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## The Second Land Reform

CONTINUING LAND OCCUPATIONS; A SERIES OF LAWS, AMENDMENTS, AND REGULATIONS; and a constitutional amendment in 2000 created the “fast track” land reform, but it happened so quickly that politicians and government officials struggled to keep up. Many occupiers farmed in the 2000/1 season even if land was not allocated until the next year. When teams were sent to mark out plots, some occupiers had to move to new plots. Nevertheless, by 2003, nearly 135,000 families had been given land, and by 2010 the number was up to nearly 169,000. In just three years, the bulk of Zimbabwean farmland that had been in the hands of white farmers passed to black smallholders, finally redressing a century of colonial domination. Taking into account the 1980s land reform, 245,000 families (more than 1.5 million Zimbabweans) were living on their own farms.

Fast track continued the division between big commercial farms and smallholdings, which has characterized Zimbabwean agriculture since the colonial era, with two models, A1 and A2. As a World Bank report commented, “One of the objectives of the Fast Track was to enable local indigenous people to exercise control of the large-scale commercial farming sector. It targeted not only poor people, but wealthy people willing to venture into commercial farming.”<sup>1</sup>

A1 is the smallholder model for previously landless people, with a typical white farm being divided into 40–45 A1 farms (see Table 6.1). This allows 6 ha of good farmland (more in poorer areas) and usually some communal grazing land, which is important since most farmers use cattle for plowing. This is similar to the 1980s resettlement model A. Settler selection and placement for A1 was the responsibility of the

Table 6.1 Size of Farms Before and After Resettlement, 2003

	White farms			Resettled farms		
	no.	ha	avg. size (ha)	no.	avg. size (ha)	no. per white farm
<b>A1</b>						
Manicaland	246	195,644	795	11,019	18	45
Mash. East	382	302,511	792	16,702	18	44
Mash. West	670	792,513	1,183	27,052	29	40
Mash. Central	353	513,195	1,454	14,756	35	42
Midlands	306	513,672	1,679	16,169	32	53
Mat. North	258	543,793	2,108	9,901	55	38
Mat. South	226	683,140	3,023	8,923	77	39
Masvingo	211	686,612	3,254	22,670	30	107
<b>A2</b>						
Manicaland	138	77,533	562	463	167	3
Mash. East	319	250,030	784	1,646	152	5
Mash. West	568	369,995	651	2,003	185	4
Mash. Central	241	230,874	958	1,684	137	7
Midlands	106	181,966	1,717	229	795	2
Mat. North	65	142,519	2,193	191	746	3
Mat. South	65	191,697	2,949	271	707	4
Masvingo	170	753,300	4,431	773	975	5

*Note:* Mat. = Matebeleland; Mash. = Mashonaland; avg. = average; no. = number.

*Source:* Data from Utete Report, 24.

Provincial and District Land Identification Committees. Plots tended to be pegged out by extension officers. Roughly half of settlers were *jam-banja* occupiers, and the rest came through formal and informal application processes. The Utete Committee reported that in 2003, 97% of A1 farmers given land had taken up their plots.<sup>2</sup> Government did try to help the new A1 farmers, but Utete found that A1 farmers “required inputs such as seed, fertilizer and tillage services and that during the last cropping season [2002/3], inputs had been given in a haphazard manner and in inadequate quantities.” Also, “budgetary allocations for the Programme remained woefully inadequate.”<sup>3</sup>

The A2 model sought to create larger black commercial farms and was based on splitting a white farm into three to seven A2 farms. Applications had to be submitted to the Ministry of Lands, Agriculture and Rural Resettlement and required recommendations by the Provincial

and District Land Identification Committees. The Ministry placed advertisements in the main national newspapers inviting people to apply, and application forms required a business plan setting out cash flow and budgets as well as specifying the applicant's income, property, experience, qualifications, and training. Applicants were required to have their own resources for farming without government support. Special consideration was given to war veterans, war collaborators, ex-detainees, and women.

