

Presentations made at the Sam Moyo Memorial Workshop

13 June 2016

University of KwaZulu-Natal
School of Built Environment and
Development Studies, Durban

Stop the Bleeding: Campaign to end IFFs

UKZN SAM MOYO MEMORIAL SEMINAR
Briggs Bomba

13 June 2016

Resource Wealth vs Current Extraction

Mineral	Estimated Resource Wealth (tonnes)	Current Annual Extraction Rate (tonnes)
Gold	13 million	20
Platinum	2.8 billion	2.4 million
Chromite	930 million	700 000
Nickel	4.5 million	9000
Coal	26 million	4.8 million
Diamonds	16.5 million	infancy
Iron Ore	30 billion	300 000
Copper	5.2 million	None
Coal bed methane	Largest known reserve In southern Africa	None

IFFs

- Money that is “acquired, used, or transferred illegally”
- **Legal but unjust/illegitimate**
- **Bad economic policies/** Tax breaks, Contracts
- Retention of economic surplus in Africa
- Essentially a challenge of the **economic model**
- Hence the need for **structural transformation**

OUTLINE

- **Preliminary remarks** (Paradox of wealth and poverty, despite the narrative of Zimbabwe as a wealthy country, rising protests)
- **Backdrop** (Long established extraction – Mutoko granite; new mega investments - Ethanol; Kariba; Solar; Dema; Highways; Chiadzwa)
- **IFFs** (Production mis-invoicing; inflated loan & interest repayments; tax breaks; unequal contracts; management fees, consultancy fees)
- **Enablers** (Tax havens; secrecy jurisdictions; Investments agreements)
- **Implications for development** (undermines domestic resource base & wages, external dependence; vulnerability to external conditions; undermines democracy)
- **Why Stop the Bleeding Campaign?**
 - Shifting the balance of power
 - Research; Mvt building; Policymaker engagements
- **Key issues for policy making:**
 - Informed consent ; Transparency and accountability in production and revenues
 - Wealth redistribution & equity ; Socio-environmental sustainability / Ecological sustainability

Commercial IFFS

- Import over invoicing
- Export under invoicing (price, quality, quantity)
- Transfer pricing
- Brand fees
- Management fees
- Thin capitalization/Intergroup loans
- Unequal contracts (Guinea:140b sold for 165m, half of rights already sold for 2.5b, rewarded for 20b)
- Consultancy fees

IMPLICATIONS FOR DEVELOPMENT

- SEVERELY UNDERMINED DOMESTIC RESOURCES BASE(Delivery)
- INCREASED DEPENDENCY ON EXTERNAL SOURCES OF FINANCE FOR DEVELOPMENT
 - FDI
 - DEBT
 - AID
- VULNERABILITY TO EXTERNAL PRESSURE/CONDITIONS
- UNDERMINES DEMOCRACY
- POOR WAGES
- WE ARE STUCK IN A RUT/INADEQUATE RESOURCES 4 DEV

Rethinking “Informality” and “Street Trading” in a Despondent Urban Economy: The Case of Bulawayo

Presentation by Danford Tafadzwa Chibvongodze

PhD Candidate: School of Built Environment and
Development Studies [SARChI]

Characterisation of Informality and Street Trading

Informality or Informal economic activities such as street vending have always been associated with:

- Backwardness, disorderliness, anti-development, uncleanliness [littering], poverty and crime.
- In Bulawayo, street trading is largely dominated by women
- Informal economic activities/ occupations were shunned upon “*omambodlela*”, “*ukukhanda amabhavu*”...
- Were not considered as a form of employment.

Research Objectives

1. To examine how the informalisation of urban space in the context of street trading has impacted on how cityness, spatiality and occupational identity is construed and interpreted in the city of Bulawayo.
2. To explore the “everydayness”, “lived experiences” and “subjectivity” of street trading in Bulawayo, particularly how it enables or disabled the lives of those involved in it.
3. To identify some of the methods and processes street traders utilize in their appropriation of urban spaces.
4. To gain an insight on the implications of the Bulawayo City Council’s policies and urban development projects have on street trading, spatial management and social protests in Bulawayo.
5. To interrogate the nature and dynamics of conflicts that arise from formal and informal appropriation of urban space in Bulawayo.

Changing perceptions towards street trading

- With the dwindling of Bulawayo's industrial base, its economy is now highly informalised.
- High demand of urban space by street traders.
- Informal trading is now associated with Bulawayo's "cityness" and has become a normal mode of urbanisation [urbanity].
- While the city council carries out evictions, it has adopted a more sympathetic and inclusive urban policy...securing more vending bays.

Changing perceptions cont'd

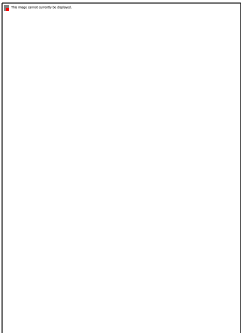
- There is growing realisation that “Bulawayo’s informal economy might be the ‘real economy’”.
- Street/Informal trading is a form of occupation [NSSA
- Street trading is not only for the “poor” and “unemployed”.
- Street traders/vendors are not necessarily unclean and disorderly, some do beautify the cityscapes e.g. florists
- There is enough money circulating in informal trading.
- “A bond coin received is a dollar gained”...Some make more money than those in formal employment.
- Street traders are highly organised and can effectively mobilise...this is achieved through associations.



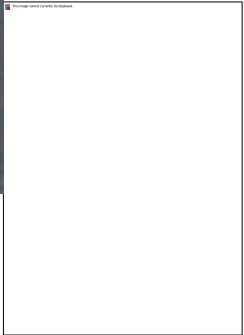
Informal Traders Associations...An integral part of CS

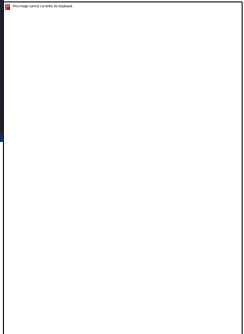


- Advocate for access to the city**
- Facilitate access to microcredit**
- Ensure members comply with council bylaws**
- Promote a safe working environment**
- Regulate littering and promote city orderliness**
- Represent informal traders at policy formulation processes**



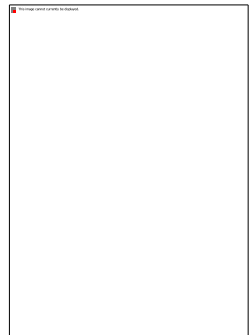






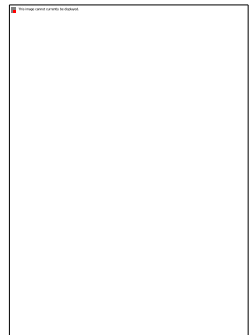
Formal-Informal Economy Linkages

- Wholesalers, corporate companies, state parastatals and small establishments rely on street vendors for business and distribution of services.
- Street vendors attract potential customers.
- Key players in the global value chain [GVC]...most of the products sold by street traders are Chinese.
- Start debating about 'globalization from below', particularly the role it plays in African urban economies.
- Property owners are benefiting from street trading...rooms converted to cloak rooms.

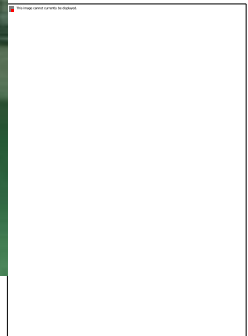


Formal-Informal Economy Linkages cont'd

- Street trading is a source of revenue for Bulawayo's city council.
- Street traders anticipate to benefit from the construction of the Egodini Mall which is expected to commence soon.



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Sam Moyo Memorial Workshop Presentation at UZKN CCS

Thinking about Democracy and
Development in Zimbabwe by
Malcom Chiororo

This workshop presentation is based on extracts from my forthcoming thesis titled “Democratic quality, Government of National Unity (GNU) and Conflict Prevention Strategies in Zimbabwe (2008-2013)”.

I have decided to play the role of devil’s advocate and share some of the emerging themes and discussions in the hope to illicit responses. Hopefully these responses will lead to a more coherent and insightful thesis which allows for a systematic understanding of how politics and political settlements affect development specifically the role of the GNU as a conflict preventative strategy. It will also contribute to debates that power sharing leads to processes of democratization.

Revised political Settlement Framework

The revised political settlement framework is used to better understand issues of governance and development. It mobilizes insights from critical theory alongside the focus on political settlements within the same programme of research (Hickey, 2013). The revised political settlement framework takes an approach to politics that is beyond state centric aiming to identify power relations influencing the trajectory of the state (Hickey, 2013). It seeks to unpack issues that go beyond formal agreements and interrogate various factors such as the role of informal organizations/networks, the political economy of a country, its geo-political position as well as the role of non-local elites amongst other things (Hickey, 2007; Di John and Putzel, 2009).

More About Political Settlements

- Political Settlements refer to “the balance or distribution of power between contending social groups and social classes, on which any state is based” (Di John and Putzel, 2009: 4). The contention and bargaining between intra-elite, elites and non-elites, inter-group, those who occupy the state and society more widely are the focus of political settlements (Di John and Putzel, 2009). The manifestation of political settlements takes the form of property rights and entitlements, with some social actors having more distributional advantages than others in the regulatory structure of the state (Di John and Putzel, 2009). Political settlements are arrived at through a process of struggle and bargaining between elite groups, this settlement establishes the basis for institutional arrangements to take shape (Hickey, 2013). Therefore behind policies, institutions, and state building lie political coalitions. The capacity of the state to act, and whether or not effective state institutions get built and are allowed to function, is therefore determined by the character of the players, coalitions and agreements made around the operation of power – not about formal Weberian forms of state capacity per se (Hickey, 2013). Therefore the nature of the deals made by elites in turn shapes the character of the institutions that emerge to govern society.

