amendment Bill have significant implications for the freedom of expression of journalists and citizens alike.

As Zimbabwe approached the 2023 elections, the task of journalists became more and more difficult. The Media Institute of Southern Africa (MISA) reported nearly 40 violations against journalists and media workers in 2022. MISA also indicated a rise in online surveillance by the government, resulting in the detention of journalists, opposition members and civic activists.

Zimbabwe's deteriorating media environment was also evident in the World Press Freedom rankings, with Zimbabwe falling to 137th place in 2022, dropping seven positions compared to 2021.

Freedom of
expression

3

'06 '24 10

4 4 3

1

3 | Rule of Law

The principle of separation of powers is one of the founding values of the Zimbabwean constitution. Zimbabwe has three branches of government: the executive (the president and cabinet), the legislature (the parliament), and the judiciary (the courts). The legislature comprises the 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 considerably stronger than the parliament and judiciary, which clearly affects the system of checks and balances.

Since assuming power in 2017, President Mnangagwa has further concentrated power through a number of constitutional amendments. For example, these amendments give him the authority to appoint his deputies and top judges.

The constitution provides for an independent judiciary, but executive influence and interference has remained a problem. Throughout 2022, the law and judiciary were increasingly used as an instrument against dissenting voices, particularly through the magistrates courts.

Zimbabwean human rights organizations, such as Zimbabwe Lawyers for Human Rights (ZLHR) and Zimbabwe Human Rights NGO Forum, have emphasized that an already compromised judiciary is deteriorating. Specifically, they have cast a spotlight on the arbitrary arrest of opposition members, activists and journalists in politically charged cases, without adequate prior investigation. They have also highlighted the imposition of lengthy pretrial detentions and unfair bail conditions aimed at limiting freedom of expression, such as bans on the use of specific social media accounts.

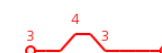
The case of vocal opposition parliamentarian Job Sikhala is illustrative in this regard. Sikhala was arrested in 2022 and experienced a pretrial detention period of over half a year, during which he was denied bail more than 15 times.

Lower court justices in particular make politicized decisions due to the use of threats and intimidation to force magistrates to rule in the government's favor. During the review period, there continued to be some instances, mainly at the high court level, where the judiciary demonstrated its independence despite being under intense pressure to conform to government policies.

Separation of powers

3

'06 _____ '24 10



_____ 1

Independent judiciary

3

'06 _____ '24 10



_____ 1

While a key principle of the rule of law is that it has to be enforced universally, the application of the law in Zimbabwe has been largely selective. Regarding 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 violations of human rights.

Whereas opposition members, activists and journalists have been subject to numerous politically motivated arrests and detentions, ruling party officials and officeholders are, for the most part, not adequately prosecuted. Recent cases include ZANU PF public officials such as parliamentarian Justice Wadyajena and former Minister Prisca Mupfumira, who were both accused of laundering millions of dollars of public funds but whose prosecution appears to be on hold.

On August 1, 2018, following the post-election violence, a commission of inquiry (Motlanthe Commission) was established, which subsequently recommended that perpetrators needed to be held accountable. To date, 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 forces have also not investigated the abductions of opposition members and activists.

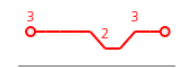
Zimbabwe's constitution expressly guarantees civil and political rights in accordance with regional and international human rights instruments such as the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the African Charter, which has been ratified by Zimbabwe. Although President Mnangagwa has repeatedly reiterated his commitment to democratic reforms, the human rights situation has continued to decline during his presidency, particularly in the lead-up to the 2023 elections. The Zimbabwean government has remained highly intolerant of dissenting voices and has further restricted the space for opposition members, journalists and human rights defenders, who have increasingly been subject to harassment and human rights violations.

In its 2021 State of Human Rights report, the Zimbabwe Human Rights NGO Forum noted that civic space was continuing to shrink at an alarming rate. This sentiment was echoed by Human Rights Watch, Amnesty International and various U.N. special rapporteurs. The criminal justice system and judicial processes have been used to restrict fundamental civil rights. The Private Voluntary Organizations (PVO) Act (2022), the proposed amendments to the Criminal Law (Codification and Reform) Act, and the Cyber and Data Protection Act (2021) have seriously undermined the work of human rights defenders and NGOs, especially those working on governance issues. Particularly in 2021, the government weaponized the COVID-19 crisis to launch fresh attacks on human rights. At the beginning of 2021, the authorities throttled internet connection speeds during opposition rallies and demonstrations.

Prosecution of office abuse

3

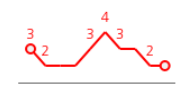
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Civil rights

2

'06 _____ '24 10



Zimbabwean human rights organizations have further highlighted the worrying increase in lengthy pretrial detentions, of which opposition parliamentarian Job Sikhala has been the most notable case. He was arrested in June 2022 and remained in prison as of February 2023. In February 2021, young pro-democracy campaigner Makomborero Haruzivishe was arrested by state security agents on trumped-up charges, only to be released after nearly 10 months of pretrial detention. These long detentions are clearly meant to scare off other civil society and opposition actors from speaking out against injustices and have led to increased self-censorship within civil society.

Other high-profile cases in 2021 and 2022 include the arrests of opposition spokesperson Fadzai Mahere, the repeated arrests of journalist Hopewell Chin'ono, and the arrest of student activist Allan Moyo. In January 2023, the authorities raided a gathering of CCC members in a private home and arrested 26 members, including two members of parliament.

4 | Stability of Democratic Institutions

Public administration in Zimbabwe is formally guided by the interplay between the legislature, the judiciary and the executive. Parliament usually performs its oversight role through portfolio committees. While some of these committees have made efforts to hold the government accountable, high officials have often resisted scrutiny.

With regard 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 carried out. This has led to continual tension between urban authorities (often dominated by the opposition CCC) and the ZANU PF-led national 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 frictions with rural district councils. While – going by public statements – there appears to be wide support for the need for devolution, the challenge has been the nature of the implementation.

Another key challenge, highlighted repeatedly by the Auditor General's reports, is that of weak institutions confronted by poor leadership, bad governance, conflicted leadership, corruption and technological lag. These problems also occur at local authorities, which are characterized by corruption and misplaced priorities and are often staffed by poor-quality councilors.

Performance of democratic institutions

3

'06 '24 10



The opposition CCC and its leader, Nelson Chamisa, have consistently argued that the crisis in Zimbabwe is the result of the unresolved electoral legitimacy of the serving president. This has complicated various political processes, as the ruling ZANU PF did not want to engage Chamisa unless he acknowledged Mnangagwa as the legitimate president.

Moreover, both the opposition and civil society have continued to raise questions about the legitimacy of specific institutions, such as the Zimbabwe Electoral Commission (ZEC), which they believe are partisan and captured by the state. This sentiment is fueled by the intertwining 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 have to deal with a government that is ambivalent at best about their independence. This was experienced by the Zimbabwe Human Rights Commission when they issued their report about post-election violence, which was dismissed by the minister of justice as “biased and inaccurate.” This illustrates the attitude of ZANU PF, particularly the military elements in government, toward being held accountable by specific institutions. As a result, institutions are deliberately weakened by failing to provide them with adequate resources.

5 | Political and Social Integration

Since it is relatively easy to register a political party in Zimbabwe, 107 political parties ran for the last elections in 2018. However, for over two decades, Zimbabwe’s political landscape has been shaped by ZANU PF, the governing party, and the MDC, the main opposition party. Throughout this period, there was a consistent rural-urban divide, with rural areas dominated by the ruling ZANU PF and urban areas dominated by the opposition. Additionally, both ZANU PF and the MDC, particularly after the passing of MDC’s former leader Morgan Tsvangirai, have experienced frequent leadership tensions and factionalism, which can be seen as characteristic of Zimbabwe’s political landscape.

In recent years, the Mnangagwa regime has intensified its predecessor’s repressive politics targeted against the political opposition. This has been accomplished by employing a combination of strategies and measures designed to systematically dismantle the opposition. In addition to its campaign of arrests, the regime is widely believed to have leveraged its influence on the judiciary to secure favorable rulings for the breakaway opposition faction led by Douglas Mwonozora. These court interventions led to the seizure of the MDC Alliance headquarters and party resources and the removal of more than 30 MDC-A legislators from parliament and city councils.

Commitment to democratic institutions

3

'06 '24 10



1

Party system

4

'06 '24 10



1

These actions led Nelson Chamisa to abandon the MDC name and create a “new” political party known as the Citizens Coalition for Change (CCC). The CCC is generally regarded as the primary opposition party due to its broad popular backing. This was demonstrated by the by-election results in 2022, where the CCC received significantly greater support than other opposition parties. A noteworthy feature of the recently formed CCC is its lack of established formal structures, including key party positions, and the decision not to hold primary elections.

After years of intense factionalism within ZANU PF between the so-called G40 faction (led by Grace Mugabe) and Team Lacoste (supporting current President Mnangagwa), reports of ongoing factionalism within ZANU PF persist. The increased presence of military elements in the state has created new tensions within ZANU PF, as the relationship between President Mnangagwa and Vice President Chiwenga (a former army general) is described as volatile. Coupled with the growing influence of alleged cartels on both ZANU PF and the state, this situation continues to contribute to policy paralysis.