Former academic Dr. Charles Utete was chief secretary to the President and cabinet, and when he retired in April 2003, he was appointed to head the Presidential Land Review Committee on the Implementation of the Fast Track Land Reform Programme, the first detailed report on fast track land reform.<sup>4</sup> Often billed as a close advisor to Robert Mugabe,<sup>5</sup> he is subject to international sanctions<sup>6</sup> and is on the Dongo list for having been leased a 3,350-ha farm in Lomagundi, Mashonaland West, by the government on October 1, 1991. Despite, or perhaps because of, his political status, his report was detailed and set out unflinchingly some of the problems of the fast track. In particular, he was outspoken about disorganization and bureaucratic and political infighting, which seemed to have played a big role for A2 farms.<sup>7</sup> The Integrated Regional Information Network (IRIN) commented that the report "lauded the goal of the government's fast-track programme, but said agrarian reform was tarnished by bureaucratic bungling and irregularities."<sup>8</sup>

Half of A1 and A2 farms were formally assigned in 2000 and 2001, a quarter in 2002, and then smaller numbers through 2006. Most A1 and A2 farmers started farming in the year the land was allocated, and nearly all had started by the year after allocation.<sup>9</sup>

Five surveys give us a good picture of land-reform farms and farmers and paint a relatively similar picture. Three were national:

- The Utete Committee in 2003.
- A set of *A2 Land Audit Reports* for each province done for the Ministry of Lands, Land Reform and Resettlement in 2006,<sup>10</sup> which surveyed 10,513 farms, representing 79% of the allocated A2 farms.
- The *Baseline Survey* by Sam Moyo and his team at the African Institute for Agrarian Studies, who interviewed 2,089 resettlement households (1,651 A1 and 438 A2) in early 2006 in six districts, one in each of six provinces.<sup>11</sup> This is still the most widely cited survey. (The Moyo team also interviewed 760 farmworkers; see chapter 12.)

In addition, two surveys cover specific geographic areas:

- The Masvingo survey was done by a team involving Ian Scoones of the Institute of Development Studies, Sussex; Nelson Marongwe in Harare; Crispin Sukume, formerly of the Department of Agricultural Economics, University of Zimbabwe; and Blasio Mavedzenge of Agritex, Masvingo, and is published as *Zimbabwe's Land Reform: Myths & Realities*.<sup>12</sup> The team has been studying 400 fast track farmers in Masvingo province since 2000; although this is only one province, it still gives an excellent picture of resettlement farmers.
- A 2004 survey conducted by a team headed by Prosper Matondi, which looked closely at Mazowe district, Mashonaland Central, and compiled data from 19 former white farms divided into A1 plots and 13 divided into A2 farms.<sup>13</sup>

### Take-Up and Use Rates

These surveys allow us to draw a picture of how rapidly the new farmers took up their land, and how much is being used.

The Utete Committee found that 2,652 farms with 4.2 mn ha had been allocated to 127,192 households under the A1 resettlement model as of July 31, 2003. The take-up rate by beneficiaries was a very high 97%.<sup>14</sup> By 2010, the total was 145,800 beneficiaries with 5.8 mn ha (see Table 1.1).

Although the A1 resettlement went relatively smoothly, the A2 model was more complex and moved more slowly. In part this reflected the serious drought in 2001/2 (Figure 4.1) that hit new farmers just as they were occupying their land,<sup>15</sup> and that seemed to have had more impact on capital-intensive A2 farms. Raising the required investment capital, even if it only required mortgaging a house, caused delays. And there were political problems, discussed in more detail in chapter 9. For A2, Utete found that 1,672 former white farms with 2.2 mn ha had been allocated to 7,260 applicant beneficiaries, with an average take-up rate of 66% nationally. "This failure by some 34% of applicants to take up their allocations implied a considerable amount of land lying fallow or unused while, ironically, thousands of would-be A2 beneficiaries were pressuring the authorities to be allocated land," the Utete Committee said.<sup>16</sup>

By 2006, the number of beneficiaries was up to 15,607. The *A2 Land Audit* showed only 7% of A2 plots were vacant because they had not been taken up, but another 15% were vacant and not yet allocated.<sup>17</sup> By 2010,

A2 land had increased to 3.5 mn ha and the number of A2 farmers had jumped to 22,917. (This includes 217 with large plots, totaling 509,000 ha, who should really be treated as black, large-scale commercial farmers; see Table 1.1.)

Both the *Baseline Survey* and the *A2 Land Audit* looked at land use in 2006. The *Baseline Survey* (Table 6.2) shows that a quarter of new farmers were already using nearly all of their arable land. More than half of A1 farmers and 43% of A2 farmers were using more than 40% of their arable land. As white farmers had been using only between 15% and 34% of their land,<sup>18</sup> this suggests that the new farmers had very quickly begun to use more of their land than their predecessors. The *Baseline Survey* also found 14% of A1 farmers and 28% of A2 farmers using irrigation. But one-fifth of all farmers were not using their land.<sup>19</sup> The *A2 Land Audit* found 55% of new A2 farmers productive or highly productive, 37% under-using their land, and 7% not using it at all (see chapter 9).