Why the Revised Political Settlements Framework

The political economy of the country is important here as it determines which arrangements (informal or formal) dominate the state (Hickey, 2013). The tradeoffs that come with bargaining affect what legal reforms are proposed, adopted and the level of implementation. The revised political settlements framework takes an approach to politics that is beyond state centric aiming to identify power relations influencing the political trajectory of the state (Hickey, 2013). It seeks to unpack issues that go beyond formal agreements and interrogate the role of “informal Organizations” that may persist alongside formal structures. Critical theory insights are brought in by looking at Elite-mass relations taking the political settlements analysis beyond an elitist bargain focus. It also looks at ideas, their role in influencing political organization which in turn influences political settlements and the likelihood of reform amongst other things. It looks at what ideas and ideologies influence political organizations such as political parties particularly from the ruling coalition in this case ZANU PF. The geo-political position of a country also has a bearing on the conditions in which political settlements occur thus also influencing the nature of the coalitions formed. By understanding elite bargains that lie at the heart of political settlements, it gives a window into the possibilities of reform and change as the characters of the political settlements result in different outcomes even when there are similar institutions.

Parable of the Elephant and the three blind men

The Government of national Unity seemed to be viewed as occurring for different purposes. The MDC and others saw it as a transitional vehicle to democratization similar to elite pacts that occurred in South America. ZANU PF saw it as a forced marriage that would not change much in terms of their grip on power due to their previous experience. The SADC, AU and Thabo Mbeki saw it as a strategy to mitigate conflict before it escalated. So to establish whether the government of Unity was a success depends on what role you believe that it was meant to play. If we are measuring according to the implementation of the reforms and aims that arose out of the Global Political Agreement then one would have to say it failed. I argue that as a conflict prevention strategy it was too a large extent a success. This assertion is based on the fact that its implementation prevented large scale overt conflict that academics would term civil war. The likelihood of a civil war occurring at the time are unknown but the extent to which the political violence was occurring was a concern. This is not too say that people did not continue to die during this time from political violence or other “things” associated to politics or that can be traced back to political issues such as a lack of medical supplies in hospitals.

More Food for thought

I also believe that the GNU served the role or purpose intended by Thabo Mbeki the mediator of this agreement who wore the caps of South African president and SADC representative in the mediation at the time. The views and information emerging from the literature as well as discussions with various people is that the GNU was not an internally generated solution for the contested elections, in other words the idea was not initially from citizens or those in civil society, in the MDC parties or ZANU PF. The aim of the GNU primarily was to assure regional stability some go as far as to say that the pending world cup was a factor in South Africa looking for a quick fix to the solution that had occurred in Zimbabwe. While that may be up for debate what clear is that the GNU did succeed as a conflict preventative strategy in regards to preventing a civil war.

The need for more

Authors such as Cheeseman and Tendi (2010) highlight the importance of veto players within Zimbabwe (elites and groups from Zimbabwe) but fail to incorporate regional elites in their analysis; similarly Kriger (2012) looks at informal networks in ZANU PF and their influence to prevent decisions but also leaves the informal networks of other groups central to the GNU period. On this basis there is need to reexamine Mbeki's role (a regional elite) during the GNU period as well as prior to its establishment.

A step back to see clearer

Robert Mugabe's mobilization for support has taken place through a heightened racialized discourse, reminiscent of the liberation war rhetoric that has also sought to project a radical, Pan Africanist, anti-imperialist image. Whether in SADC, the OAU, Mugabe has proclaimed the need for a broad, black, Africanist alliance, an essentialized and combative subject, to confront the racist West that has demonized him as an anti-democratic tyrant (Ndlovu-Gatsheni,, 2009). Thus he has attempted to generalize the struggle for land on a continental level (black, Africanist challenge), in a manner that displaces the inadequacies of ZANU PF's state policies over the last twenty years onto the broader terrain of global politics (Neo-colonial relations thus the need for anti-imperialism). Central to this logic is the proposition that the struggle over land is the sole signifier of authentic, liberated nationhood. With those who seek to question the modalities of Mugabe's version of land redistribution are defined as outside of the nation, and mere impostors for imperialist designs.

Mbeki: The politics and primacy of liberation solidarity

The above issues or what Phimister (2004) terms the politics and primacy of liberation solidarity were also significant variables to Thabo Mbeki. This is possibly why Thabo Mbeki adopted the much-maligned ‘quiet diplomacy’ in regards to Zimbabwe and the turmoil that occurred there. It is an approach that Mbeki, succeeded in infusing into the SADC and AU posture towards Zimbabwe. His seemingly pro-Mugabe/ZANU-PF preference were often only thinly disguised (Phimister and Raftopoulos, 2004). Essentially, his conviction was that the land issue constituted the tap root of the Zimbabwe crisis rather than Mugabe’s style of governance. The human rights violations and repression by the state were justifiably perpetrated and ignored in the name of the greater good (Ncube, 2013). Jack Donnelly (1989: 187-188) calls this “developmental repression”, which is likely to be “required” (or at least extraordinarily difficult to avoid) in pursuit of what can be called the structural task of removing institutional and socio-cultural barriers to development and the policy task of assuring conformity to development plans

Still on about Mbeki

Thabo Mbeki's interest, therefore, lay in the preservation of Mugabe and ZANU-PF (albeit a reformed ZANU-PF) rather than 'regime change'. For him, regime change in Zimbabwe would inevitably facilitate regime change in South Africa and beyond. Mbeki and the ANC shared with Mugabe and ZANU-PF a common interest in regime security (Moore, 2010 and Moore, 2012). Furthermore, he was pursuing strategic economic interests in the form of investment opportunities for the ever-expanding South African economy. From the above it is visible that the mediator was not a neutral actor with his interests closely aligned with one of the political parties. It must be noted that Mbeki's biased relationship may have been central in helping convince ZANU PF to come to the negotiation table despite the stance of the hardliners within the party. More needs to be said in the future regarding regional elites and how they affect issues of development in other countries when power sharing occurs.

My two cents

The crisis in Zimbabwe should be seen and addressed in a holistic manner, thus it is not only a political crisis but also a socio-economic one worsened by a crisis of accumulation and desperation. Winning elections and winning state power is not the same thing. There is need for more nuanced, more strategic and more varied range interventions to shift power. The Zimbabwean experience teaches us that with the fears of regime security in the region, regional elites will be complacent as they feel they will be next. Civil society must disengage from partisan party politics and begin to engage with policy platforms. International solidarity by civil society on a policy level may allow regional elites to hold others accountable without fear of regime change.

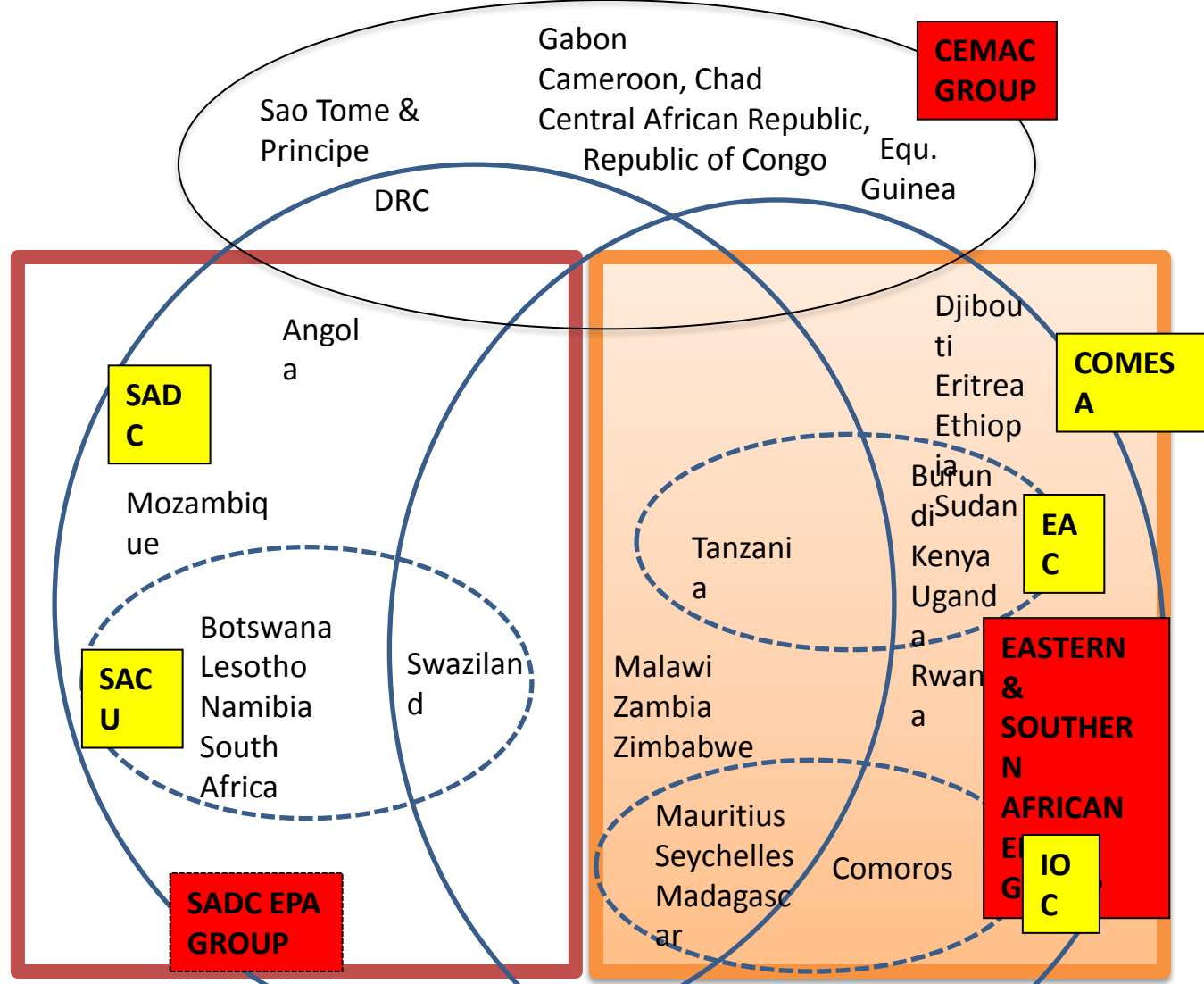
From Antagonism to Re-engagement: Zimbabwe's Trade Negotiations with the European Union, 2000 - 2015