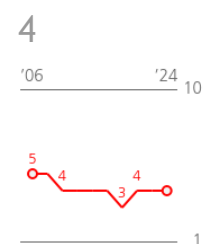
As such, Zimbabwe’s political landscape has continued to be highly polarized, especially in the run-up to the 2023 elections. Although the need for a national dialogue to resolve Zimbabwe’s economic crisis is generally acknowledged, the increased polarization and the prospect of the 2023 elections led to a continued political impasse, which also halted various initiatives calling for multiparty processes. Zimbabwe’s party system is further weakened by the highly personalized nature of Zimbabwean politics, which are centered around the party leaders. Moreover, running for any political position in Zimbabwe requires resources, as clientelism remains an important feature of politics, specifically elections.

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 have been partially incorporated by the government. In past decades, a wide range of civil society organizations (CSOs) and social movements have emerged in a bid to fight for social justice and political change.

The roots of antagonism between the ruling party and the state it controls on the one hand, and the civil society organizations (CSOs) on the other, can be traced back to the era around and after 2000. The interplay between the government’s authoritarian style and the economic crisis fueled this antagonism. The growth of CSOs in the governance and human rights sector accelerated especially starting in 2000, as a response to the increase in repression and election irregularities.

Civil society organizations (CSOs) in the “hard sector” of governance and human rights faced the wrath of the state most directly, leading to significant human rights abuses against activists. However, it should be noted that most CSOs, such as those in development and social service sectors like health, continued to have fairly positive

Interest groups



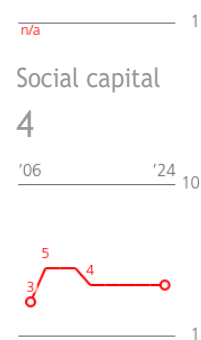
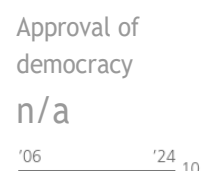
working relationships with the state. Conversely, groups from regions outside the capital Harare, especially those from Matabeleland, frequently report feeling marginalized.

While relations with ZANU PF were difficult at best during this period, there was a “special relationship” between some of these CSOs and the MDC, especially between 1999 and 2005. This relationship was built on shared values and revulsion against authoritarianism. Furthermore, a number of social movements (such as the labor movement) and CSOs were involved in the founding of the MDC. This special relationship influenced the effective watchdog role of CSOs, as they faced difficulties for a long time when it came to criticizing internal democracy and leadership issues within the MDC itself.

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

While Zimbabwe currently qualifies as an authoritarian system, 75% of Zimbabweans consider democracy to be preferable to any other kind of government according to the most recent Afrobarometer survey (2023) with the overwhelming majority rejecting one-party, military or one-man rule. There is a gap between the approval of democracy as a system of government and the satisfaction with the supply of democracy and the functioning of its institutions. While 78% agree or strongly agree that leaders should be chosen through regular, open and honest elections, 26% believe that the last national election was neither free nor fair.

Under Afrobarometer surveys from 1999 to 2022, Zimbabwean adults have consistently 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 the need to be very careful. During the most recent survey in 2022, 89% of respondents indicated the same caution, suggesting a lack of trust among Zimbabweans. The survey also reveals that the majority of adult Zimbabweans (75%) are not members of voluntary associations, although rural residents are more likely than their urban counterparts to join such groups. The ongoing and worsening economic crisis is thought to be contributing to this trend. Additionally, despite the severity of the economic crisis, Zimbabweans across the country rallied together to provide support for the victims of Cyclone Idai in 2019, which greatly impacted the Chimanimani area. This exemplifies the various private initiatives that arise in response to urgent appeals for assistance during times of distress.



II. Economic Transformation

6 | Level of Socioeconomic Development

According to the latest data from the World Health Organization published in 2020, life expectancy in Zimbabwe was 60.7 years, with men having a life expectancy of 57.5 years and women having a life expectancy of 63.6 years. This ranked Zimbabwe 175th in the world according to the World Health Rankings and 42nd out of 49 sub-Saharan African countries.

According to World Bank data, the proportion of the population living in extreme poverty increased from 23% (3 million) in 2011 to 30% (4.6 million) in 2017, to 42% (6.6 million) in 2019, and to 49% (7.9 million people) by the end of 2020. Zimbabwe's highly informalized economy meant that the COVID-19 lockdown restrictions further 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. However, due to the favorable weather conditions in 2020/2021 and the attendant bumper harvest, in addition to the easing of COVID-19 restrictions and the gradual resumption of economic activities, the extreme poverty rate slightly declined to 43% toward the end of 2021.

Unfortunately, the 2021 bumper harvest was followed by poor rainfall in the 2022 growing season, which resulted in Zimbabwe's staple maize harvest falling by half in 2022. Alongside other factors, including an inflation surge, the global effects of the war in Ukraine, and electricity shortages, this adversely impacted the economic and social conditions of the majority of Zimbabweans. In 2022, the World Food Program reported that approximately 4 million people in rural areas, where extreme poverty is often prevalent, required food aid.

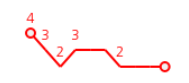
Additional figures show that, according to the World Economic Forum's inclusive development index, Zimbabwe's net income Gini coefficient is 50.3 (2019). In 2021, Zimbabwe's Gender Inequality Index (GII) score stood at 0.532. The United Nations Development Program reported that Zimbabwe's Human Development Index (HDI) score in 2021 was 0.593, which ranked the country 146th out of 189 countries.

Question
Score

Socioeconomic
barriers

2

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Economic indicators		2019	2020	2021	2022
GDP	\$ M	21832.2	21509.7	28371.2	20678.1
GDP growth	%	-6.3	-7.8	8.5	3.4
Inflation (CPI)	%	255.3	557.2	98.5	104.7
Unemployment	%	7.4	7.9	8.1	7.9
Foreign direct investment	% of GDP	1.1	0.7	0.9	1.7
Export growth	%	12.3	-39.8	41.1	-
Import growth	%	-2.1	-29.0	54.8	-
Current account balance	\$ M	920.5	1096.3	-	-
Public debt	% of GDP	82.3	84.4	59.8	98.4
External debt	\$ M	12247.1	12743.3	13738.7	-
Total debt service	\$ M	1587.5	980.7	583.4	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	7.3	8.9	14.9	-
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	0.5	0.8	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.7	0.3	0.8	0.4

Sources (as of December 2023): 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

After the economic crisis of the 2000s, foreign direct investment (FDI) flows to Zimbabwe gradually recovered beginning in 2009, owing to the period of relative macroeconomic stability under the government of national unity (2008 – 2013). Although UNCTAD figures show that FDI inflows into Zimbabwe increased from \$349 million in 2017 to \$745 million in 2018, this was primarily associated with one large project (Sinosteel). FDI inflows declined to \$280 million in 2019, \$194 million in 2020, and \$166 million in 2021, mostly due to heightened perceptions of country risk and the impact of the COVID-19 pandemic. FDI was further undermined by unpredictable government policies, the unstable political and economic climate, corruption, and uncertainty about property rights.

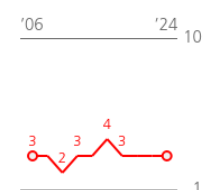
The FDI figures are an indication of the severe economic crisis that Zimbabwe continues to experience. The main challenges confronting the economy include high levels of foreign and domestic debt, poor infrastructure, policy inconsistencies, political uncertainty, corruption, and low capacity utilization. As a result of the economic woes, Zimbabwe's economy has undergone a rapid process of deindustrialization and informalization. As of the end of 2021, approximately 92% of the labor force was working in the informal sector. While NDS1 (2020 – 2025) had set a key policy target of increasing the level of formal employment, the opposite has been happening over the past two years. However, in 2022, the government did finalize its National Formalization Strategy and Implementation Plan, which provides policy guidance for the transition from informal to formal employment.

According to the 2020 Index of Economic Freedom, Zimbabwe had an economic freedom score of 43.1, ranking it as the 174th freest economy in the world. Within the sub-Saharan Africa region, Zimbabwe was ranked 45th out of 47 countries. The Zimbabwean economy is characterized as uncompetitive and heavily influenced by cartels. In February 2021, the South African newspaper Daily Maverick published an explosive study that provided detailed insight into the power dynamics of these cartels in Zimbabwe. The study revealed how these cartels, which involve political actors and dominate the transportation, mining, energy and agricultural sectors, cost Zimbabwe billions of dollars annually, while also creating an unfavorable business climate. Additionally, the report highlighted how Zimbabwe's institutions responsible for regulating property rights, the law and the financial market are abused to facilitate rent-seeking by these cartels. Public enterprises perform poorly and have become the center of rent-seeking behavior to such an extent that their contribution to the economy has declined from approximately 60% to around 2% of GDP, with 70% of the state-owned enterprises considered technically insolvent.