### Who Received Land?

The way the questions were asked, and the extent to which people had to choose a single attribute for themselves, varied between surveys. Tables 6.3–6.6 give a variety of descriptions of land-reform beneficiaries. What is striking is that the various surveys give quite similar results.

For smallholders, Tables 6.3 and 6.5, giving the origins of resettlement farmers from the *Baseline Survey* and the Masvingo study, both show most A1 farmers came from the communal areas; both surveys also find that 1% came from 1980s resettlement or purchase farms. Both also show a significant group of urban poor. Tables 6.4 and 6.5 also show a

Table 6.2 Arable Land Use in 2006

Land use rate	A1	A2
0	21%	18%
1%–20%	11%	22%
21%–40%	15%	17%
41%–60%	14%	13%
61%–80%	12%	8%
81%–100%	27%	22%

Source: Moyo et al., *Baseline Survey*, Table 4.5.

Table 6.3 Origin of Land Recipients, Baseline Survey

	A1	A2
Communal land	66%	53%
White farm	9%	4%
Urban	20%	35%
Employed elsewhere	3%	8%
Other	2%	1%

Source: Moyo et al., *Baseline Survey*, Table 2.6.

Table 6.4 Previous Employment, Baseline Survey

	A1	A2
Not employed & farmers	40%	36%
<i>Employed</i>		
Private		
Skilled, managerial	3%	5%
Semi-skilled	14%	7%
Unskilled	7%	5%
Civil service		
Skilled, managerial	2%	3%
Semi-skilled	2%	5%
Unskilled	1%	1%
Army, police	11%	9%
Other	19%	29%
<i>Number of farms</i>	1,651	438

Source: Moyo et al., *Baseline Survey*, Table 2.11.

significant group of new smallholders from the military and civil service. The Masvingo sample of A1 farms, where the recipients were identified from lists, found that 66% were “ordinary”<sup>20</sup> (Table 6.5).

The *Baseline Survey*, the *A2 Land Audit*, and the Masvingo study asked questions about A2 farms in different ways, making it hard to summarize the results together, although it is clear that many A2 farmers are “ordinary” people. A large share of A2 farmers came from urban areas, reflecting the need to mobilize finances. The *Baseline Survey* found that while 77% of A1 farmers lived on the farm and only 17% still lived in urban areas, only 60% of A2 farmers lived on their farms and 34% lived

Table 6.5 Settler Profile of Masvingo Sample

	A1	A2
“Ordinary” from rural areas	54%	12%
“Ordinary” from urban areas	12%	44%
Civil servant	17%	26%
Security services	4%	2%
Business people	5%	10%
Former farm workers	8%	5%
<i>Number of farms</i>	266	57
Of whom, war veterans	9%	9%

*Note:* Security services includes army, police, and Central Intelligence Organisation.

*Source:* Scoones et al., *Land Reform*, Tables 2.6 and 2.7.

in urban areas. The *Baseline Survey* also found that 45% of A2 farmers retained other jobs (17% working for the government)—underlining the need to continue to raise money to develop A2 farms.

The surveys also provided a range of other information. The *A2 Land Audit* showed that education levels were quite high: 17% of A2 farmers had formal agricultural training and another 13% had university degrees.<sup>21</sup>

Initially, there was some instability. The *Baseline Survey* found that 14% of A1 farmers and 11% of A2 farmers had been threatened with eviction, and 5% of A1 farmers and 4% of A2 farmers actually were evicted—mostly by local or national government, but also by soldiers and war veterans. Of the locations surveyed, the biggest problems were in Goromonzi, which is close to Harare and where there was intense competition for land.<sup>22</sup> However, Prosper Matondi in a survey of Mazowe district found much lower levels—only 3% of A1 farmers and 1% of A2 farmers had been threatened with eviction.<sup>23</sup>

### Elites and Cronies?

One of the frequent complaints about the land-reform program is that large amounts of land (often cited as 40%) have gone to “Mugabe’s cronies.” Table 1.1 shows that 13.5 mn ha of former white land have been transferred to black farmers since independence. Of that, 9.5 mn ha (71%) went to smallholders—1980s resettlement and A1 farmers. Another 3 mn ha (22%) went to small A2 farmers, and 1 mn ha (7%) to large A2 farmers and black, large-scale commercial farmers.<sup>24</sup>

Since independence, Zimbabwe has followed the colonial dual agricultural strategy of big, commercial farms and smallholders. Although A2 farms are smaller than the old white farms, they are still large and capital-intensive, and applicants had to prove they had money to invest. Many of the holders on the black, large-scale commercial farms bought their farms. By definition, this is an elite; these are relatively well-off or even wealthy people. One cannot support continuation of large-scale commercial farming, as most of the international community does, and then object that the farms are in the hands of an elite.