Dr Richard Kamidza

Introduction

The European Union-Africa-Caribbean-Pacific (ACP) countries' trade relations;

- Lome Conventions (1st signed in 1975; 2nd signed in 1979; 3rd signed in 1985; & 4th that covers 1990 – 2000);
- In 2000, 79 ACP + 15 EU countries signed the Cotonou Agreement that paved way for the Economic Partnership Agreements (EPAs) negotiations;
- EPAs negotiating split ACP countries into six configurations, namely:
 - The Pacific Region (is physically defined)
 - The Caribbean (is physically defined)
 - 16 ECOWAS countries;
 - 7 (now 8) Central African Economic and Monetary Union (CEMAC).
 - 16 (now 15) Eastern and Southern African countries which also belong to the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA); and
 - 7 (now 8) Southern African Development Community (SADC) which also belong to COMESA, SADC, EAC and SACU;
- ESA negotiations joint roadmaps was launched in February 2004, in Mauritius);



KEY

- SADC** – Southern African Development Community
- COMESA** – Common Market for Eastern and Southern Africa
- SACU** – Southern African Customs Union
- IOC** – Indian Ocean Commission
- EAC** – East African Community

Overlapping between different regional integration processes in Southern Africa and new groups formed for the purpose of negotiating Economic Partnership Agreements (EPAs) with the European

Introduction (Contd.)

Trade talks coincided with:

1

2000 Fast-track land reform

Unorthodox strategy of reclaiming the land resource

2

8 consecutive years of negative economic growth, resulting in total fall of nearly 50% gross domestic product

3

Significant capital flight, resulting in significant private sector investment reductions;
Cessation by most foreign and domestic investors in making new investments during the 2000s.

4

Severe fall in manufacturing capacity utilisation from 35.8% in 2005 to between 4&10% by 2008;

Economy increasingly became a shadow of its past well diversified industrial & export base in terms of

5

Severe scarce inflows of foreign reserves that negatively affected significantly producers, exporters, importers & consumers;

Introduction (Contd.)

Trade talks coincided with politically-induced polarisation, which:

1

Entrenched dual political contestation between ruling ZANU (PF) party and opposition MDC formations;

2

Divided non-state actors mobilisation into two distinct camps:

- one supportive of fast-track land reform, economic empowerment programme & other state initiatives;
- another comprising groups that emphasised

3

Increasingly exhibited extreme ideological divisions in the EPA debate, reflecting two distinct groups:

- **'collaborators'** who emphasised direct interaction with ZANU - PF government in their engagement in the process;
- **'resisters'** who repudiated any formal interaction and consultation with

4

Confronted the Government of National Unity (GNU) with discord on economic policy-making including some aspects of EPA negotiation processes;

5

Discouraged activists and scholars who hold different views from engaging the government on trade talks, the economy, macro-economic policies and other developmental necessities.

Introduction (Contd.)

Trade negotiations coincided with cold bilateral relations between the parties:

1

Mugabe regime's sustained anti-colonial agenda and claims of 'EU meddling in the country's political affairs', a strong political position that could have resulted in suspending the process (though the negotiations continued);

2

Mugabe regime's public protest over EU's renewed support to CSOs working on socio-economic & cultural rights, and democratic and constitutional principles

3

But Mugabe government approved the negotiations as well as EU's full funded engagements in the EPA process in order to secure predictable future trade regime with Europe irrespective of conflictual relationship

4

EU withdrew direct financial &/or technical assistance to government including development programmes and/or projects & fiscal expenditures' support;

EU cut direct government-to-government contact **except for purposes of negotiating in the context of ESA**

5

EU imposed 'targeted sanctions' against 200 leading ZANU (PF) rulers & their associated companies, a move which Harare blames for drying up external trade financing.

Unfortunately, this:

- deepened mistrust between state & civil society in

Chapter 1

Theoretical Background (discusses underpinning theories in trade negotiations)

Chapter 2

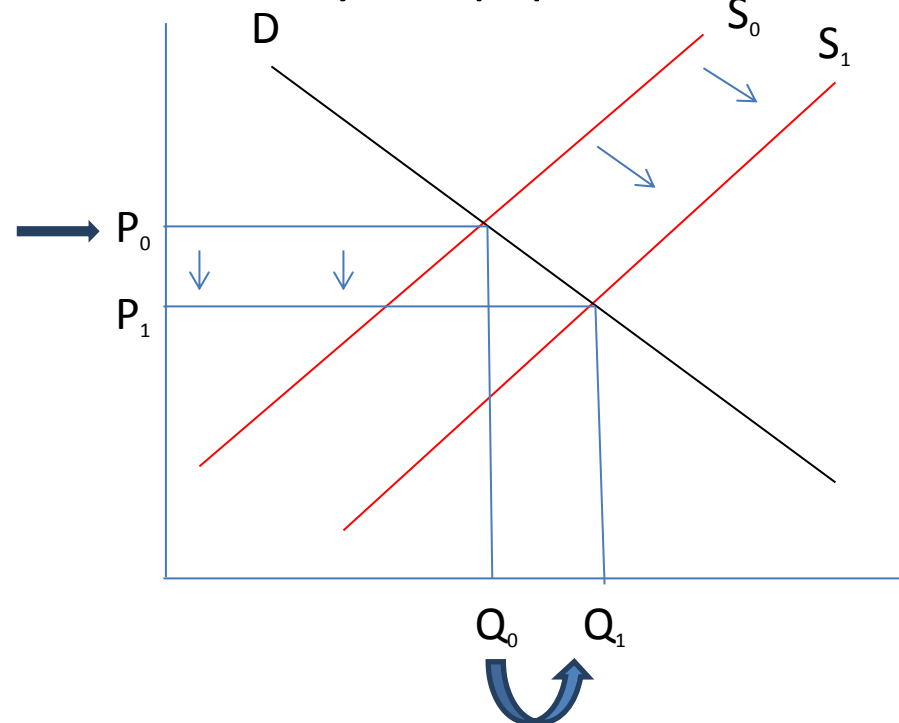
Zimbabwe - EU Trade Relations

This chapter:

- narrates the crisis period (2000-2008); and the transitional period – focusing on agriculture and manufacturing;
- explores theoretical concepts of ‘guerrilla negotiating approaches, strategies and tactics’ employed by negotiating parties;
- Discusses the EU’s ideology, dominance & influence in the EPA process;
 - Eg. EU’s ideology include:-
 - Securing commercial markets for goods & services for producers, exporters & investors including MCs & TNCs;
 - Locking Zimbabwe into an unhealthy post-colonial dependence on Europe for **development aid, fiscal support & market access**;
 - Exposing sensitive sectors to economically competitors:
 - **agriculture (potentially discredited fast-track land reform)**
 - **infant industries (potentially discredited economic empowerment and indigenisation programme);**

EU's ideology include:-

- Fortifying vertical links with Zimbabwe irrespective of differences in **industrial productivities, import & export capabilities, resources & technological capacities, & socio-political developmental conditions.**
- Solving its twin crises of over-production and threat to profits by securing predictable market for its products in weak and vulnerable economy like Zimbabwe, that largely import most but wide range of products including finished goods, raw & intermediary goods, machinery & equipment & foodstuffs.



EU's ideology, dominance & influence in the EPA process (Contd.)

EU's dominance through iEPA means that:

- Zimbabwe guarantees European investors, producers and exporters an open viable market - economy now is a recipient of Europe's access in production and productivity;
- Entrenching Europe's mercantilist & capitalist interests in the Zimbabwean economy through the invisible hand of demand & supply forces;
- Future tough competition from 'made in Europe' market tsunami that will potentially push **new indigenous economic empowerment entrepreneurs, new farmers & small to medium entrepreneurs** out of business;
- Sustain market search in Zimbabwe in support of **production frontier (see above)**;
- Implicit strategic alliance with global & local (private) media, whose anti-ZANU (PF) government and/or leadership crusade **systematically amplifying macro-economic policy failures, contradictions & partisan economic empowerment programmes**;
- the bloc remains a major Zimbabwean trading partner despite ZANU (PF)'s megaphone rhetorical and collective voice linking the economic downward spiral with imposed economic sanctions against the



Chapter 3

Current State of Play

- Introduction
- EPA negotiations: institutions and structures
 - National development trade policy forum
 - Regional negotiation forum
 - Other negotiation institutions
- The EPA process and the 'guerrilla' approach to negotiations.
- Zimbabwe's formulation of negotiating positions and offers
- Interim EPA outcome, ratification and implementation process
- Conclusion

Chapter 4

Zimbabwe's state shortcomings & civil society advocacy

- Introduction
- COMESA & SADC secretariats and civil society activism
- Zimbabwe EPA process & civil society advocacy
- State-stakeholder relationship & civil society advocacy
- Donor funding & civil society advocacy
- Emerging fears, implications & policy options
 - Trade and industrial policies
 - Industrial production & export competitiveness
 - Supply-side constraints
 - Disruptions of national & regional markets
- Conclusion

Chapter 5

Bilateral re-engagement & iEPA implementation

Introduction & context of re-engagement

- 31 July 2013 ZANU (PF)'s landslide victory altered the power balance:
 - Triggered the process of bilateral re-engagement between the yesteryears nemesis:
 - on the trade debate;
 - on other social and economic development.
 - Resulted in an apparent peaceful environment;
- ZANU (PF) government stopped blaming the EU and other western nations for the country's continued economic underperformance, signaling a softening of approach on its part.
- Pressure from the continent moved the EU bloc and ZANU (PF) government towards sustained re-engagement with a view to restoring economic and political relations between Brussels and Harare.
- The new political reality compelled the EU and its member states to soften its perception of the ZANU (PF) leadership with a view to resuming and intensifying re-engagement with the Zimbabwean government, despite its failure to implement Global Political Agreement-related reforms, and the constitutional

- Trade flows & brief outline of iEPA features (See diagram)

- Re-engagement milestones & macroeconomic policies
 - Lots of data on EU support to social and economic policies

- How can Zimbabwe reap the greatest benefit from iEPA?
 - Why slow movement by Harare to implement?
 - What is anticipated now? –
 - €7 million support for the domestication of iEPAS!!!

