



Zimbabwe: The Transitional Government and Implications for U.S. Policy

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May 10, 2010

Congressional Research Service

7-5700

www.crs.gov

RL34509

Summary

Over a year after the establishment of a transitional government in Zimbabwe, economic and humanitarian conditions are gradually improving, but concerns about the country's political future remain. In February 2009, after almost a year of uncertainty following March 2008 elections, opposition leader Morgan Tsvangirai was sworn as Prime Minister of a new coalition government. His swearing-in came five months after a power-sharing agreement was signed in an effort to resolve the political standoff resulting from the flawed elections. For the first time since independence, the ruling party had lost its parliamentary majority. The results of the presidential race, announced over a month late amid rising tensions, indicated that Tsvangirai had received more votes than the incumbent, President Robert Mugabe, but had failed to gain the 50% needed to avoid a runoff. Days before the runoff, in late June 2008, Tsvangirai pulled out of the race, citing widespread political violence and the absence of conditions for a free and fair election. Mugabe was declared the winner, but many observer missions suggest the poll did not reflect the will of the people. In September, after weeks of negotiations, Tsvangirai and Mugabe reached an agreement to form a unity government, with Mugabe remaining head of state, Tsvangirai becoming Prime Minister, and cabinet and gubernatorial positions divided among the parties. Disputes over key ministries delayed the agreement's implementation for months.

The parties to the agreement face significant challenges in working together to promote political reconciliation and to address serious economic and humanitarian needs. Politically motivated violence and repression followed the 2008 elections, which were held amidst a deepening economic crisis. Zimbabwe's gross domestic product (GDP) had decreased over 50% in the last decade, and the inflation rate rose to over 200 million percent in 2008. Following the establishment of the transitional government, the economy has begun a slow recovery and inflation has subsided, but the official unemployment rate remains over 90%. The adult HIV prevalence rate of 15% has contributed to a sharp drop in life expectancy, and, although humanitarian conditions have begun to improve, approximately three million required food aid in early 2010. Over 4,300 died between August 2008 and July 2009 from a widespread cholera outbreak that infected almost 100,000 and was attributed to poor water and sanitation conditions. Deteriorating conditions in the country led many Zimbabweans to immigrate to neighboring countries in recent years, creating a substantial burden on the region. International donors welcomed the power sharing agreement and have begun to reengage with the Zimbabwean government, but a resumption of significant assistance is expected to be predicated on more substantial political reforms. Many remain skeptical that true power sharing exists within the coalition government. Several officials from the previous administration, which had a poor human rights record and was seen as autocratic and repressive by its critics, remain in the new government. Reports of harassment of opposition and civil society activists continue, and many question the ruling party's commitment to reform. Foreign investors also remain wary.

The U.S. government has been critical of Mugabe and members of his former regime for their lack of respect for human rights and the rule of law, and has enforced targeted sanctions against top government officials and associates since 2002. Congress articulated its opposition to the Mugabe government's undemocratic policies in the Zimbabwe Democracy and Economic Recovery Act of 2001 (ZDERA; P.L. 107-99) and subsequent legislation. The Obama Administration has expressed cautious support for the transitional government, but debate continues within the government on how to proceed, and recent legislation, S. 3297, has proposed policy changes. Some suggest that U.S. sanctions be modified to reflect Zimbabwe's new political construct, while others remain unconvinced that sufficient democratic reforms have occurred.