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, reaching an all-time high of 12.9% in 2012. The rebound during the

Market
organization

3



GNU period was accounted for by fiscal discipline and the adoption of a multicurrency regime that stabilized the macroeconomy and the inflation rate, even in the absence of structural reforms.

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 to implement the competition law. The law primarily prohibits restrictive and unfair business practices. However, while the competition policy advocates for nondiscrimination in the treatment of business enterprises, there are certain entities that receive preferential treatment. The involvement of very senior political and military figures in a range of cartels limits effective enforcement. These heavyweights often use their political powers to promote and strengthen their business interests.

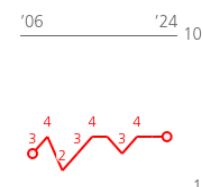
Certain state-owned enterprises, which receive financial and administrative support from the government, inhibit fair competition in their respective markets, where private firms also compete. Furthermore, the Zimbabwean government frequently utilizes subsidies, particularly in the agricultural sector, which often result in market distortions. These measures have been partly influenced by the country's dire financial situation. Finance Minister Mthuli Ncube, in response, has eliminated several subsidies in recent years, including those related to fuel, electricity, grain and wheat. However, this action immediately led to a significant increase in costs for Zimbabweans, prompting the government to reinstate subsidies in certain cases.

Since the 1990s, Zimbabwe has largely pursued a trade liberalization agenda, following immense pressure from the World Bank and the IMF to liberalize the economy. This led to the launch of the Economic Structural Adjustment Program (ESAP) in the 1990s, with the aim of creating a freer market and liberalizing imports and exports. The adoption of the ESAP entailed a fundamental shift from a system of state intervention to one largely driven by market forces – a change that 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 for socially important sectors such as health, education and agriculture.

Zimbabwe is a member of the World Trade Organization. It also 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. Additionally, Zimbabwe is a member of several other regional trade agreements, which provide frameworks for further trade liberalization. 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 establish a customs union. Lastly, Zimbabwe has bilateral trade agreements with South Africa, Botswana, Namibia, Malawi, Mozambique and Zambia.

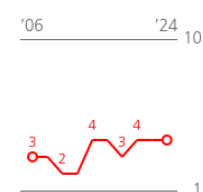
Competition policy

4



Liberalization of foreign trade

4



In 2012, Zimbabwe signed an economic partnership agreement (EPA) with the European Union. The agreement aims to remove trade barriers with the European Union, one of Zimbabwe's major trading partners alongside South Africa. However, one concern surrounding the EPA is that its implementation requires capacity building, an area in which Zimbabwe is weak. Another concern is the country's lack of manufacturing and export diversity, resulting from a lack of competitiveness and the high cost of exporting. These factors are, in turn, attributable to industrial capacity constraints, deindustrialization and informalization. Despite ZANU PF's continued rhetoric on sanctions, Zimbabwe enjoyed a positive trade balance with the European Union between 2011 and 2021.

Zimbabwe's banking sector consists of 13 commercial banks, four building societies and one savings bank. The sector is governed under the Banking Act and falls under the direct supervision of the Reserve Bank of Zimbabwe (RBZ). In 1988, Zimbabwe implemented the Basel Capital Accord, which is aimed at safeguarding overall stability and boosting capital positions.

In recent years, operating banks have significantly reduced their branch networks due to declining business opportunities. However, the 2023 national budget stated that the financial sector remains strong and adequately capitalized. Fifteen out of 18 banking institutions reported core capital levels that comply with minimum capital requirements. Furthermore, in its September 2022 report, the RBZ reported that banking profits in the first nine months of 2022 were ZWL \$342 billion, up from ZWL \$25.39 billion in the corresponding period the previous year.

The level of financial intermediation, as measured by the total loans to total deposit ratio, stood at 55.67% as of December 31, 2022. It was reported that the banking sector's asset quality was satisfactory, with the share of nonperforming loans (NPLs) remaining stable at low levels. As of December 31, 2022, the average ratio of NPLs to total loans within the banking sector was 1.58%, which compares favorably with the generally acceptable international threshold of 5%. Loans to the productive sector constituted 76% of total banking sector loans, compared to 85% in 2020.

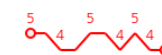
However, leading Zimbabwean economists questioned the government's descriptions and classifications, as nearly all indigenous banks have collapsed. The most important critique was that bank capital is denominated in Zimbabwean dollars, which are susceptible to erosion. Furthermore, the so-called profits are derived not from banks' core business, which is lending, but from noncore activities, especially bank charges. These bank charges affect ordinary Zimbabweans as they are charged for each transaction, but their deposits do not attract interest.

The IMF also raised questions regarding some of the positive overviews presented in the national budget, citing the fragility of the financial system due to the severe economic downturn and high inflation rate. The IMF noted the erosion of real asset values, negative real lending rates and an increase in excess reserves at the RBZ,

Banking system

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which affected banks' lending capacities. It also questioned the nonstandard loan classification. International financial analysts further highlighted the harsh operating environment for banks, characterized by high credit risk, a high inflation rate and foreign exchange constraints. A majority of Zimbabwean correspondent banking relations have either been severed or are in jeopardy due to international banks' de-risking efforts.

Successive financial crises have led to widespread distrust in the formal banking system among Zimbabweans, paving the way for mobile money services. Ecocash, used by nearly 90% of Zimbabweans, has emerged as a prominent option.

8 | Monetary and fiscal stability

Zimbabwe has experienced a number of turbulent years in terms of its monetary policies, with continued instability, significant currency changes and skyrocketing inflation rates. 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.

From the time of its introduction, the value of the local currency plummeted. The original notion that the RTGS dollar would be equal in value to the U.S. dollar could not be maintained. Demand for cash exceeded supply, leading to a continued increase in the parallel market premium for the dollar, which undermined the viability of the financial and foreign exchange system. As a result, the local currency rapidly depreciated against its benchmark, the U.S. dollar; moreover, inflation soared, and a parallel market emerged, benefiting those with access to foreign exchange. The government introduced a foreign exchange auction system in 2020, which brought relative stability to the foreign exchange market and helped stabilize the exchange rate. However, in 2022, the demand for foreign currency far surpassed the available supply, putting sustained pressure on the exchange rate. The IMF also noted the growing signs of an overvalued official exchange rate amidst foreign exchange restrictions, which imposed significant economic costs.

In 2022, the year-on-year inflation rate rose from 60.6% in January to 243.6% in December, one of the highest inflation rates in the world. The main drivers of inflation in Zimbabwe during this period were growth in the money supply, exchange rate movements (black market premiums), and increases in energy and fuel prices. According to the Labor and Economic Development Research Institute of Zimbabwe (LEDRI), the official inflation figures fail to fully capture price trends in the economy due to significant levels of informality. The persistent high-inflation environment has diminished the real incomes of the majority of the population.

Monetary stability

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By July 2022, the Zimbabwe dollar had lost over 90% of its value on the interbank market since the government adopted an action system in June 2020. Furthermore, a large gap continues to persist between the interbank and parallel market exchange rates, as the U.S. dollar remained almost twice as expensive on the parallel market throughout this period. The IMF has repeatedly criticized the Reserve Bank's quasi-fiscal operations and also identified the over-invoicing of – and subsequent large payments to – suppliers as a source of pressure on the parallel market. In the past half year, the government has introduced value-for-money audits as well as measures to strengthen procurement regulations.

As outlined by the IMF, Zimbabwe is classified as being “in debt distress.” Domestic debt has grown in recent years due to large fiscal deficits and the quasi-fiscal activities of the Reserve Bank of Zimbabwe (RBZ), which included the accumulation of parastatal debt, a large public wage bill and negligible access to external finance. In 2021 and 2022, the debt situation further worsened due to the COVID-19 pandemic, climate change (droughts, uneven rain patterns), and leakages in public finance spending.

At the end of 2022, Zimbabwe's total public debt stood at \$17.6 billion, up from \$13.7 billion as reported at the end of 2021. The International Monetary Fund (IMF) reported a debt-to-GDP ratio of 93%, which exceeds the 60% threshold recommended by both the IMF and the Southern African Development Community (SADC), as well as the 70% recommended by Zimbabwe's Public Debt Management Act.

Domestic debt, which was negligible around 2013, reached ZWL 12.5 billion in 2020 and ZWL 2.23 trillion (approximately \$3.5 billion) by the end of 2022, according to the 2023 national budget. A major additional factor in the drastic increase is the inclusion of compensation for former farm owners in the domestic debt data.

At the end of 2022, Zimbabwe's external debt stood at around \$14 billion, of which about 45% consisted of arrears and penalties. Approximately 40% of this debt was owed to bilateral creditors, while 35% was owed to multilateral creditors, primarily the World Bank and Afrexim Bank.

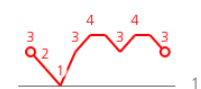
Whereas the government managed to decrease its wage costs between 2018 and 2020, reducing them from 61% of the national budget in 2018 to 42% in 2020, this figure increased again to 53% in the 2023 budget.

The 2023 national budget states that the current account balance improved to a surplus of \$340.5 million in the first half of 2022, compared to a deficit of \$97.2 million for the same period in 2021. This surplus is primarily driven by remittances.