- Conclusion

Chapter 6

Conclusion

- Theoretical reflections
- Lessons for future studies
- Policy recommendations
- The future & new lines of enquiry
- Can Zimbabwe make progress?

Political Transitions and Social Justice: Some Reflections on Zimbabwe's Rocky Path

Reflections presented at the UKZN School of Built Environment & Development Studies & Center for Civil Society workshop in honor of Sam Moyo

Joy Mabenge
13-14 June 2016

Introduction

- Between 2009 and 2013, I have come across at least five books, most of which are edited versions of different compilations on trying to make sense of the Zimbabwe transition under the Global Political Agreement (2008-2013)
 - Masunungure E.V. (2008) edited *Defying the winds of Change/; Zimbabwe's 2008 elections: Zimbabwe's 2008 elections*
 - Tim Murithi and Aquilina Mawadza (2011) edited *Zimbabwe in Transition: A View From Within*
 - Masunungure and Shumba (2012) edited *Zimbabwe: Mired in Transition*
 - Raftopoulos B. (2013) edited *The Hard Road to Reform: The Politics of Zimbabwe's Global Political Agreement.*

Intro Cont...

- In very recent times Tendai Murisa and Tendai Chikweche (2015) (launched in 2016), edited and weighed in with *Beyond the Crises: Zimbabwe's Prospect for Transformation*.
- There are a number of single author accounts like (Sachikonye, 2011; McCandles, 2011)
- There are so many journal articles produced around the same time.
- What is clear in all accounts is that there has been for some time, an expectation that Zimbabwe, which has been in crisis mode for almost two decades, must somehow transit from the current state of affairs to a better one.
- The **actors are many** (internally and externally), **the interests are diverse**, the circumstances vary depending on which lenses one applies, and thus the **outcome at any given point in time is at best indeterminate, consistent with political transitions**.

Some lenses: Political Transitions

- A transition, any transition entails motion from one point to the other.
- The focus of this reflection is on “political transitions”, which could also be referred to as “political regime transition”

O'Donnell and Schmitter (1986, 6) are eminent scholars of political transitions and they define a political transition as:

“... the interval between one political regime and another. Transitions are delimited, on the one side, by the launching of the process of dissolution of an authoritarian regime and, on the other, by the installation of some form of democracy, the return to some form of authoritarian rule, or the emergence of a revolutionary alternative. It is characteristic of the transition that during it the rules of the political game are not defined”

Some lenses continued

Bratton and de Walle (1997, 10) echo this perspective, agreeing that a regime transition:

'is a shift from one set of political procedures to another, from an old pattern to a new one'.

O'Donnell and Schmitter emphasise that characteristic features of a transition are that:

'during it the rules of the political game are not defined' and that actors struggle 'to define rules and procedures whose configuration will determine likely winners and losers in the future'.

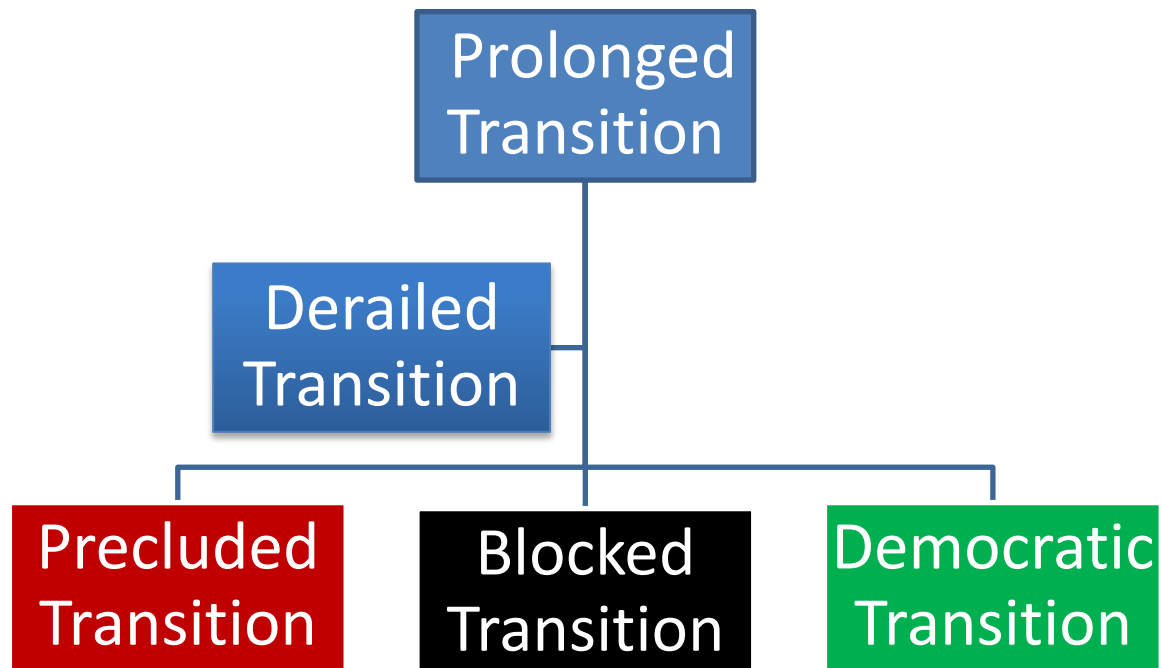
I use these lenses to discuss Zimbabwe's murky transition for the past decade or more, noting that there are other lenses like Thomas Carothers (2002)'s End of The Transition Paradigm.

Where are we Now with the Transition?

It may be important to start by asking these questions:

- Are we in a political transition? If yes;
- At what stage is the transition?
- What has happened in the past?
- Are there lessons learnt for democratic actors?

In versions of The Transition Barometer, the CiZC has posited possibilities:



Where were we & Where are We with the Transition?

It looks certain that there has not been a Democratic Transition. The challenge is if a Democratic Transition is what democratic actors want, how do they make sense of the past, if any to to attain it?

CiZC Prediction, 27 June 2013

CiZC argued that: From a conceptual level, we argue that Zimbabwe [was] *not on the verge of regressing into darker versions of transitional outcomes, namely a blocked and a precluded transition....*, in a blocked transition there is no apparent intention of holding elections and in a precluded transition the end result is characterised by civil war, chaos, armed rebels and loss of control by the central state.

The proposed version--Prolonged

At that point, CiZC Transition Barometer proposed & explained the theoretical development of a **prolonged transition** from the broader paradigm of a flawed transition.

Derailed or Prolonged?

- In a **flawed transition (Bratton & van de Walle, 1997)** the incumbent makes half-hearted and tactical concessions resulting in some seemingly positive democratic developments (new constitution, commissions etc)
- However, in this process the incumbent is still determined to manipulate the new state institutions, electoral processes and economic resources to remain in power. In this scenario, there are undemocratic elections that favour the incumbent. This conceptualization was and remains a useful starting point

Derailed or Prolonged? Conti...

- A proposition of two variants of a flawed transition. First, is a **derailed transition** that impedes democratic progress and signify an 'end to the democratic transition paradigm'. Second is a **prolonged transition** that signifies an evolution to democratisation.

Derailed Transition

- In a derailed transition the incumbent ‘wins’ an election through election manipulation. In this context, the incumbent is confident enough to abandon power-sharing and form an exclusive one party government. The distinctive feature of a derailed transition is that the incumbent will become a **backslider who abandons the democratic gains made during the transition** (e.g. dissolve commissions, change the bill of rights, resort to naked repression) and seek to re-establish old authoritarian practices. This signifies a path toward reversal or an ‘end to the democratic transition paradigm’.