Just as in the colonial era the white regime gave land as rewards to its supporters, the independence government has done the same thing. Indeed, politics in most countries (including Europe and the United States) has a certain amount of patronage, rewarding key supporters of winning political parties.

With both A2 and whole farms, being in Zanu-PF or having friends among the right people must have helped. But does this make all 23,000 A2 and large-scale farmers “Mugabe cronies”? We are not willing to dismiss such a large group of people so easily, even though some people at the top have multiple farms that are among the largest and best. If we are to object to big farms being held by an elite, it means objecting to the whole system of having A2 and large-scale farms, because only an elite can afford the investment. Similarly, applicants for A2 farms had to show they had money to invest, so it is not surprising that most A2 farmers have urban links (see Tables 6.3 and 6.5). Blasio Mavedzenge, a member of Ian Scoones’s research team and an agricultural extension officer, is also an A1 farmer and says, “I am a government worker, but I am not a crony, and I think that applies to many people.”<sup>25</sup>

In this context, “cronies” could be described as people who received large or multiple farms mainly because of their close links to Zanu-PF or the government, and who would not have qualified otherwise. Unquestionably, some “cronies” have received land—and some of the best land, and they often received tractors and other support not available to ordinary land-reform farmers. Table 6.6 shows that 130 A2 farms, about 1.2% of all A2 farms surveyed, went to people in the office of the President and cabinet, and another 38 farms went to ministers. And according to the Dongo list,<sup>26</sup> among large farms that have been leased to individual farmers by the state, there is quite a sprinkling of generals, ministers, judges, and others with obvious political or military links. And several hundred people have multiple farms, or farms that are larger than



Table 6.6 Settler Profile, A2 Land Audit Reports, 2006

Background of A2 settler	% of settlers	Number of farms	Detail of government settlers	
			%	Number
“Ordinary”	37	3,936		
War veterans	17	1,974		
Businesspeople	9	916		
Government	27	2,862		
<i>of which</i>				
Civil service			17	1,822
Security services			7	787
Office of the President				
& Cabinet			1.2	130
Ministers			0.4	38
Other politicians			0.8	85
Traditional leaders	0.5	48		
Other & unspecified	7	777		
<i>Total farms</i>		10,513		

*Note:* War veterans includes detainees, collaborators, etc.; government includes retired people in those sectors; other politicians includes MPs and provincial and local politicians; and traditional leaders includes chiefs, spirit mediums, and pastors. Beneficiaries chose their own designations and had to choose one, even though they might have been both a war veteran and a civil servant and businessperson.

*Source:* A2 Land Audit Reports.

the maximum sizes set in 2001<sup>27</sup> (see Tables 9.1 and 9.2). There are no precise figures, in part because the “comprehensive, transparent and non-partisan land audit . . . for the purpose of establishing accountability and eliminating multiple farm ownerships” called for in the Global Political Agreement (GPA) (§5.9) has not been carried out.

It is important to remember that self-funded, large-scale farming ensures that all big farmers are in the elite. But not all are “cronies.” For example, on the Dongo list, there are also significant numbers of agronomists and professional farmers as well as engineers, doctors, and other professionals. We estimate that less than 5% of new farmers with under 10% of the land are “cronies.”

In chapters 7 and 9, we ask the other question: Are these elite farms being used productively?

## Sanctions

Responding to the Fast Track Land Reform (FTLR) and the violence around the 2000 elections, the United States, European Union (EU), and Australia imposed sanctions on Zimbabwe in 2002 and 2003 and modified them in subsequent years. By 2011, EU sanctions included an asset freeze and travel ban on 163 people (covering entry or transit) and 31 firms linked to the Zanu-PF and government leadership. EU sanctions specify that “no funds or economic resources shall be made available directly or indirectly to, or for the benefit of” persons or companies on the list.<sup>28</sup>