Fiscal stability

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9 | Private Property

The free movement of assets and the right to exchange private property is formally guaranteed in Zimbabwe, but in reality, this has been one of the most contentious issues in the country. The land reform program, which led to the violent eviction of thousands of white farmers from their land without any compensation, was among the most divisive policies of the Mugabe era. Additionally, years of threats of indigenization laws posed a risk to international investors.

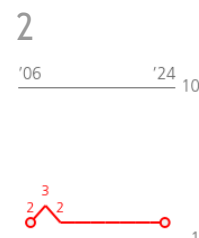
In 2020, Zimbabwe agreed to a historic \$3.5 billion deal that aimed to compensate white farmers for the infrastructure on their farms but not the land itself. The government hoped that this deal would restore international confidence in Zimbabwe and attract much-needed foreign investment. However, due to Zimbabwe's dire economic situation, the government lacked the funds to pay the farmers and has had only limited success in fundraising from the international donor community thus far.

On the International Property Rights Index, which measures the degree to which a country's laws protect private property rights and it enforces those laws, Zimbabwe was ranked 124th among 129 countries globally in 2022 (down from 121st in 2020). This places the country among the lowest-scoring countries in the sub-Saharan Africa region, specifically at 26th place out of 30.

The Auditor General has pointed out noncompliance with regulations, a lack of accountability and a lack of transparency in state-owned enterprises as major constraints to public enterprise performance. Over the years, these firms' share in the economy has decreased from 60% to around 2%. The Public Accounts Committee has further observed rampant misuse of public funds. Through the Transitional Stabilization Program (TSP), the government has committed to introducing a set of reforms aimed at improving the efficiency and governance of public enterprises and reducing their reliance on government funds. Decisions have been made on each enterprise regarding full or partial privatization, de-mergers, outright disposals, the formation of strategic partnerships, or reversion to government department status. Although progress on public enterprise reforms has been slow, a number of reforms have already taken place. In 2018, the government announced that it would privatize 48 state-owned enterprises, but to date, only five have been targeted for immediate reform. However, even these privatizations have not yet been concluded, and the politicization of SOEs remains a fundamental problem.

Zimbabwe's private sector continues to face a wide range of challenges, including policy inconsistency, high inflation, currency challenges, administrative delays and corruption. The continued economic crisis has fueled a deindustrialization trend in Zimbabwe, severely affecting the manufacturing sector. However, while the Confederation of Zimbabwe Industries (CZI) reported a dip in manufacturing activity of 27% in 2020, capacity utilization increased to 56.2% in 2021, the highest such

Property rights



Private enterprise

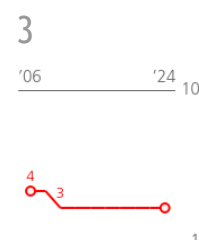


figure in the past decade. The introduction of an auction system for foreign exchange by the government was an important catalyst for this increase, as it gave companies access to U.S. dollars. At the same time, the CZI pointed to the high inflation rate and currency crisis as major threats to the Zimbabwean economy.

The government officially encourages competition within the private sector according to the Zimbabwe Competition Act, which provided for the formation of the Tariff and Competition Commission. This commission is responsible for investigating restrictive practices, mergers and possible monopolies. In 2020, the government established the Zimbabwe Investment Development Agency (ZIDA), a one-stop investment services center that houses several agencies, including the Zimbabwe Revenue Authority (ZIMRA) and the Environmental Management Agency (EMA). These agencies play a role in the establishment, licensing and implementation of investment projects.

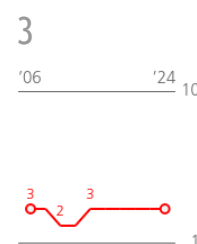
10 | Welfare Regime

Zimbabwe's national social protection strategy framework is centered on the need to reduce social and economic risks and vulnerability. During its first 15 years of independence, Zimbabwe had a well-functioning social security system. However, years of successive crises, starting with insufficient policies, balance of payments problems, and the effects of the ESAP programs in the 1990s, wreaked havoc on the social protection 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."

Two decades of economic crisis and severe currency shifts have repeatedly undermined the value of pensions. The currency shift and high inflation rates in 2019 devalued pensions to around one-tenth of their previous value in 2018, while prices continued to rise at the same time. As noted in the national budget, the increasingly challenging environment of the past years has resulted in an increased number of vulnerable households, while the capacity of existing social safety nets has deteriorated.

One weakness of Zimbabwe's social system is its overreliance on funding from development partners. Additionally, there are concerns about the growing politicization of food aid. Lastly, the lack of coordination, pervasive fragmentation and high administrative costs are undermining the efficiency of social protection programs.

Social safety nets



Zimbabwe’s constitution provides a robust framework for safeguarding and advancing rights, encouraging “complete participation of women in all areas of Zimbabwean society on a basis of equality with men.” Zimbabwe is a party to several global accords on gender equality, such as various U.N. conventions and SADC declarations. Nonetheless, women and girls in Zimbabwe persistently encounter significant gender disparities and deep-seated societal expectations regarding gender roles.

Only 34.6% of parliamentary seats are currently held by women, primarily under the proportional representation (PR) system that allocates 30% of the seats in parliament to women. According to 2019 U.N. statistics, 59.8% of adult women had attained at least a secondary level of education, while the comparable rate among men was 70.8%. The labor market participation rate among women is 78.1%, but 89% among men.

The Zimbabwe Demographic Health Survey (2015) found that one in three women had experienced gender-based violence, while one in four had experienced sexual violence. A serious problem in this regard is that the state itself has increasingly become a perpetrator of violence against women. A prominent example has been the continued targeting of the young opposition trio of Joanah Mamombe, Cecillia Chimбири and Netsai Marova, who were abducted, assaulted and sexually abused, and subsequently arrested and detained multiple times.

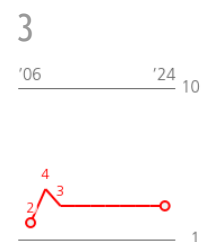
The COVID-19 pandemic further magnified the public health crisis, and women struggled to access maternal, antenatal and other medical services. The rising levels of financial and food insecurity have raised tensions in households, with reports of gender-based violence increasing in number. Furthermore, social customs place the responsibility for caring for children and sick family members largely on women’s shoulders.

11 | Economic Performance

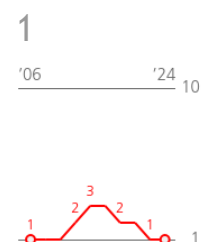
The combined impact of recurring droughts, ineffective fiscal and monetary management, austerity measures, and the repercussions of Cyclone Idai and COVID-19 all contributed to a weak economic performance in 2019 and 2020, with key sectors experiencing double-digit rates of contraction. COVID-19 had a particularly significant effect on exports, manufacturing and tourism and also resulted in a drastic decline in foreign direct investment (FDI) inflows, which dropped from \$717.1 million in 2018 to \$150.4 million in 2020.

The relaxation of COVID-19 measures, good rains followed by a bumper harvest, and high global commodity prices fueled economic recovery in 2021, leading to GDP growth of 7%. However, economic activity slowed down again in 2022 as erratic rains led to worsening agricultural conditions. Macroeconomic instabilities, rising

Equal opportunity



Output strength



inflation and exchange rate depreciation pressures reemerged, reducing consumption and investment. This led to a slowdown in projected GDP growth to just 3.4% in 2022. As noted by the World Bank, strong remittance inflows to some extent mitigated the impact on private consumption and, together with higher gold exports, kept Zimbabwe's external current account in surplus.

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, with the core rate falling to 348% in December 2020 and projections that it would fall to 135% in 2021. However, throughout 2022, Zimbabwe continued to experience extremely strong inflation, with an annual rate of 284%.

After years of significant current account deficits, Zimbabwe recorded surpluses of \$920.5 million in 2019 and \$1.1 billion in 2020.

According to Zimbabwe's 2023 national budget, cumulative revenue collections for the first nine months of 2022 amounted to ZWL \$1.2 trillion, surpassing the target of ZWL \$890.5 billion by ZWL \$269.9 million. Tax revenue collections reached ZWL \$1.1 trillion, while non-tax revenue collections totaled ZWL \$71.7 billion.

At the end of 2022, Zimbabwe's public debt stood at \$17.6 billion, an increase from the \$13.7 billion reported in 2021. The International Monetary Fund (IMF) reported a debt-to-GDP ratio of 93%, which exceeds the threshold of 60% recommended by both the IMF and the Southern African Development Community (SADC), as well as the 70% recommended by Zimbabwe's Public Debt Management Act.

Unemployment statistics in Zimbabwe have always been controversial, as the Zimbabwean authorities include people working in the informal sector and communal agriculture sectors as being employed. While the official unemployment rate was 5.2% in 2021, independent economists estimate the unemployment rate to be around 85% to 90%.