Prolonged Transition: Evolutionary Path

- CiZC Proposed a prolonged transition as a situation where the incumbent will manipulate the elections but, unlike in a derailed transition, is determined to stabilise or even advance democratic gains made during the transition.
- That might include avoiding changes to the constitution, making sure that relevant commissions work, enable independent press to continue operating and commit to promote peace
- CiZC then concluded that: In a **prolonged transition, there is no greater likelihood to return to closed authoritarian practices. Nevertheless, in the initial stages the democratic gains made during the transition will co-exist with some old authoritarian practices. Depending on the struggle for democratisation, a break-through will be found over time.**

Locating Zimbabwe's current Political Transition

- Focus is deliberately on the GPA phase of Zimbabwe's history, and early 2000s
- It should be noted however that there were a number of political transitions before:
 - Internal Settlement (1978-79) (UANC, ZANU-S, RF)
 - Zimbabwe Govt of 1980 (ZANU, PF ZAPU, RF elements)
 - The Unity Accord of 1987

In all 3 cases above, some salient features are worth noting: **intense fighting, negotiations/dialogue, framework for settlement** and the **actual political settlement**. In the full scheme of things, **elections (necessary but insufficient)** seem to remain a defining characteristic

Early Attempts at Political Transition: The NCA & CC

- 1997 formation of the NCA and the struggle it represented (a constitutional movement pushing for civil and political rights as an instrument towards transition)
- 1999 the state appropriated the agenda, ran with it through the CC all the way to a referendum where the regime was defeated.
- Subsequent events show a fierce regime determined to retain state power at all costs, with Mbeki and Obasanjo attempting to mediate political dialogue after violent 2002 presidential election

The GPA as a Political Transition Instrument

- The GPA in a sense represented a formalized political transition for Zimbabwe, full with envisaged external guarantors
 - ✓ Distributing state power through sharing it (NB the dynamics of hard & soft power)
 - ✓ Signposting and Benchmarking a transition through a set of reforms (political, economic and institutional)
 - ✓ Elections as a necessary (but insufficient) ingredient to delivering a conclusion
- A lot has been written about the challenges of the GPA and perhaps a few Points for reflection,

But did the transition Happen?

- Key Points for Discussion (External & Internal Factor):
 1. The Military Factor before, during and after the GPA period
 2. Role of violence, coercion & the “margin of terror” (an un-exorcised spectre of electoral authoritarianism)
 3. The Chiadzwa Diamond factor & the Zanu Pf Parallel Government
 4. Elections without reform

Into & Out of the GPA for Civil Society & Mvts

1. The demobilizing effect of an Inclusive Government on civil society
 - The agenda for the civic movement was cut out for them and the movement was seemingly willing to tow the lines of the GPA defined issues. It was a reform agenda!
 - The GPA, by the nature of the negotiations, which continued throughout the IG period, delineated society into political formations of Zanu and the MDCs. It was not imagined that there could be an alternative voice

Into & Out of the GPA for Civil Society & Mvts

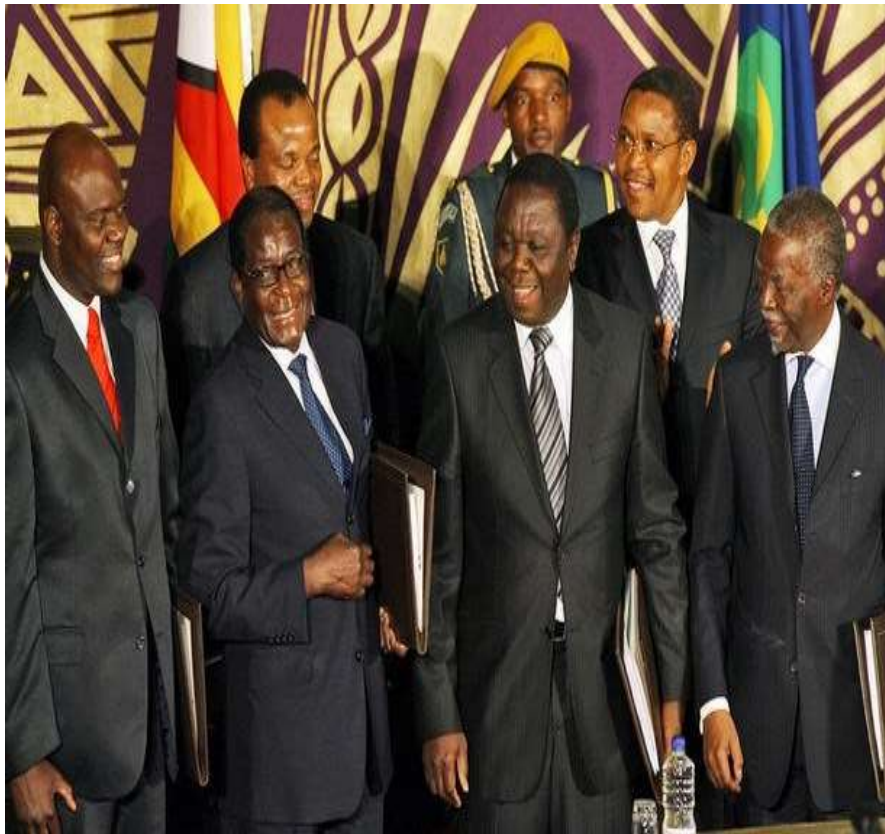
- A divisive Instrument:
 - Article 6 of the GPA (New Constitution) became the most polarising, predictably so, because it had been the one agenda that brought together various interests (civil & political as well as socio-economic) since the formation of the NCA.
 - Tactical issues led to serious divisions: Take Charge, Take Part, Monitor them (ZZZCOMP)
 - Very few protests were held, mainly by civil servants and WOZA with the majority of the civic movement and opposition political activists surrendering to a “new way of doing business”, the faith in reforms and push from within.

Hope for Transformation??

- Need to understand where the transition is at the moment
- Reflections on “new or renewed forms of organizing”
 - Patriotic Dissent, #ThifFlag
 - Occupy re-loaded
 - Reclaiming the streets (police vs courts)
- The shifted political economy had reconfigured the social base (informal economy for the labor movement)
- Review of the opposition movement’s tactics, composition and strategies

Perhaps the sands are shifting?

September 2009



April 2016



TITLE:

SUSTAINING LIVELIHOODS IN A DE-INDUSTRIALISING ECONOMY IN THE CASE OF NORTON TOWN, ZIMBABWE: TOWARDS A REVISED LIVELIHOODS FRAMEWORK

By

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UKZN – SOBEDS

13 JUNE 2016

BACKGROUND & STATEMENT:

- Zimbabwe experienced a devastating de-industrialization which left the economy grounded (ReliefWeb, 2006).
- De-industrialization normally leads to downsizing & closure of businesses across all economic sectors, leading to massive job losses / unemployment.
- This has a negative impact on urban livelihoods, most of which rely on the formal sector jobs (Grant, 2005).
- Also leads to increased poverty in most urban centers (UNHABITAT, 2010); a feature that has become prevalent in Zimbabwe's urban spaces.
- However even after experiencing a crippling fall of industry and excessive job losses, the picture on the ground somehow presents an almost *"life-as-usual"* situation in Zimbabwe's urban townships which are home to the majority of the most hard hit victims.
- Loss of formal jobs (loss of traditional livelihoods) led to substantial changes in the means through which the majority of the people earn their living.
- (it pushed them into devising alternative ways to sustain life.)
- However, what people are doing to earn almost satisfying lives, how they managed/ are managing to adapt to the changing livelihoods landscape remains a mystery and unexplained.
- The capability to earn a reasonable living in a grounded and virtually non-performing economy where unemployment is estimated at over 80% (Mutami and Chazovachii, 2013) is not only amazing but also captivating.
- It is thus against the backdrop of this "paradox" that this study is dedicated to interrogate what people in Norton are actually doing to earn their living after a cataclysmic de-industrialization that hit the town and Zimbabwe at large.

OBJECTIVES:

Main Objective:

- To explore **HOW** people in Norton are **EARNING** their living in a de-industrializing economy.

Specific Objectives:

- To investigate the impacts of de-industrialization on livelihoods in **NORTON**;
- To assess the perceptions of people in Norton about the emerging alternative livelihoods.
- To develop a revised livelihood framework that suits depressed economies.

Main Research Question:

- How are people in Norton **EARNING** their living in a de-industrializing economy?

Specific questions:

- What are the impacts of de-industrialization on livelihoods in **NORTON**?
- What are the perceptions of people in Norton about the emerging alternative livelihoods?
- Which revised livelihood framework can be developed to suit depressed economies?

LITERATURE REVIEW

- Over half of the world's population has been living in urban areas since the year 2007 (Martinez *et al.*, 2008).
- The figure is forecasted at 66% by 2025 (UNCHS, 1996) & over 90% of the increases being recorded in poorest regions (Garau *et al.*, 2005).
- The scale of urban population growth presents a complexity in respect to services and livelihood options that the third world city can avail (Potter and Lloyd-Evans, 1998).

LITERATURE REVIEW CONTD...

- The fall of industry was largely due to Govt. adoption of the **World Bank and IMF's ESAP** (Saunders, 2006; Chipika *et al.*, 2000; Tekere, 2001); after the adoption of neo-liberalism in the early 1990s.
- The alleged government economic maladministration; (participation in the DRC war, unbudgeted payout for war veterans, corruption, chaotic land reform program)(Mlambo and Raftopolous, 2010) and skyrocketing inflation exceeding **230%** from **2005** to **2008** (Mbira, 2015).
- Industrial production shrunk by **21%** from **1990-95** (ZIMCODD, in *NewsDay Zimbabwe*, 2011) while Industrial capacity utilization fell to **60%** as GDP plummeted from **US\$620** in **1998** to **US\$268** in **2008** (Mutami and Chazovachii, 2013).
- Formal employment fell from **3.6 Mln** in **2003** to **480 000** in **2008** (*M & G*, 2009) and further **200 000** employees lost their jobs between **2009 and 2013** (Kachembere, 2013).

LITERATURE REVIEW CONTD...

- Because of these and other factors, Mutami and Chazovachii (2013) estimated an above **80%** unemployment by **2013** dismissing the **11%** put forward by ZimStat (2013).
- While the **Marxian perspective** equates de-industrialization to economic growth and technological innovation where machinery takes over tasks that were set aside for human beings, leading to joblessness (Rowthorn, 1992), the Zimbabwean story is very different in that de-industrialization was because of failure of industry and not technological advancement.