The US sanction is stricter than the EU sanction; it “prohibits US persons, wherever located, or anyone in the United States from engaging in any transactions with any” person on this list, or “entities they control,” or “immediate family members,” or anyone “acting on behalf of a sanctions target.”<sup>29</sup> This covers 118 individuals and 11 companies, including several major banks—Agribank, Infrastructural Development Bank, and ZB Bank, apparently because the state owns shares in them. Also on the list is a major parastatal company, Zimbabwe Iron & Steel Company (Zisco). WikiLeaks revealed that Finance Minister Tendai Biti sought the removal of the three banks from the US sanctions list arguing that this would aid the country’s economic reforms. This was backed by US ambassador Charles Ray in December 2009<sup>30</sup> but rejected by the US government. The inclusion of banks has a very wide effect, because it makes it difficult for US citizens and companies to do business with Zimbabwe. For example, Zimbabwe is one of the few countries not served by PayPal, an online payment system,<sup>31</sup> and the US Treasury reportedly has told PayPal not to deal with Zimbabwe.<sup>32</sup>

Finally, neither the EU<sup>33</sup> nor the United States will allow aid to be used for land-reform farmers. And the United States and United Kingdom blocked any World Bank or IMF assistance to Zimbabwe.

One thing that is striking is how much more serious the United States is about sanctions against Zimbabwe, compared with its sanctions against white-ruled Rhodesia (see chapter 3).

The Harare-based Trade and Development Studies Centre (TRADES Centre) in 2010 compared the response of Rhodesian and Zimbabwe governments to sanctions.<sup>34</sup> Rhodesia took tight control of foreign exchange and restricted imports, especially of anything that could be produced locally; import substitution industrialization was encouraged (drawing in part on domestic savings that could not be sent abroad);

and money supply was tightly controlled to prevent inflation. Zimbabwe did just the opposite: with no import controls, imports increased; there was no support for domestic industrialization and deindustrialization, which started under ESAP, continued; and “money printing was the order of the day resulting in the country plunging into a hyper inflation mode which destabilized every other sector of the economy.” The report hints that the Zimbabwe government may have been trying to fight on too many fronts at once: where the Rhodesian government gained support from the business community, the Zimbabwe government was “fighting [the] private sector. The private sector was viewed as an arm of the opposition.”

### **Hyperinflation and Divisive Politics**

Land reform did not start at the most auspicious time. Two years of drought hit the new farmers. The Zimbabwe dollar, which had been Z\$19 to the US\$1 in 1997, had fallen to Z\$55 to the US\$1 by 2000. It reached Z\$1,000 to US\$1 in mid-2002. Gideon Gono was named governor of the Reserve Bank in November 2003, and his policy was to expand the economy by printing money and subsidizing local production and key goods, while using administrative means to try to control inflation and speculation. This heterodox policy failed and led instead to corruption and hyperinflation. By January 2006, the exchange rate was Z\$100,000 to US\$1, and by mid-2007, the parallel (unofficial) rate was Z\$100,000,000 to US\$1. By mid-2008, the parallel rate for the US dollar was equivalent to the Z\$ with 13 zeros and prices were doubling daily; by the end of 2008, it was 22 zeros (see Table 6.7).

This was one of the worst cases of hyperinflation ever<sup>35</sup> and caused chaos for everyone, including farmers. Corruption became more serious as members of the elite could exchange money at meaningless official rates, and thus build mansions for a few thousand dollars; by mid-2007, the parallel exchange rate was 1,000 times the official rate. Sporadic government interventions in agricultural input and output, transport, interest rates, and the foreign exchange markets only exacerbated the crisis. Controlled prices of inputs (seeds, fertilizer, fuel) and services such as tillage provision at levels far too low to cover costs of production or repairs (in the case of machinery) led to shortages and low production because suppliers could not cover their costs. At the same time, a parallel high-priced market emerged. National fertilizer production fell from 505,000

Table 6.7 Exchange Rates of Zimbabwe Dollar to US Dollar, Selected Dates

	Official rate	Parallel rate
1980	0.68	
1983	0.96	
1984	1.50	
1990	2.64	
1991	5.05	
1994	6.82	
1997	10.50	
1999	36.23	
Jan. 2001	55	70
Jan. 2003	55	1,400
July 2003	824	3,000
Jan. 2004	4,196	5,000
Jan. 2005	5,730	6,400
July 2005	17,600	25,000
Jan. 2006	99,202	150,000
Aug. 2006	250,000	550,000
Jan. 2007	250,000	6,000,000
July 2007	250,000	300,000,000
Jan. 2008	30,000,000	6,000,000,000
May 6, 2008	187,073,020,880	200,000,000,000
June 30, 2008	11,378,472,550,240	40,928,000,000,000
Sept. 30, 2008	1,322,500,000,000,000	10,000,000,000,000,000
Oct. 29, 2008	6,195,200,000,000,000	900,000,000,000,000,000
Nov. 24, 2008	441,825,000,000,000,000	12,000,000,000,000,000,000