After a GDP per capita growth rate of 3.4% in 2018, Zimbabwe experienced declines in per capita GDP of 7.5% in 2019 and 7.6% in 2020. In 2021, Zimbabwe recorded per capita growth again, at a rate of 4.2%. Gross capital formation (formerly gross domestic investment) amounted to 7.5% of GDP in 2021, one of the lowest such figures in the region.

12 | Sustainability

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 or enforcement of existing laws, policies and regulations.

The government frequently allows mining in protected areas and other critical ecosystems, with both large-scale and artisanal mining taking place in national parks and rivers. The Environmental Management Authority (EMA) lacks regulatory powers, as shown by the absence of action against miners that damage the environment. This was demonstrated in a study conducted by a civil society coalition on granite mining in Mutoko. The 2021 report outlined how mining in the area led to environmental degradation; forcible relocations; violations of land rights; and pollution of the air, soil and water, which affected the livelihoods of many communities. The famous Hwange National Park, renowned for its elephant populations, also experienced a significant increase in pollution caused by coal mining. In 2022, the Center for National Resource Governance (CNRG) reported on how Chinese mining operations in the area had caused coal seam fires, the flooding of toxins into rivers, and a number of violations of the rights of local communities.

In December 2022, the Zimbabwean government announced its agreement to guarantee viable tariffs for 27 solar projects by independent power producers (IPPs). The overall project, valued at approximately \$1 billion, aims to generate nearly 1,000 megawatts. In addition to the viable tariffs, Finance Minister Ncube also announced that power purchase agreements would be guaranteed in an effort to ensure the successful implementation of the projects, which had largely been delayed due to a lack of private investment from project developers. Solar energy has become increasingly popular among the private sector and consumers in Zimbabwe over the past decade in response to the unreliable traditional power supply.

One of Zimbabwe's main post-independence achievements was the creation and expansion of a high-quality education system with a high level of equality. For decades, Zimbabwe was believed to have one of the best education systems on the African continent, which contributed to a literacy rate of over 90% (the highest on the continent). This is also reflected in the U.N. Education Index, on which Zimbabwe scores better than most other sub-Saharan African countries. Today, Zimbabweans continue to find education important, but years of economic crisis have resulted in inadequate public investment in primary and secondary education.

The allocations going to primary and secondary education went from 10.2% of the budget in 2019 to 13.3% in 2020, then decreased to 12% in 2022. In the 2023 budget, 14% was reserved for education, which is still below the 20% stipulated in the Dakar Declaration. It should be noted that the vast majority of the budget, or 87%, was

Environmental
policy

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Education policy /
R&D

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allocated for public wage costs, with this figure even reaching 90.2% in 2019. This underfunding has negatively impacted the quality of education, leading to drastic deterioration over the years. This decline was evident in the release of the 2022 O-level results by the Zimbabwe School Examination Council (ZIMSEC), which reported a pass rate of only 29%, sparking widespread debate.

One problem has been the frequent absence of teachers, as the deadlock between teachers and the government persisted in 2022 after relations soured in the past four years following a series of teacher strikes. The introduction of the Zimbabwe dollar and hyperinflation eroded the salaries of teachers. Since they were suddenly paid in the local ZWL currency, their salaries were slashed from around \$500 to \$30 per month in 2019. Today, teachers continue to state that their salaries are not enough to pay for their basic needs and the education of their own children. Several teachers' union leaders have been subject to repeated arbitrary arrests. This has included top members of the Amalgamated Rural Teachers Union of Zimbabwe (ARTUZ), whose president, Obert Masaraure, was arrested shortly after receiving a human rights award in Europe in May 2022.

Governance

I. Level of Difficulty

Zimbabwe is a landlocked country, which consequently depends 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. For example, there is only one land border post (Beitbridge) with the country's largest trade partner, South Africa.

Zimbabwe is also impacted by the consequences of climate change and the resulting climate shocks. In recent years, the country has faced significant challenges due to severe droughts, which have had a detrimental impact on agricultural production and livelihoods. Moreover, Zimbabwe has been increasingly affected by natural disasters, including heavy rains, resulting floods and cyclones. Additionally, the nation continues to grapple with one of the highest HIV infection rates in sub-Saharan Africa, recently measured at a prevalence of 11.6%, with 1.3 million individuals living with HIV in 2021.

In terms of infrastructure, Zimbabwe has one hydropower plant and four coal-fired generators with a total combined capacity of 2,240 megawatts, which is sufficient to meet the country's demand. However, due to the poor maintenance of certain plants, power generation has fallen below capacity. The Kariba Hydro Plant generated less than normal due to the low rainfall in 2021/2022. Several projects are currently underway to enhance Zimbabwe's power generation capacities. A planned expansion of the country's largest coal-fired facility in Hwange, with a project price tag of \$1.5 billion, aims to increase capacity by 600 megawatts.

There has been a general deterioration in the quality of infrastructure due to low levels of capital expenditure for maintenance. The infrastructural deterioration has severely impacted the country's 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%. However, the ongoing lack of investment has also affected the quality of education. Furthermore, as a result of the continued economic crisis, several rounds of brain drains have meant that a significant portion of Zimbabwe's highly educated professionals are working and living abroad. It is estimated that over 3 million

Structural
constraints

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Zimbabweans are currently in the diaspora, and in the past two years, a new wave of educated Zimbabweans has left the country. More than 4,000 nurses and doctors have left Zimbabwe since 2021, mostly going to the United Kingdom. It is feared they will soon be joined by teachers; as of February 2023, Zimbabwe will join a select group of countries whose citizens are eligible for Qualified Teacher Status in the U.K.

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 the economic structural adjustment programs gave rise to strong civic campaigns led by the labor and student movements. These attracted a great deal of support thanks to their articulation of socioeconomic grievances that included hyperinflation, unemployment, the high cost of living and a deterioration in basic social services such as health care, education and water.

Second, the formation of a constitutional reform movement under the National Constitutional Assembly (NCA, led by Morgan Tsvangirai) in the late 1990s showed the growing influence and resonance of CSOs, as the government lost the constitutional referendum in 2000. Furthermore, most of the active CSOs during this period formed the base of the opposition movement that created the MDC in 1999.

The growth of civil society organizations (CSOs) in the governance and human rights sector accelerated particularly after 2000 in response to the surge in repression and election irregularities. It is widely believed that the significant donor support Zimbabwe's civil society received during the 2000s further contributed to the flourishing of the civil society. Throughout this period, Zimbabwean CSOs established several influential coalitions and networks that coordinated the efforts of the broader civil society on specific issues. Examples include the Crisis in Zimbabwe Coalition, which focused on democratization, and the Zimbabwe Human Rights NGO Forum.

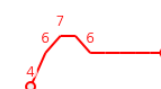
A combination of declining donor funding, the economic crisis, state repression and a lack of civil society engagement has severely weakened the state of civil society in Zimbabwe. However, the crackdown in January 2020 illustrated the strength of certain civil society organizations and the response mechanisms they have established – although it should be noted that the capacity of many CSOs has weakened further since then. In the run-up to the 2023 elections, increased political and voter apathy was reported.

In Afrobarometer surveys taken from 1999 to 2018, Zimbabwean adults have consistently 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. The survey also found that a majority of adult Zimbabweans (75%) were not members of voluntary associations, although rural residents were more inclined than their urban counterparts to join voluntary groups.

Civil society traditions

6

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The emergence of an opposition movement in the post-2000 period led increased polarization between ZANU PF and MDC in both the political and societal spheres. One of the worst examples in this regard was the aftermath of the first round of the 2008 elections, which escalated into state-sponsored violence. The run-off was marred by violence against opposition leaders and supporters, who were beaten, tortured, kidnapped and killed. The campaigns of violence perpetrated by Zimbabwe's security forces instilled fear in Zimbabwe's citizens, which continues to influence their political participation to this day. The disproportional response of soldiers to post-election protests on August 1, 2018, and the violent crackdown on opposition and activists in 2019 by state security agents, were examples of the continued use of instruments of coercion by the state. Ahead of the 2023 elections, Zimbabwean NGOs like the Zimbabwe Peace Project (ZPP) reported increased cases of political violence, especially in rural areas.

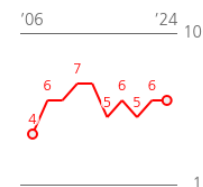
This has resulted in widespread fear of an escalation of violence around the 2023 elections, which was further fueled by the reintroduction of the National Youth Service (NYS) by the Zimbabwean government in 2021. Members of the NYS were involved in politically motivated violence and severe human rights violations in the first decade of this century, leading the National Working Group on Transitional Justice (NWGTJ) to state that the reintroduction of NYS training speaks to already simmering political disputes and could serve as a harbinger of intensified electoral conflict.

The ongoing stalemate between the ruling party ZANU PF and the opposition party CCC is indicative of the continued polarized environment in Zimbabwe. The period immediately following the 2018 elections saw discussions regarding the necessity and potential establishment of a national dialogue, but these efforts have largely receded in recent years. President Mnangagwa's Political Actors Dialogue (POLAD) platform was unsuccessful in securing the participation of the main opposition party, and other dialogue initiatives such as that proposed by the Zimbabwe Council of Churches (ZCC) did not come to fruition due to the reluctance of key political figures to engage.