LITERATURE REVIEW CONTD...

- Urban livelihoods are generally powered by non-agricultural activities; trading, waged/salaried employment and self-employment but because of inequalities, livelihood strategies adopted by the most people tend to be very complex (Grant, 2005).
- Ordinary peoples' livelihoods in most cases combine a variety of activities which are influenced by insecure employment, unemployment, unstable and unreliable income sources as well as lack of education among others (Rakodi, 2002).
- However, discussing livelihoods alone outside the context of their sustainability is inadequate and hence this ushers into this study the notion of sustainable livelihoods. The Sustainable Livelihoods Approach (SLA) shall therefore be the main theory informing this study.

THEORETICAL FRAMEWORK...

- ✓ The Theory of Practice (Bourdieu, 1972)
- ✓ The Actor Oriented Approach (Long, 1990)
- ✓ Sustainable Livelihoods Approach [SLA] (Chambers and Conway, 1990)

THE THEORY OF PRACTICE:

- Interprets society in terms of domination and relative strength, which in turn are the main causes of unequal allocation of resources within society. This study will focus on the following three of its major elements: the *Social Field* (professional/Livelihoods options), *Capital* (Economic, Social, Cultural & Symbolic) and the *Habitus*.
- The theory basically seeks to analyze the various fields of professions (Livelihood options) that are usually available for the people and factors that aid or constraint access to these livelihoods fields.

THEORETICAL FRAMEWORK CONTD...

ACTOR-ORIENTED APPROACH:

- Roped in to provide insights on how people respond to different circumstances that impact on their lives.
- Its driven from a constructionist perspective which entails the remaking of society through on-going self-transforming actions and perceptions of a diverse and interlocked work of actors (Bosman, 2004).
- Local actors utilize their linkages/networks to generate some satisfying outcomes through the formation of complex network links that form coping strategies and agency of resiliency. Attention is focused on *Social Actors, Agency and Knowledge*.
- Social actors are locked into a series of intertwined battles over resources, meanings, institutional legitimacy and control (Long 2001: 1-5).

THEORETICAL FRAMEWORK CONTD...

SUSTAINABLE LIVELIHOODS APPROACH:

- An improved way of thinking about the objectives, scope and priorities of development that will better meet the needs of the poor.
- Places what it calls “*poor people*” at the center of development and its fundamental goal is to reduce poverty.
- acknowledges the presence of a multiplicity of actors and factors that determine livelihood strategies and outcomes (Ashley and Carney, 1999).
- Works together with the Sustainable Livelihoods Framework (SLF) – a livelihood analytic tool that aims at improving people’s understanding of livelihoods, embracing the concept of capital assets (physical, natural, social, financial and human) and how these shape livelihoods.

METHODOLOGY

RESEARCH DESIGN: CASE STUDY

- The study will choose **NORTON TOWN** as its case.
- A case study will afford a detailed and in-depth study of issues under investigation since it will be concentrated on a relatively small geographical area and population.

STUDY AREA

- Norton - a town located in Zimbabwe's Mash West Province, 45KM west of Harare & had a population of **67 591** in 2012 (Zimstat, 2013:3).
- Named after the Norton family (a white family that was murdered during 1896 Shona Uprisings against the white settlers)
- Set as a small farming settlement, later integrated to a railway station nearby and slowly took-off, developing into a planned industrial township by the year 1960 and attained a town status in 1994.
- Eight kilometres to the north-east is Lake Chivero while Darwendale Dam lies on the northern side.
- Both dams familiar with large-scale fish production and also boast a wealth of recreational facilities.
- Norton has rich, well-watered and fertile agricultural soils and vast mining prospects since it lies close to the mineral-rich Great Dyke (Mudumi and Mundenga, 2015).
- Used to have a small but vibrant manufacturing and farming industry but could not withstand the brunt of economic meltdown and thus collapsed throwing many out of employment.
- Norton constitutes an electoral constituency which is under ZANU (PF).

POPULATION & SAMPLING...

- Targeted research population includes residents from Norton's townships, officials from Norton Town Council, Police, Ministry of SMEs, CSOs, SMEs as well as local Industry.
- The choice of these subjects is because they interact with the researched population, area and issues under investigation. Researched issues also fall under the jurisdiction of the work of some of them and thus they are deemed to have important information that this study will be looking for.
- Purposive sampling will be applied where subjects have experiences linked with the study sites and researched issues as well as expert knowledge on issues that the study seeks to investigate and will involve knowledgeable community experts from the Town Council, Civil Society, Government, Police and Industry.
- Snowball sampling will also be used to select township dwellers who would participate in FGDs and INIs. Its preference is based on the assumption that participants will be free to articulate and disclose more information in an environment where they know at least two other people familiar to them. If a FG is to be composed of total strangers, participation is likely to be limited as people tend to be reluctant to talk more when surrounded by strangers.

RESEARCH APPROACH:

- The study shall be qualitative in approach. Qualitative research is concerned with attempting to accurately describe, decode and interpret the meanings of phenomena occurring in their normal social contexts (Matveev, 2002).
- Because of its interactive nature, it will allow for the obtaining of detailed information in this study and enhances understanding of such phenomena as ways through which people are earning their living, attitudes, perspectives about their livelihoods means as well as their experiences in the livelihoods field, something that the quantitative approach might not be able to fully achieve on its own.

PARADIGM - Constructivism

- There is no objective truth that is waiting to be discovered. Rather, it describes the dynamic, contingent and culturally based condition of the social world (Alder, 2013), where meanings come into existence in and out of people's engagement with realities in their own social world (Fosnot, 2013). As such, meaning/truth becomes socially constructed and different societies/social groupings construct their own unique meanings that suit their contexts.

APPROACH CONT...

- This approach is important in this study in that the study looks forward to employ the grounded theory technique where data collection and analysis will ultimately lead to formation of a theory at the end of the study (Bhattacharjee, 2012).
- A grounded theory is a general methodology for developing theory that is grounded in data that is systematically collected and analyzed where theory may be generated either from collected and analyzed data or through the use of analyzed data to modify/elaborate existing theories if they seem appropriate or closer to being appropriate to the phenomena under investigation (Corbin and Strauss, 1994).
- The idea of employing a constructivist paradigm in collaboration with the grounded theory technique coincides well with the ultimate objective of this study (to come up with a revised framework that suits a de-industrializing economy.)

DATA COLLECTION:

FGDs

- **Six (6)** *Focus Group Discussions* (FDGs) of **10 to 12** participants will be held with Norton's township dwellers who constitute the larger proportion of the affected. The aim is to seek to explore people's lived experiences and realities in the absence of formal employment and capture what they do for a living, their perspectives about their adopted livelihoods and livelihoods sustainability, challenges that they face and how they navigate around them **in execution of their** new livelihoods. Priority will be given to respondents who have resided in Norton for at least **fifteen (15) years**.

KIIs

- **Thirty five (35)** *Key Informants Interviews* (KIIs) will involve respondents from Norton Town Council officials, Civil Society, Local Industry and Police and Senior Local Residents who have stayed in Norton for over **fifteen (15) years**. KIIs will source data on issues that have to do with sustainability of livelihoods, how they have been transformed over the years, what can be done to improve them from their perspectives, challenges which residents encounter and problems arise as a result of these new livelihoods.

Data collection cont...

INIs:

- **Thirty (30)** *In-depth Narrative Interviews* (INIs) will also be employed and will involve residents drawn from the townships to capture first hand information about their lived experiences in the livelihoods field, how they earn their living, the challenges that they face as well as their thoughts on what could be done to address the issue of livelihoods. Interview guides composed of unstructured interview questions will be used. Documentary sources which include internet sources, journal articles, newspaper articles and town council/government publications will also be used.

DATA ANALYSIS

Data will be analyzed procedurally using **thematic analysis** as follows;

1. Familiarization/documentation,
 2. Organization/ categorization;
 3. Connection of data to show how concepts influence each other;
 4. Corroboration, triangulation, legitimization of data;
 5. Reporting findings (Miles *et al*, 1984).
- The data from FGDs, KIIs and INIs will be recorded, transcribed, translated and then analyzed using NVIVO.