*Note:* This is the rate for the original Zimbabwe dollar; new currencies with fewer zeros were issued on August 1, 2006; August 1, 2008; and February 2, 2009.

tonnes in 1999 to 166,000 tonnes in 2007.<sup>36</sup> Government intervention in the transport sector, both road and rail, also did not work.<sup>37</sup> Hyperinflation brought sudden benefits for some people—for example, when diesel or fertilizer had to be sold at an official price and cost pennies in real terms, those who could gain access (which sometimes included ordinary farmers) could use the input or swap it for something else. Farmers

moved to informal marketing and barter for both sales and inputs and increasingly depended on relatives sending money from abroad. Shingirai Mandizadza, who was staying on Athlone Farm in Mashonaland East doing interviews in 2008, reports traders passing through selling clothing and household goods such as soap; a skirt cost three buckets of maize. Cattle were also being traded for inputs and equipment.<sup>38</sup>

Government attempts to use force to halt inflation hit land-reform farmers. Breakup of white farms and changed settlement patterns caused a radical change in trading patterns, with many new small traders marketing beef and other goods, and with the opening of informal markets closer to where people were living on resettlement farms. In 2005, government launched Operation Murambatsvina to try to eliminate the huge informal trading sector that had grown up under liberalization. The new unregistered markets serving resettlement farmers were destroyed. “In many urban areas, this campaign was directed against opposition supporters, and became highly politicised, displacing many people. But in the new resettlements, this was not the case, with Zanu-PF supporters and war veterans suffering as much as others,” notes Ian Scoones and his team, reporting that even an appeal by a war veteran leader of an occupation was unsuccessful in protecting a local market.<sup>39</sup> It was only in 2009, with dollarization, that the local markets were restored.

Similarly, in colonial times and in the first years of independence, the beef trade had been tightly controlled by the government and the Cold Storage Commission (CSC).<sup>40</sup> But with ESAP and land reform, a new large network of small traders began to dominate the cattle trade. In 2007, the government announced price controls on beef, closed private abattoirs, and required that all meat be marketed through the CSC. Youth brigades of the National Youth Service, known as “green bombers,” after the color of their uniforms, supported by the security services, “went from butcher to butcher, shop to shop, checking on prices and arbitrarily fining or arresting those who contravened the regulations. Of course with real prices increasing at an exponential rate due to inflation the price controls were meaningless before they were published, and no one could afford to sell beef through regular channels. The black market increased further. . . . The price control policy quickly descended into chaos, with the security services closing businesses, extracting bribes and imposing fines, while the beef market moved underground,” reported Blasio Mavedzenge and a research team in Masvingo.<sup>41</sup>

It is estimated that by 2007, 2 million people had left Zimbabwe, half of them for South Africa—continuing a migration that had started

under structural adjustment. They were sending back an estimated \$500 million per year. But UNDP noted that “the impact of the brain drain on public service delivery has been devastating. For example, in the case of health care, it is estimated that more than 80% of the doctors, nurses, pharmacists, radiologists and therapists who trained since 1980 have left.”<sup>42</sup>

Our interviews in 2011 showed two surprising responses. First, the recovery with dollarization was so rapid that people did not much mention the hyperinflationary period and were looking forward. Second, when asked, farmers were not so negative about hyperinflation. They did receive some supplies from the government, for example, in 2005/6, one-third of A1 farmers obtained some seed from the government.<sup>43</sup> Negative real interest rates meant that loans were repaid at a fraction of their real cost, and inputs, when available, were almost free. Under dollarization, they complained, loans had to be repaid, and inputs were always available but too expensive. Nevertheless, farmers are voting with their hands and producing and selling more under dollarization.

### **Political Crisis**

On the political front, in 2005, the opposition split into two factions, MDC-T under Morgan Tsvangirai and MDC-M under Arthur Mutambara.