Since assuming power in 2017, the Mnangagwa regime has intensified the repression directed at the political opposition. This has been done through a series of measures aimed at systematically dismantling the opposition. In 2022, several high-profile CCC members, including parliamentarians Job Sikhala, Godfrey Sithole and Amos Chibaya, as well as Vice President and former Minister of Finance Tendai Biti, were subject to arbitrary arrest and, in some cases, lengthy pretrial detention.

Conflict intensity

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II. Governance Performance

14 | Steering Capability

Over the past two decades, Zimbabwean governments have formulated various long-term policy frameworks. For the period from 2013 to 2018, the ZANU PF-led government introduced the Zimbabwe Agenda for Sustainable Socioeconomic Transformation (ZimAsset), which put particular focus on the (failed) promise to deliver 2.2 million jobs.

After assuming power in 2017, Mnangwa's government developed the Vision 2030 strategy, which outlines Zimbabwe's intention to attain an "empowered and prosperous upper middle-income society" by 2030. To achieve this, the government launched the National Development Strategy 1 (2021 – 2025, NDS1), the first five-year medium-term plan aimed at realizing the vision and goals contained in Vision 2030. Key components of the plan include a wide range of transformative measures, international reengagement efforts, and the goal of developing and utilizing domestic growth sectors such as the country's natural resource endowment.

Zimbabwean economic think tanks believe that NDS1 is well crafted and commendable in several respects ignored by previous economic blueprints. They particularly highlight the clearly articulated implementation matrix, which allows for better monitoring and evaluation. At the same time, they emphasize that previous economic blueprints had similar targets that the government failed to achieve.

The severity of Zimbabwe's current economic crisis is such that it seriously hinders the government's ability to engage in long-term policymaking. In this regard, Zimbabwe's derailed negotiations with international financial institutions and the resulting lack of access to finance have limited the government's maneuvering room. Ultimately, however, it has been the government's lack of political will to implement necessary political and economic reforms that has overridden strategic policymaking and prioritization.

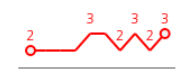
Policy implementation remains a challenge and has been marred by policy reversals and policy inconsistencies. These issues are fueled by various constraints, including inadequate financial resources, corruption, a lack of political will, poor sequencing of events and mismanagement. The failure to implement the majority of long-term policy frameworks has led respective governments to rely primarily on short-term and makeshift policy responses. The current Mnangagwa regime has failed to fulfill its promises of economic and democratic reforms and appears to be predominantly driven by self-preservation imperatives.

Question
Score

Prioritization

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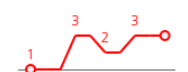
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Implementation

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One of the most notable examples of the current administration was the failure to implement the ZimAsset policy framework. Limited funding capacity (the government indicated it needed \$27 billion for the program), mismanagement and policy inconsistencies affected the implementation. A key example of policy inconsistency was the fact that ZimAsset was anchored around a free market premise, while Zimbabwe's \$3 billion state-led Command Agriculture program was the exact opposite.

Furthermore, the constitutional alignment exercise, which is ostensibly intended to align Zimbabwe's laws with the constitution adopted in 2013, has still not been completed. A significant number of key provisions have still not been aligned, including crucial democratic reforms such as the Electoral Act and provisions ensuring the independence of the Zimbabwe Electoral Commission. Instead of completing this constitutional alignment exercise, the ZANU PF government has made continued constitutional amendments in the past three years that have led to an increase in centralization of power and a decrease in independent oversight.

Other recent examples of policy frameworks adopted by the current government include 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 domestically and internationally, regarding the lack of implementation of envisaged policies and reforms. The government has managed to implement a number of fiscal consolidation and austerity measures.

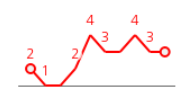
Sadly, the ZANU PF government's policy learning has primarily focused on preserving power and maintaining its system of control. The 2013 election demonstrated ZANU PF's ability to adapt. The overt and visible violence that characterized the 2008 elections, which was not accepted by the international community, was replaced by more subtle yet still effective forms of intimidation and violence. With the preservation of power as the primary objective, there is less interest and willingness to apply a similar approach to national governance issues. Under the government of national unity, several successful policies were implemented. One example was the adherence to fiscal discipline through cash-based budgeting, which resulted in minimal inflation, limited domestic borrowing and no deficit. However, the post-GNU period witnessed a return to fiscal indiscipline, leading to hyperinflation similar to the pre-GNU era. This resulted in rapidly increasing budget deficits, heightened domestic borrowing and a repetition of past mistakes.

In past years, the IMF has continuously highlighted the Reserve Bank's quasi-fiscal operations, which have further fueled fiscal instability. Similarly, short-term policy considerations have fueled inflation and increased domestic debt, with decisions often coming at the expense of social services delivery.

Policy learning

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It is important to continue 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 centralization of power can also be witnessed in those institutions, where 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 crisis have led to a backlog in knowledge in both the public and private sectors.

15 | Resource Efficiency

Public sector salaries have always been a significant expenditure, contributing heavily to recurring budget deficits. Public employment costs increased from 48% of total expenditure in 2009 to a peak of 78% in 2017 (90% if pensions were included). While the country experienced budget surpluses under the GNU due to the government's cash-based budgeting approach, fiscal deficits returned after the GNU ended. The high costs of public salaries have resulted in limited capital spending for infrastructure, developmental and social service delivery projects.

Due to a series of austerity measures, public employment costs receded to 61% of total government spending in 2018 and were expected to be around 42% by the end of 2020. The government implemented a package of measures to rationalize both wage and nonwage expenditures. These measures included a 5% salary reduction for all senior positions, the elimination of ghost workers, and the retirement of government officials above the age of 65. As a result, fiscal consolidation was achieved, with the 2021 budget nearly balanced and account deficits turning into small surpluses.

However, the 2022 budget ended with a 0.61% deficit, and the overall budget deficit for 2023 rose further to 1.5%. Employment costs also increased, constituting 53% of the 2023 budget. In addition, domestic debt remains at unsustainable levels, reaching an absolute level of approximately \$3.5 billion in 2023.

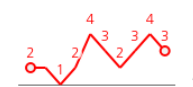
There continues to be severe tension between the government's austerity measures and their impact on civil servants' lives, as persistently high inflation rates have continued to erode real incomes.

The Civil Service Commission is responsible for civil service recruitment; however, most senior officials are political appointees. Allies of President Mnangagwa are placed in crucial positions, and there has been a rise in the appointment of (former) military officials as well, which has resulted in the militarization and politicization of public institutions. The constitutional amendments implemented in 2021 also granted President Mnangagwa increased authority in appointing senior public officials.

Efficient use of assets

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

Frictions within top policy organs persisted after Mugabe's departure from the political scene, fueling continued policy inconsistencies. In 2020, it was reported that the ZANU PF politburo summoned Finance Minister Ncube and Reserve Bank Governor Mangudya to explain the economic meltdown and their austerity measures, fearing it could cost ZANU PF the 2023 elections.

An IMF team visiting Zimbabwe in April 2022 highlighted the need to strengthen coordination between the fiscal and monetary authorities, identifying it as an overarching policy priority. The team specifically mentioned the Reserve Bank's quasi-fiscal operations in this regard, as these operations are fueling the continued currency and price pressures.

Zimbabwe's centralized style of governance has resulted in ongoing tensions between the urban authorities led by the CCC and the national ZANU PF-led government. The central government interferes with local authorities by restricting budget allocations, overriding policies, and harassing mayors and councilors. These divisions also undermine planning and the provision of social services. Furthermore, in recent years, there has been a lack of funding for devolution.

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

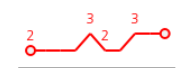
Although key political figures in the ZANU PF have largely experienced impunity in corruption matters, there have been a few cases in recent years. Most notably, Tourism Minister Mupfumira was charged with corruption involving the diversion of \$95 million from the state pension fund during her time as Labor Minister. In 2022, ZANU PF parliamentarian Justice Mayor Wadyajena was arrested for alleged money laundering and fraud involving \$5 million from one of the state-owned enterprises.

The few cases brought to court provide an insight into the scale of the elite's corruption. The mid-term 2015 Fiscal Review estimated 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 that \$1.5 billion of gold is illegally leaving Zimbabwe annually. Given the alleged involvement of senior ZANU PF and military officials, this issue remains mostly unaddressed.

Policy coordination

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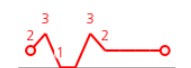
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Anti-corruption policy

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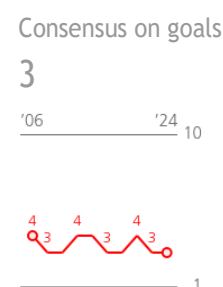
ZACC has also refused to look into allegations by the Public Accounts Committee (PAC) that an estimated \$3 billion was misused under the government's Command Agriculture Scheme. A study by the Zimbabwe Democracy Institute explained how the proceeds of the ZANU PF/securocrats-led Command Agriculture Program are a powerful means through which regime loyalists are financed and rewarded from 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 testament to the continued weakening of the roles of constitutionally mandated bodies, in this case the National Prosecuting Authority (NPA) and ZACC. The Auditor General's Office does audit public spending, which can be quite revealing, but no serious attention has been given to its reports. There remains considerable uncertainty regarding the assets held by top ZANU PF leaders, as there is limited accountability for officeholders. Journalists addressing corruption have been victims of state repression, as seen with the repeated incarceration of investigative journalist Hopewell Chin'ono.