CONTRIBUTION

- **Revised sustainable livelihood framework for de-industrializing economies**

Conflict diamonds and Zimbabwe's new poverty

PhD Presentation at CCS

By

Farai Maguwu

Monday 13 June 2016

BACKGROUND

- ALLUVIAL DIAMONDS DISCOVERED BY VILLAGERS IN 2006
- AT LEAST 35 000 PEOPLE IN MARANGE DIAMOND FIELDS BY NOV 2008
- MUGABE LOSES ELECTION IN MARCH 2008
- RERUN TURNS VIOLENT – OPPOSITION MDC T WITHDRAWS
- 27 JUNE 2008 MUGABE HOLDS A ONE MAN ELECTION
- SADC AND AU REFUSES TO ENDORSE ELECTION RESULT
- CASH CRISIS - ARMY RESTLESS

OPERATION HAKUDZOKWI

- NOV 2008 MUGABE DEPLOYS INTO MARANGE WITHOUT WARNING
- HUNDREDS ARE GUNNED DOWN
- HUNDREDS MORE DIE OF THEIR INJURIES IN HOSPITALS AND AT HOME IN THE FOLLOWING MONTHS
- HUNDREDS OF WOMEN RAPED BY SOLDIERS AND OTHERS ORDERED BY THE ARMY YOU BE RAPED BY ARTISANAL MINERS AS PUNISHMENT

GOVT JUSTIFICATION – TO RESTORE ORDER

- ‘Government has had to reassert its authority in this wild, wild East.
- ‘The Untouchables of Chiadzwa are either slaving, wounded or dead...It is a season of tears as man become beast to get beastly men and women to repair the heinous damage they have wrought on innocence. It is painful payback time
- Chiadzwa, once a place for dashing fortune-seekers, has become Chiadzwa the place of unrelieved pain’. Nathaniel Manheru Dec 2008

OUTCOME

- DISPLACEMENT OF 2000 families to ARDA TRANSAU
- LARGE SCALE DESTRUCTION OF ECOSYSTEM
- LOSS OF NATURAL CAPITAL WITH NO BENEFIT TO FISCUS
- IN FEB 2016 MUGABE REVEALED ZIM HAD LOST OVER \$13 BILLION TO DIAMOND FIRMS
- DETAILS EMERGING OF EXTERNALIZATION OF CASH
- ALLUVIAL DEPOSITS REPORTEDLY RUNNING OUT

METHODOLOGY

- CASE STUDY – ETHNOGRAPHIC STUDY OF MARANGE
- CHALLENGING STATE POWER THROUGH DOCUMENTING RIGHTS ABUSES AND RESOURCE PLUNDER
- PRODUCTION OF KNOWLEDGE THROUGH GROUND BREAKING RESEARCH

COMPETING NARRATIVES: ZELA

- MINING CAN BE REFORMED THROUGH CONSTRUCTIVE ENGAGEMENT WITH GOVT
- PWYP
- ADVOCACY ON TRANSPARENCY AND ACCOUNTABILITY
- ADVOCACY FOR EITI MEMBERSHIP

USING / ABUSING COMMUNITIES



COMPETING NARRATIVES / CNRG

- RESOURCE CURSE – MINING IS UNDERMINING DEVELOPMENT
- COMMUNITIES BEING USED TO LEGITIMIZE RESOURCE PLUNDER
- BUILDING COMMUNITY AND CIVIL SOCIETY RESISTANCE TO EXTRACTIVISM

THEORETICAL GROUNDING

- MARX argues that for capitalism to thrive, first there must be a historical [past] process of accumulation premised on the separation of the poor from the means of production (Marx, 1867, 504)
- Whereas Marx sees primitive accumulation as the initial stage of unevenness, Bond and Desai (2006) argue that primitive accumulation is an on-going phenomenon inherent within the capitalist system.

Theories of hegemony, civil society and revolution

- Marx and Engels argue that civil society is a key functionary of capitalism, existing only as an extension, or rather reflection of class relations. They contend that ‘civil society only develops with the bourgeoisie.’
- Shah (2008) who also argued that civil society is a ‘moral force’ driven by ‘selflessness and impartiality’ and ‘enlightened collective good

STRUCTURE OF THE THESIS

- AN ACTIVIST ACCOUNT OF MARANGE DIAMONDS (ALREADY PUBLISHED IN FACETS OF POWER)
- THE KIMBERLY PROCESS AND LEGITIMIZATION OF ZIMBABWE'S CONFLICT DIAMONDS (CAPITALISM NATURE SOCIALISM)
- MARANGE DIAMONDS AND ZIMBABWE'S POLITICAL TRANSITION (JOURNAL OF PEACEBUILDING)

UPCOMING JOURNAL & BOOK ARTICLES

- **MARANGE'S MISSING BILLIONS**
- THE POLITICAL ECONOMY OF THE RESOURCE CURSE / PARADOX OF PLENTY
- WHO DOES IT SERVE?
- HOW DID MARANGE DISCOVERY UNDERMINE GENUINE NATIONAL DEVELOPMENT AND STATE INSTITUTIONS?

THE WOMEN OF MARANGE: GENDERED IMPACTS OF DIAMOND MINING



IMPACT OF MINING INDUCED DISPLACEMENT ON WOMEN AND CHILDREN

- AN ANALYSIS OF LIVING CONDITIONS AT ARDA
TRANSAU
- LAND SHORTAGES
- FOOD INSECURITY
- LACK OF ACCESS TO WATER, HEALTH AND
EDUCATION

BRICS IN MARANGE

- RUSSIA, INDIA, CHINA AND SOUTH AFRICA IN MARANGE
- BRICS IN KPCS
- BRICS AND IFFS IN MARANGE

CONCLUSION / SEARCH FOR ALTERNATIVES

- MARANGE AND THE PITFALLS OF
EXTRACTIVISM AS A MODEL OF
DEVELOPMENT

“The mining sector will be the centrepiece of our economic recovery and growth. It should generate growth spurts across sectors, reignite that economic miracle which must now

CONCLUSION / SEARCH FOR ALTERNATIVES

happen...we need to explore new deposits, developing new greenfield projects in the mining sector. Above all, we need to move purposefully towards beneficiation of our raw minerals.”

*President R.G. Mugabe inauguration speech
2013*

University of KwaZulu-Natal

Freedom Mazwi

Paper presented at the Sam Moyo Memorial workshop, June 2016, Durban

Outline of presentation

1.0 Introduction

2.0 Background, agrarian Structure and theory

3.0 Changing agriculture finance

4.0 Nature of Contracts for Sugar outgrowers

5.0 **Access to credit for agriculture and servicing of loans for outgrowers**

6.0 Labour utilization

7.0 Sugar production levels and pricing

8.0 Accumulation by outgrowers

9.0 Sources of Income outside agriculture

10.0 Conclusion

Introduction

- Agriculture finance remains key to resolving agricultural productivity for major crops in Zimbabwe(Moyo and Nyoni,2013)
- Boom in tobacco and sugar industries which accentuates social stratification
- challenges remain in fluctuation of prices and performance of crop commodities on the domestic and international markets(Binswanger-Mkhize and Moyo,2012)
- Underperformance of food crops(maize, wheat, soybean) underpinned by lack of financing.
- Domestic and international capital major financiers of export oriented crops/Contract farming playing a key role
- Land tenure remains an area of contestation pitting gvt and private banks(Freehold preferred by banks and permissory tenure by the banks)

Background, agrarian structure & theory

- A dual agrarian structure replaced by a tri-modal structure with competing modes of production
- An expanded peasantry base, absence of freehold tenure as well as the Look East policy policies brings merchant companies(Moyo and Nyoni 2013).
- Transaction costs and risks
- Agrarian political economy framework - asymmetrical relations, self-exploitation, dependent capitalization, exploitation, dual development, preference in financing capitalist farmers(Clapp 1988, Little and Watts 1994;Moyo and Yeros 2005; Korovkin 1992;Sachikonye,1989).
- Access to markets, machinery utilisation, access to capital,contracts,utilisation of wage labour, land size and accumulation patterns all key to social differentiation(Patnaik,1992, Sachikonye,1989 and Moyo,2011).
- Social Exclusion
- New Institutional economic theory (win-win scenario, technological advancements, contract coming as a response to market failures

1 Agrarian structure: estimated landholdings from 1980 to 2010

Farm category	Farms/households (000s)						Area held (000 ha)						Average farm size (ha)*		
	1980		2000		2010		1980*		2000*		2010*		1980	2000	2010
	No	%	No	%	No	%	Ha	%	Ha	%	Ha	%			
Peasantry	700	98	1,125	99	1,321	98	16,400	49	20,067	61	25,826	79	23	18	20
Mid-sized farms	8.5	1	8.5	1	30.9	2	1,400	4	1,400	4	4,400	13	165	165	142
Large farms	5.4	1	4.956	0.4	1.371	0.1	13,000	39	8,691.6	27	1,156.9	4	2,407	1,754	844
Agro-Estates	0.296	0.1	0.296	0.02	0.247	0.02	2,567	8	2,567	8	1,494.6	5	8,672	8,672	6,051
Total	714	100	1,139	100	1,353	100	33,367	100	32,726	100	32,878	100	46.7	28.7	24.3

Source; Moyo (2011)

**Table 2: Summary of agrarian structure in Chiredzi district:
estimated landholdings(2014)**

Farm Categories	Farms/households			Area held					Average Farm size(ha)	
	2000		2014		2000		2014		2000	2014
	No	%	No	%	ha	%	ha	%		
Peasantry	133,494.00	99.86	140,611	99.44	490,762.91	43.75	644,765.98	67.57	14	38.03
Medium	44.00	0.03	743	0.53	28,277.76	2.52	44,606.01	4.67	642.70	337.31
Large-scale	101.00	0.08	14	0.	201,285.80	18	14,754	2	1,992.90	507.2
Agro-estates	39	0.	29	0.	401,509	36	250,078.47	26.21	11,940.00	8857.01
Total	133,678	100	141,392.00	100.00	1,121,835	100.00	954,204.47	100.00	3,647	2,434.89

Table 3: Outgrower and contract schemes (1990s ave vs 2011/12 and 2014/15/Source: Author using data from TIMB(2014),

	No of growers			Key actors
	1990s ave	2011/12	2014/15	
Cotton	3,725	280,064	170,000	Sino Zim;Romsadale;Olam Zimbabwe
Tobacco	1,200	13,000	43,143	Northern Tobacco,ZLT,MTC,TAINZEE,Trbac,Boost Africa,TSL,Curverid,Goldleaf,KM Insurance,Sha Shasha,Midriver,ILT,Dashvile,Leaf trade
Sugar	250	872	872	Triangle Limited and Hippo Valley estates (Tongaat Hullet)

Source: Binswanger-Mkhize and Moyo (2012) and Tongaat Hullet

Crop production and participation in markets

Type of crop	Chiredzi	
	No.	%
Main Foods		
Maize	69	58.5
Wheat	0	0.0
Sugar beans	0	0.0
Groundnuts	40	33.9
Small grains		
Millet	10	8.5
Sorghum	50	42.4
Rapoko	0	0.0
Oilseeds		
Soya beans	0	0.0
Sunflower	1	0.8
Key Exports		
Tobacco	0	0.0
Cotton	35	29.7
Estate Crops		
Sugarcane	37	31.4
N	169	100