At the end of March 2007, the Extraordinary Summit of Southern African Development Community (SADC) Heads of State and Government in Tanzania mandated that South African president Thabo Mbeki facilitate negotiations aimed at resolving the governance crisis in Zimbabwe. There had been some political violence in 2007 and early 2008, reported EISA, the Johannesburg-based Electoral Institute for Sustainable Democracy in Africa, pointing to “attacks on supporters, members and leaders of the MDC in particular. There also were instances of MDC attacks on Zanu-PF, but these were far fewer than the other way around.” Talks stalled in late 2007 and presidential and parliamentary elections were held on March 29, 2008. EISA “noted the peaceful environment that prevailed” around the election period itself. “The general short-term pre-election conditions of peace, calm and conditions that were conducive to the expression of political preference were better than in preceding elections.”<sup>44</sup>

Results were delayed until May 2. The Zimbabwe Election Commission said Tsvangirai had won 48% and Mugabe 43%, and a second round

would be held on June 27, 2008. For the House of Assembly (parliament), MDC (the original MDC headed by Morgan Tsvangirai, sometimes referred to as MDC-T) won 100 seats, Zanu-PF 99 seats, MDC-M (the breakaway group initially headed by Arthur Mutambara) 10 seats, and there was one independent. Senate results were Zanu-PF 30 seats, MDC 24, and MDC-M 6.

The mood changed after the inconclusive elections. Key Zanu-PF officials started accusing the opposition of being “traitors,” “sellouts,” “witches,” and “prostitutes.” Just before the first election, Zimbabwe Defence Forces Commander Constantine Chiwenga had said, “The army will not support or salute sellouts and agents of the West before, during and after the presidential elections. We will not support anyone other than President Mugabe.”<sup>45</sup> Mugabe himself said he would never allow “the land that we fought for to be taken by the MDC and given to the whites.”<sup>46</sup> Later he noted, “Soon after the March elections war veterans approached me and said that they would take up arms if Tsvangirai won the elections in order to protect their farms and nation’s sovereignty. . . . A ballpoint pen [used to mark a ballot paper] cannot argue with a bazooka. The veterans will not allow it.”<sup>47</sup>

The observer mission of the Pan-African Parliament (part of the African Union [AU]) found that “political tolerance in Zimbabwe has deteriorated to the lowest ebb in recent history. . . . The prevailing political environment throughout the country was tense, hostile and volatile as it has been characterised by an electoral campaign marred by high levels of intimidation, violence, displacement of people, abductions, and loss of life. . . . Houses burnt down, people assaulted and sustained serious injuries. Violence disrupted normal life of ordinary Zimbabweans and led to internal displacement of people. . . . A number of cases of abduction, some of which resulted in deaths, were reported.” The observers’ report continued: “The Mission was able to attend star rallies organised by the Presidential candidate of Zanu-PF. However, it noted with grave concern that the MDC Presidential candidate was not accorded the opportunity to hold rallies. The Mission was disturbed by the numerous arrests that the MDC Presidential candidate was subjected to.”<sup>48</sup>

Tsvangirai withdrew from the second round on June 22, citing violence against his party’s supporters. On June 22, then-UN Secretary-General Ban Ki-moon issued a statement saying he “deeply regrets that, despite the repeated appeals of the international community, the Government of Zimbabwe has failed to put in place the conditions necessary for free and fair run-off elections. . . . The campaign of violence and

intimidation that has marred this election has done a great disservice to the people of the country and must end immediately.”<sup>49</sup> The election went ahead and Mugabe was elected.

In June, a complaint was made to the International Labour Organization, which sent a three-person Commission of Inquiry: Judge Raymond Ranjeva (Madagascar, chair), Prof. Evance Kalula (Zambia), and Bertrand Ramcharan (Guyana), a former acting UN High Commissioner for Human Rights. Its report said that “the Commission witnessed a country in deep crisis” and cited “the scale and duration of the systematic and systemic violations of trade union and human rights,” including “a clear pattern of arrests, detentions, violence and torture by the security forces.” The report continued: “The Commission is particularly concerned by the fact that it appears that, in rural areas in particular, ZCTU officials and members were systematically targeted by vigilante mobs,” and about “the routine use of the police and army against strikes, . . . leading to injuries and deaths.” Perhaps most striking was that “the Government of Zimbabwe accepted that ‘things’ had happened, that these ‘things’ were regrettable, and that it was important to ensure that such ‘things’ did not happen again.” The Commission rejected the government’s explanation “that the reason that the ZCTU was targeted was due to its involvement in politics which exceeded its proper trade union role.”<sup>50</sup>

The election result was tainted and the economy was in crisis due to hyperinflation, so negotiations resumed, with AU and SADC support. A Memorandum of Understanding was signed on July 21, 2008, by Robert Mugabe (as president of Zanu-PF), Morgan Tsvangirai and Arthur Mutambara (as presidents of “the two Movement for Democratic Change [MDC] formations”), and South African president Thabo Mbeki (as SADC facilitator). This led to the September 15, 2008, GPA. On February 11, 2009, Morgan Tsvangirai was sworn in as prime minister of Zimbabwe in a new Government of National Unity (GNU).