16 | Consensus-Building

The continued stalemate between the ZANU PF and CCC parties is indicative of the polarized political environment in Zimbabwe. At the beginning of 2023, the political impasse was so severe that consensus on any matter was nearly impossible. Since the disputed elections in 2018, there have been continuous calls for a national dialogue to explore ways out of the Zimbabwe crisis. The opposition argued that President Mnangagwa was an unsuitable convener and refused to participate in his Political Actors Dialogue (POLAD) initiative, instead calling for a more independent convener and process. As ZANU PF declined to participate in any other initiative outside of POLAD, no formal inclusive national dialogue process ever materialized. Meanwhile, Zimbabwean civil society raised concerns about inclusivity and constitutionalism, as the POLAD process operates outside the constitutional framework. Additionally, critics argued that a credible national dialogue process should encompass both state and nonstate actors. The opposition's push for democratization has faced ongoing resistance from ZANU PF and the military.

In the past two years, there have been continued reports about factionalism 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 suggested that Mnangagwa would only serve one term before handing over power to former army general Chiwenga. In early 2021, the deaths of cabinet ministers and former army generals Shiri and Moyo, believed to have been related to COVID-19, are assumed to have weakened the Chiwenga faction. President Mnangagwa has further strengthened his position in the past two years by appointing loyalists to key positions in government and state security organs.



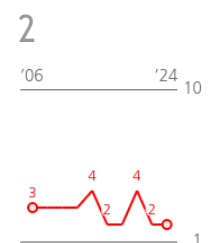
ZANU PF has a history of socialist economic thinking. President Mnangagwa’s “open for business” mantra and his perceived liberal ideas regarding the market-based economy are largely endorsed by the CCC. However, a number of civil society organizations challenge the envisaged neoliberal policies, with this skepticism deriving from memories of the structural adjustment programs pushed by the international financial institutions (IFIs) during 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. However, it should also be noted that corruption is not limited to ZANU PF, as there have been reports about corruption among CCC councilors as well.

The hope for meaningful change in Zimbabwe, resulting from President Mnangagwa’s initial rhetoric promising democratic and economic reforms from his “new dispensation,” has evaporated under the pressure of the events of the past four years. The increased militarization of the state has led to further centralization of power and severely limited the capacity of pro-democratic forces in Zimbabwe to use relevant institutions, processes and mechanisms to hold the government accountable. As such, it remains clear that 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 has also been witnessed in other public institutions, state agencies, the judiciary and even the ZANU PF party itself, as senior army members have 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 the military, business and political interests of a powerful ruling elite.

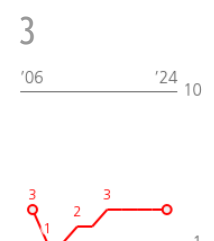
Reform-minded elements within the ruling party are difficult to identify. However, a number of high-ranking officials are said to be more open to reforms, as are more technocratic civil servants in various government departments. Nevertheless, they have little power over the government’s elite. Business leaders aligned with the ruling party, including influential business tycoon Kuda Tagwirei, are able to influence government decision-making, thereby further strengthening the role of cartels.

Zimbabwe’s history since independence has produced a number of cleavages in society along the lines of politics, ethnicity and class. Most of these cleavages result from unresolved violent conflicts in the past. Some observers note that the characteristics of the liberation struggle, including intense intrigue, factionalism, violent purges and assassinations, have nurtured a culture of violence and instability in Zimbabwe. The liberation struggle also plays an important role in some of the ongoing divisions. ZANU PF leaders have a sense of ownership of the state and strongly believe that only those with liberation credentials can assume power.

Anti-democratic actors



Cleavage / conflict management



The Gukurahundi massacres led to a deep divide between the ethnic Ndebele minority and the Shona majority. The absence of healing and the ongoing marginalization of Matabeleland has caused trauma and anger, which has been passed down to the next generation. However, in 2021, President Mnangagwa – one of the primary responsible actors at that time – commenced a process aimed at addressing and resolving the Gukurahundi issue. This process envisions an important role for traditional leaders.

Since the formation of the MDC in 1999, severe electoral violence and highly contested elections have led to deep political tensions and the polarization of the political landscape between ZANU PF and MDC. In the years following the 2018 elections, the post-election violence, ongoing and systematic repression against the opposition, and the failure to establish a national dialogue have further intensified the political divisions.

ZANU PF flourishes on the politics of divide and rule, with national wealth shared among a small elite – thereby also creating fragmentation between the haves and have-nots. State violence is an important feature of the political landscape, particularly around elections. Moreover, a culture of impunity has taken root, which affects political stability and democratic processes. Members of the current political elite are unable to depolarize and resolve most of the structural cleavages, mainly because of their own involvement in the origin and course of these violent conflicts. In fact, their recent actions have only led to deeper polarization in society.

The achievements of Zimbabwe’s civil society are sometimes underestimated today. Since the mid-1990s, Zimbabwe has had a strong civic movement that played a significant role in the creation of the political opposition movement, the constitutional process, and efforts to address socioeconomic issues and human rights violations. Ever since the emergence of civil society organizations (CSOs) in Zimbabwe, the attitude of the government has been negative and hostile toward them. This has been particularly true for CSOs working on governance and human rights, who have often been labeled “regime change agents” or “puppets from the West.” Development organizations and social services providers work closely with various government departments, which is often appreciated by the government.

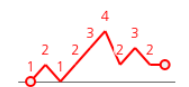
Despite these difficult circumstances, civil society has managed to influence government agenda setting, policy formulation and implementation in several ways, including through litigation, activism, monitoring mechanisms and policy discussions. Zimbabwe has a strong legal civil society that has successfully managed to reverse government actions or decisions at the more independent higher courts – although government also ignores court orders.

Today, Zimbabwe’s civil society must contend with increased military surveillance, repression, harassment, arrests and long pretrial detentions. This heightened repression should be understood as a continuation of a long trend of sustained pressure on the democratic space in Zimbabwe, particularly since the 2018 elections.

Public
consultation

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Over the past two years, the government has implemented several repressive laws aimed at civil society organizations. Of particular concern is the PVO Amendment Bill passed through the parliament in 2022, which grants the government the ability to interfere in the operations of NGOs (replacing their leadership, expropriating NGO funds and assets, and shutting down organizations). Additionally, this bill criminalizes the work of civil society on “political issues,” which are vaguely defined but now carry a penalty of up to 10 years in prison. In February 2023, a group of U.N. special rapporteurs called on President Mnangagwa to refrain from signing the PVO Bill into law.

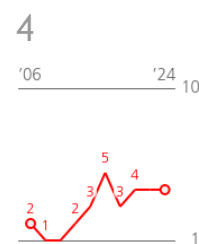
Healing and reconciliation efforts in Zimbabwe continue to face substantial challenges, as a range of historical acts of injustice remain unresolved. These acts include the Gukurahundi massacres between 1982 and 1987, during which 20,000 mostly Ndebele people were killed; the violent eviction of white farmers from their land in 2000; Operation Murambatsvina, which resulted in the displacement of hundreds of thousands of urban dwellers; and the severe electoral violence in 2008, during which opposition supporters were beaten, tortured, raped and killed.

To resolve the burdens of past violent conflicts, the newly adopted constitution in 2013 established the National Peace and Reconciliation Commission (NPRC). However, this commission encountered numerous challenges from the beginning, causing a delay in its implementation. Human rights observers believed that the government showed a lack of genuine willingness to engage on this issue, as many individuals within the regime feared being implicated for their involvement in past atrocities.

In 2014, a group of influential nonstate Zimbabwean transitional justice stakeholders established the National Transitional Justice Working Group (NTJWG). In June 2022, they released the 2021 State of Transitional Justice report, which highlighted concerns regarding the lack of funding for the NPRC. It also noted that no progress had been made in establishing outstanding constitutional transitional justice bodies. Like other independent commissions, the NPRC received an extremely low budget allocation for 2022. This insufficient funding played a significant role in the commission’s failure to fulfill its constitutional mandate. The State of Transitional Justice report specifically points out the NPRC’s silence in response to the destruction of memorial plaques and its continuous exclusion from key processes falling within its jurisdiction. Moreover, the report underlined that the Motlanthe Commission’s recommendations, which called for compensation for the victims of the post-election violence on August 1, 2018, and the arrest of the perpetrators, had still not been implemented.