Average Income from Crop and Livestock Sales (2011-2013)

Year	A1 households		A2 households		Communal Area	
	Ave.	No.	Ave.	No.	Ave.	No.
2011	788.06	79	5939.72	39	135.9	51
2012	808.7	79	5018.44	39	303.41	51
2013	552.73	79	8400.15	39	305.06	51
income in 2013 new	2457.77	79	12722.72	39	965.47	51

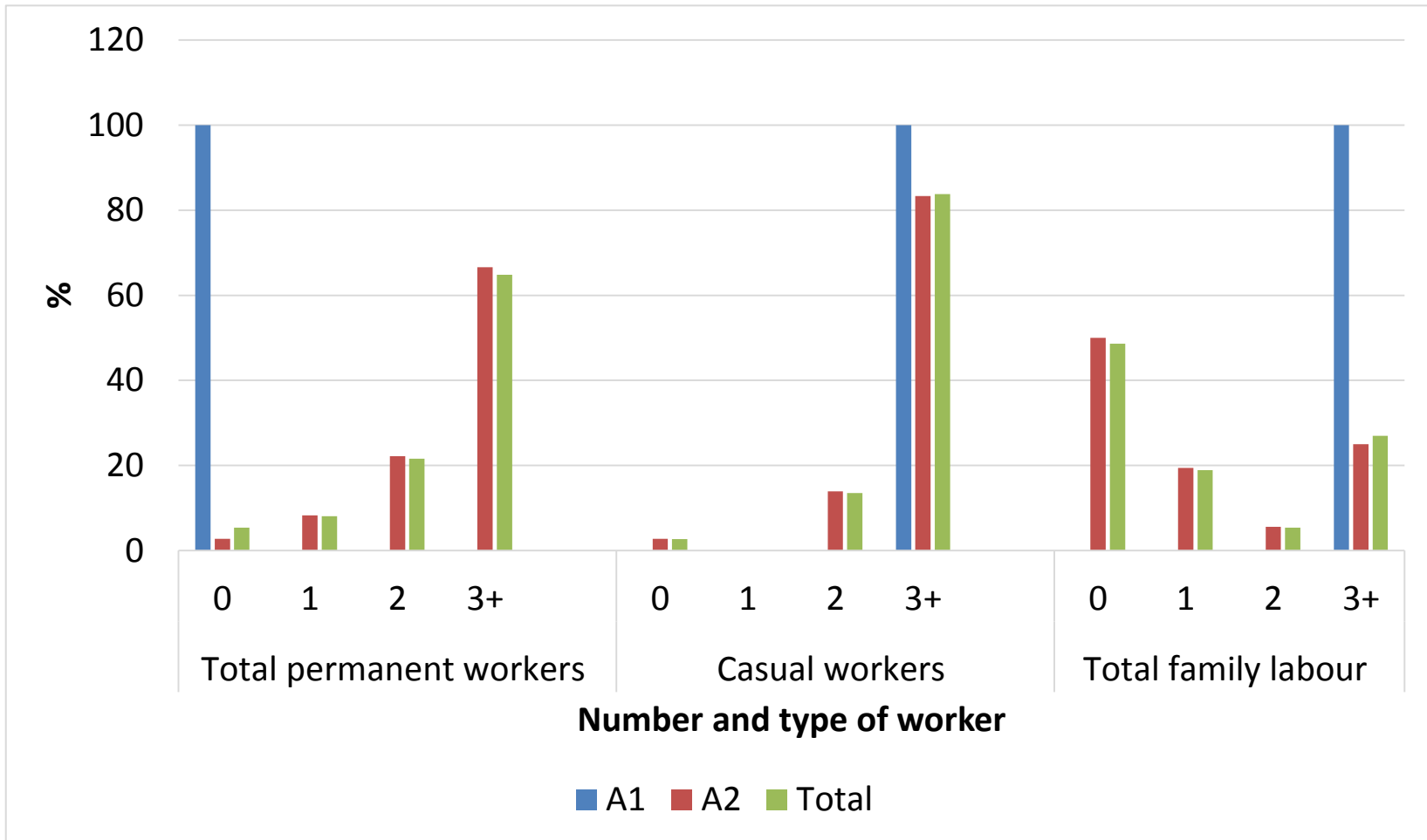
Source of Household Income by District for Surveyed Households

Source of Income	A1 and A2 Households		Communal Area Households	
	No.	%	No.	%
Remittances from Diaspora	9	7.6	24	47.1
Local Remittances	1	0.8	3	5.9
Pension	20	16.9	0	0.0
Formal Employment	20	16.9	6	11.8
Sale of Forest Products	3	2.5	0	0.0
Gold Panning	0	0.0	0	0.0
Hiring out Permanent Farm Labour	0	0.0	3	5.9
Hiring out Casual Labour	4	3.4	19	37.3
Petty Trading	9	7.6	2	3.9
Commercial Loan	5	4.2	0	0.0
Asset Selling	5	4.2	1	2.0

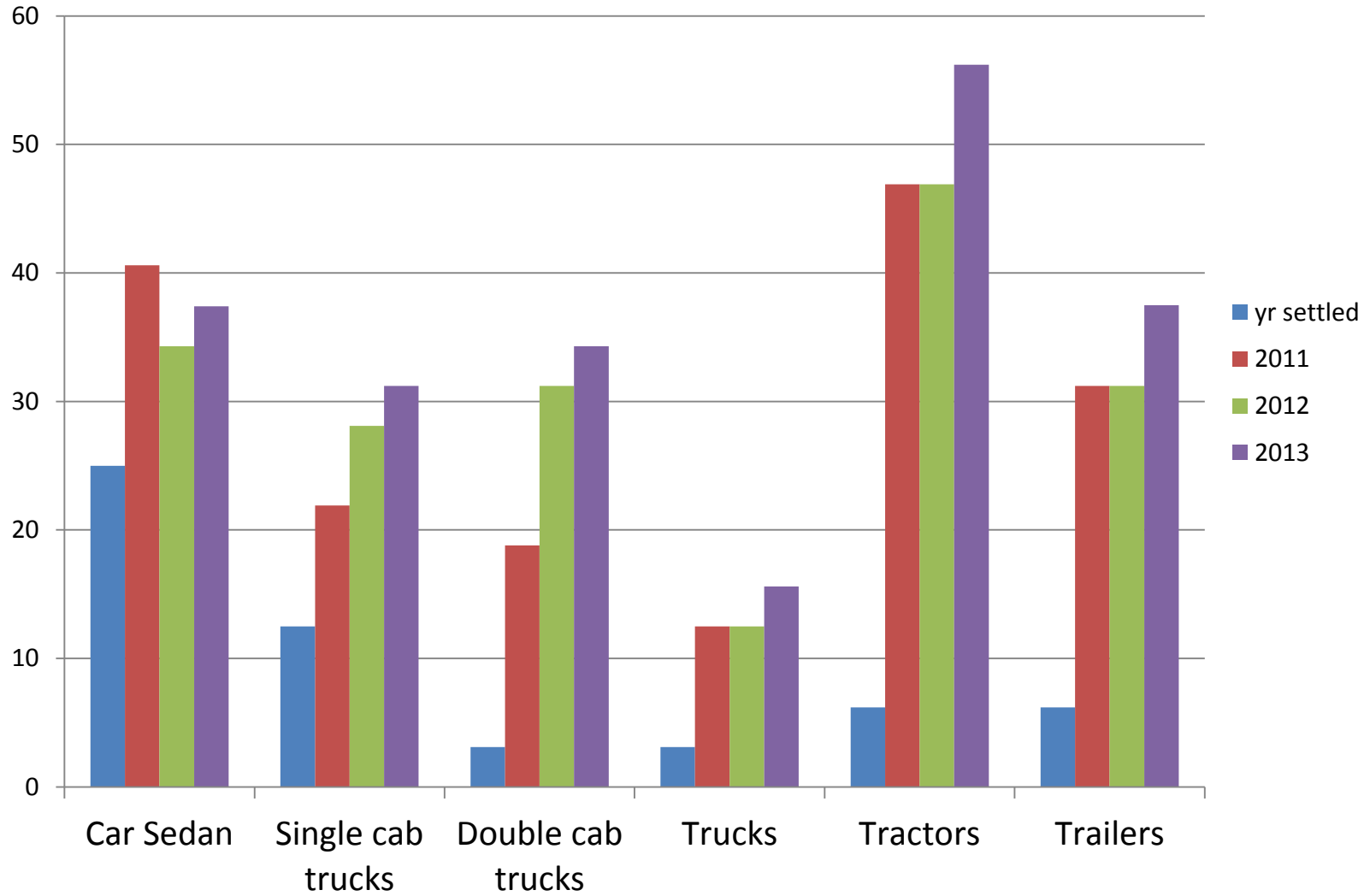
Access to credit for agriculture, challenges and servicing of loans for outgrowers

	No.	%
Accessed credit	25	65.8
Servicing the loan received	9	36.0
Faced challenges in accessing credit	4	30.8
(banks) requested collateral security for you to borrow	7	21.2

Outgrower labour utilisation



Accumulation Patterns



Sources of Income for Outgrowers

	No.	%
remittances from diaspora	1	2.6
local remittances	1	2.6
pension	11	28.9
formal employment	6	15.8
petty trading	4	10.5
commercial loan	5	13.2
asset selling (excluding livestock)	1	2.6