In December 2008 and January 2009, foreign currencies were legalized and the South African rand (in the south) and the US dollar (in most of the country) became the normal currencies; soon civil servants were paid in US dollars, the Z\$ was abolished in April 2009, and the government switched to accounting in US dollars.

A 2011 analysis by the South African–based African Centre for the Constructive Resolution of Disputes (ACCORD) said that “since the conclusion of the GPA, there have been visible changes [but] the coalition government is at a critical juncture and it faces multiple challenges in Zimbabwe’s political and economic terrain.” It continued: “Although



the GNU has been welcomed by many as the antidote to Zimbabwe's crisis and much has been celebrated about its achievements, the Zimbabwe conflict is still very fluid as conditions shift everyday due to the belligerent nature of the relationship between Zanu-PF and the MDC."<sup>51</sup>

The report cites a number of outstanding issues. "The sanctions debate in Zimbabwe has also become polarised, with ZANU PF on one side accusing the MDC of renegeing on its promise to have these restrictive measures removed, and the MDC on the other hand arguing that the removal of such measures is dependent upon visible democratic reforms by ZANU PF. Against this background, regional and international sentiments are fundamentally divided on the issues of sanctions on the ZANU PF leadership as both the AU and SADC have remained resolute in calling for the removal of all forms of sanctions on Zimbabwe while the international community disagrees."

Another issue had to do with the reappointment of Reserve Bank Governor Gideon Gono on November 26, 2008, and the appointment of Johannes Tomana as attorney general on December 18, 2008. MDC said these appointments of people seen as Zanu-PF loyalists violated the GPA, and SADC, at an extraordinary summit on January 27, 2009, agreed that "the appointments of the Reserve Bank Governor and the Attorney General will be dealt with by the inclusive government after its formation."<sup>52</sup> Despite agreeing to this at the summit, President Robert Mugabe declined to reverse the appointments.

### **Summing Up: Progress Despite Tensions**

Under the fast track land reform, 169,000 farmers have received land since 2000. Most are small farmers under model A1, but the fast track also includes model A2 with land for wealthy people prepared to invest in larger-scale commercial farming—maintaining the dual agriculture policy that had continued since the colonial era. The 146,000 A1 farmers moved quickly onto their land and are using more of the land than their white predecessors. A2 farm allocation was more competitive and politicized, while the need for capital slowed the A2 farmers' occupation of their land. The bulk of settlers are "ordinary" people, with 17% of A1 farmers and 18%–27% of A2 farmers coming from the civil service (which includes teachers and agricultural extension officers as well as an elite). Undoubtedly some are political elites or what are sometimes called "cronies," which we guess to be 5% of farmers and 10% of land.

Sanctions have been imposed on Zimbabwean leaders and banks. Most aid agencies will not work with land-reform farmers. Hyperinflation in 2005–8 was the result of printing money and had a devastating effect on the economy. Elections in 2008 were violent, which led to AU- and SADC-sponsored talks, which eventually led to a GPA in 2009 with opposition leader Morgan Tsvangirai becoming prime minister.

In January 2009, the US dollar became the currency, which ended hyperinflation and brought a rapid economic recovery.

### Notes

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soil and some rain, 73 A1 and 12 A2); Masvingo (NR III/IV with poor sandy soils, 194 A1 and 4 A2); Chiredzi (NR V, dry with heavy soils, but also including sugar estates, 29 A2 and 57 informal); and Mwenezi (NR V, very dry and heavy soils, 24 A1, 26 informal, and 14 A2).

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15. Mandivamba Rukuni, "Revisiting Zimbabwe's Agricultural Revolution," in *Zimbabwe's Agricultural Revolution Revisited*, ed. Mandivamba Rukuni, Patrick Tawonezwi, and Carl Eicher (Harare, Zimbabwe: University of Zimbabwe Publications, 2006), 14.

16. Utete Report, 5.

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21. Nelson Marongwe, "Interrogating Zimbabwe's Fast Track Land Reform and Resettlement Programme: A Focus on Beneficiary Selection" (PhD thesis, Institute for Poverty, Land and Agrarian Studies [PLAAS], University of the Western Cape, 2008), 154.

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