Following several meetings between the president, traditional leaders and CSOs, President Mnangagwa met with the National Council of Chiefs in August 2021 to receive recommendations on how to resolve issues related to the Gukurahundi massacres. The decision to have traditional leaders take the lead in resolving

Reconciliation



Gukurahundi was another example in which the NRPC was sidelined from a process it was supposed to actively lead. Therefore, while some have welcomed the effort and engagement of the president on the Gukurahundi issue, his involvement has also faced criticism. Critics are concerned that the current setup might intimidate victims and question whether traditional leaders are equipped to handle the emotional and legal aspects of Gukurahundi effectively. Furthermore, there is still uncertainty as to whether the perpetrators, including current ZANU PF leaders, will be held accountable.

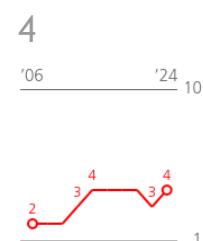
17 | International Cooperation

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 structural adjustment programs 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, contributing to rising levels of debt.

International relations were further complicated by the increased violence and state repression in the early 2000s, which prompted the European Union and the United States to impose targeted sanctions. Western donors primarily channeled their support through multilateral agencies and civil society organizations. Relations during this time were characterized by confrontational rhetoric and mutual mistrust. Over the next few decades, the Mugabe regime incorporated the sanctions issue into its anti-imperialist and pan-Africanist discourse. Zimbabwe also adopted a "Look East policy," although the announcements of major projects and significant investments often failed to materialize.

Despite their sanctions, the European Union and its member states have provided over \$1 billion in development assistance since 2009, primarily focused on providing social services and food security. The most notable change in European policy occurred after the 2013 elections, when the European Union shifted toward a reengagement agenda with the Zimbabwean government. Zimbabwe became eligible for various EU support instruments, including the €234 million European Development Fund (EDF). In 2022, the European Union finalized its Multi-Annual Indicative Program (2021 – 2027, MIP), which outlines EU cooperation with Zimbabwe. Other key donors, such as the U.K. and Sweden, have also developed new multiyear support programs. Regardless of the nature and direction of European involvement with Zimbabwe, European actors have provided significant humanitarian assistance over the past two decades.

Effective use of support



However, because of the lack of reforms, Zimbabwe has continued to be perceived as a high-risk country, which limits 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 broader attempt to attract fresh credit lines and foreign direct investment (FDI). The lack of economic reforms required 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 stressed the need for Zimbabwe to address governance and corruption challenges, entrenched vested interests, and enforcement of the rule of law.

However, in 2022, the African Development Bank (AfDB) initiated another attempt to develop an arrears clearance strategy for Zimbabwe. The AfDB President met with the Zimbabwean authorities, multilateral finance institutions and key creditors, and it was agreed to develop a debt clearance action plan as well as a reengagement agenda. This initiative appeared to be gaining momentum in early 2023.

Zimbabwe's failure to uphold its international commitments has had a negative impact on international confidence. The Zimbabwean government's failure to honor the bilateral investment promotion and protection agreements (BIPPs), which were intended to safeguard evicted white farmers during the land reform program, has resulted in bilateral disputes with numerous Western countries. Additionally, both domestic and international investors have experienced a decrease in confidence in the country due to uncertainties surrounding property rights protection, Zimbabwe's indigenization policy and the country's failure to repay its arrears at the international financial institutions. Furthermore, decades of economic mismanagement and serious human rights violations have also undermined the credibility of the Zimbabwean regime, particularly its failure to adhere to SADC treaties on human rights and elections.

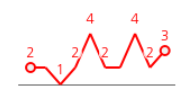
Mugabe's forced departure in November 2017 brought about a period of optimism within the international community. This optimism was further reinforced by the initial rhetoric from the new regime and the relatively peaceful lead-up to the 2018 elections. There was a willingness to aid in the transition and provide substantial support. International goodwill resulted in offers to help Zimbabwe settle its arrears on the condition that it engage in democratic reforms. However, the strong interest from European capitals following the events in 2017 has quickly diminished due to the lack of significant political and economic reforms, as well as the ongoing restriction of the democratic space.

There was a strong sense among many international actors that Zimbabwe did not make use of the opportunities provided after the departure of Mugabe, and there was a growing realization that the current regime is primarily focused on preserving the political-economic system of control. Whereas Mnangagwa publicly urged Zimbabweans to "stop blaming sanctions" in the early days of his presidency, he revived the confrontational sanctions rhetoric again in 2020.

Credibility

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The new AfDB-initiated discussions on a debt arrears clearance framework appeared to gain momentum in the beginning of 2023 – coinciding with what seems to be a renewed reengagement attempt by the European Union. The European Union attempt is also believed to be driven by the war in Ukraine and the voting pattern of Zimbabwe in the United Nations, where it has been reluctant to criticize its long-standing partner Russia.

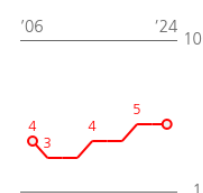
As a landlocked country, Zimbabwe shares borders with Botswana, Malawi, Mozambique, South Africa and Zambia. Specifically, Botswana and South Africa have served as hosts to a significant number of Zimbabwean refugees, resulting in several diplomatic disputes over the past decade. The Southern African Development Community (SADC), and particularly those countries in which former liberation movements hold power, has historically refrained from condemning the repression and human rights violations in Zimbabwe. Instead, the regional bloc has favored a policy of “quiet diplomacy” as a response to escalating tensions, while expressing solidarity against the Western sanctions imposed on Zimbabwe. This reluctance to publicly address the Zimbabwe crisis, despite its rapid deterioration, has been evident in recent SADC heads of state summits, which made no mention of the issue.

The same can be said about influential neighbor South Africa. Its initiative to resolve the Zimbabwe crisis by sending two delegations to Zimbabwe in 2020 to find a way forward and push for a national dialogue was not pursued further. Instead, driven mostly by domestic political considerations, the South African government announced in September 2022 that it would not renew the Zimbabwean exemption permits (ZEP) held by approximately 180,000 Zimbabwean migrants. Additionally, like SADC, South Africa’s governing ANC party has increasingly echoed ZANU PF’s sanctions propaganda in the past two years, while mostly remaining silent on the deteriorating democratic space.

The ZANU PF relations with neighboring Zambia became more complex following the presidential election victory of opposition leader Hakainde Hichilema. There are concerns within the ZANU PF that this could inspire mostly young Zimbabweans, with the worries further fueled by the good relations between Hichilema and Zimbabwe’s opposition leader Chamisa. At the beginning of 2023, there were also increased tensions over the use and (mis)management of the Kariba Hydro power plant.

Regional
cooperation

5



Strategic Outlook

In early 2023, the short-term outlook for Zimbabwe appeared gloomy due to the country's multifaceted crisis. Given that it is an election year, significant reforms are unlikely in the near future. There is a real danger that the government may increase repression before and after the elections to protect its position. The ongoing intertwining of the political elite, business cartels and the military is a concerning characteristic that hampers Zimbabwe's potential for democratic and economic transformation. ZANU PF's systematic oppression of civil society and opposition in recent years has greatly restricted democratic space. The concentration of power and the weakening of independent oversight institutions serve as evidence of the country's further slide toward authoritarianism. This continued repression has deepened polarization in Zimbabwe, while also isolating the country from many parts of the international community. If repressive legislation, such as the PVO Bill, is indeed signed into law, this will significantly curtail opportunities for international engagement and support.

Apart from the global factors that are affecting most countries, Zimbabwe's economy is faced with exchange rate volatility, a weak currency, an energy crisis, low investment levels and continued policy inconsistencies. Structural reforms are needed for the economy to benefit the majority of Zimbabweans, but they remain unlikely in light of the uncompetitiveness, corruption, massive debt overhang, continued international isolation and lack of political will.

Addressing Zimbabwe's crisis will require an inclusive national dialogue. This dialogue should move beyond the narrow realm of political actors and include a variety of nonstate actors such as civil society, churches, unions and businesses. The process should explore ways out of the current economic crisis but also address issues related to democratization and a shared national vision. Independent facilitation will be crucial for this process to succeed. The implementation of political and economic reforms would further assist the country in its recovery trajectory, and the full implementation of the 2013 constitution would make a good start. If Zimbabwe wants to move into a more economically stable, democratic and peaceful future, it will be vital to break the cartels' hold over the state and the economy. Oversight institutions must also be strengthened and allowed to function more independently. However, realism is needed on the nature and interests of the state, as a number of reforms are against the governing party's interest and pose a direct threat to its power.

There is a need for a coherent international approach to Zimbabwe. The fact that regional actors and the wider international community have pursued different positions and approaches has not been productive. The sanctions issue, in particular, continues to complicate relations between the region and Western actors. The new African Development Bank-led debt arrears clearance initiative might provide an opportunity in this regard. However, it will be important that international actors not lose sight of the many challenges Zimbabwe faces with regard to civil, political and socioeconomic rights.

The international community can still play an important role but should accept that most engagement with the country will not be straightforward. This engagement will require the investment of time and resources and the acceptance of considerable risk. Success is far from guaranteed. Engaging with the ZANU PF government requires a balanced, cautious approach, but this should also be value-based and principled. International actors should also seek to strengthen the position of nonstate entities in Zimbabwe and use their leverage to promote such entities' inclusion in high-level discussions.