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Introduction

President Robert Mugabe, 86, and his party, the Zimbabwe African National Union - Patriotic Front (ZANU-PF), have ruled Zimbabwe since its independence in 1980. Rising inflation and unemployment rates contributed in the late 1990s to the creation of the opposition Movement for Democratic Change (MDC). The MDC enjoyed initial success, campaigning against a referendum in 2000 that would have expanded the president's powers, made government officials immune from prosecution, and allowed the uncompensated seizure of white-owned land for redistribution to black farmers. The referendum failed, and the MDC won nearly half the parliamentary seats in that year's election. Members of ZANU-PF have since taken numerous, often undemocratic actions to maintain power. After months of uncertainty following a power-sharing agreement, known as the Global Political Agreement (GPA), negotiated in September 2008 between ZANU-PF and the opposition, the parties reached a final accord in January 2009 that has led to the creation of a coalition government with senior positions divided among the parties. Given long-standing tensions between ZANU-PF and the MDC, many observers have expressed skepticism that the parties can now truly share power. Initial reforms by the new government stemmed Zimbabwe's runaway inflation rate, but significant challenges to the country's recovery remain. In October 2009, citing "blatant" violations of the GPA by ZANU-PF, the MDC announced that it was suspending cooperation with ZANU-PF, but would remain in the coalition government while party leaders worked to address outstanding issues (see "Calls for Political Reforms Continue").¹ Following a mediation effort by Southern African leaders the MDC reengaged with their ZANU-PF counterparts the following month, but several of the party's demands for reform remain outstanding and negotiations between the parties continue.

Background

In January 2009, prior to the new government's formation, Zimbabwe was considered by some analysts to be a failed state.² Dubbed "the world's fastest shrinking economy," Zimbabwe's Gross Domestic Product (GDP) had declined over 50% since 2000.³ After several years of hyperinflation, the country's official inflation rate had risen to a level at which prices doubled in less than 24 hours. Zimbabwe's economy had effectively collapsed.

Today, Zimbabwe continues to face serious political and economic challenges that critics suggest stem from years of poor governance and mismanagement. Life expectancy for Zimbabweans fell from an estimated 56 years in 1990 to 44 in 2008.⁴ Over 90% of the population lack formal employment. Some seven million Zimbabweans reportedly required food aid in the first months of 2009, and, while food security has since improved, an estimated three million required food aid

¹ October 20, 2009, Interview with Prime Minister Tsvangirai available on <http://www.zimbabweprimeminister.com>.

² *Foreign Policy* magazine ranked Zimbabwe third on its list of failed states in 2008, behind Somalia and Sudan. The country ranked second in 2009, switching places with Sudan. The magazine uses 12 economic, social, political, and military indicators to rank countries in order of their "vulnerability to violent internal conflict and social dysfunction." Zimbabwe's rank on the index slid 14 points from 2005 to 2006, suggesting that the country's situation had deteriorated significantly. "The Failed States Index," *Foreign Policy*, 2009.

³ Annual GDP growth has fallen on average by -5.9% since 2000. According to the IMF, it fell 40% from 2000-2007, and a further 14% in 2008. In 2009, real GDP growth was estimated at -1.3%, but it is forecast to rise to 2.5% in 2010 and to 5% in 2011, according to the Economist Intelligence Unit.

⁴ UNAIDS, *Report on the Global AIDS Epidemic*, and CIA, *CIA World Factbook*.

in early 2010.⁵ The breakdown of the country's dilapidated water and sewage systems contributed to an outbreak of cholera that, from August 2008 to July 2009, resulted in several thousand deaths and infected almost 100,000.⁶ In 2009, an estimated six million people, over half the population, had little or no access to safe drinking water or sanitation. International donors have subsequently contributed over \$54 million to begin to rehabilitate these systems, but the risks posed by waterborne diseases remain high. An estimated 3-4 million Zimbabweans have emigrated in the last decade, including up to half of the country's doctors and nurses. Many hospitals and clinics continue to lack basic medicines, supplies, and functioning equipment. The country's public education system has suffered a major decline in recent years; most public schools closed in late 2008 as teachers went on strike over unpaid salaries. Today, schools have reopened, but teachers receive wages that are a fraction of those received by their regional counterparts. In February 2010, many teachers joined other civil servants to strike for higher wages. They threatened to strike again as a new school term began in May 2010, but after negotiations agreed to give the government more time to raise revenues.

Flawed elections in 2008 and subsequent months of widespread political violence left the country bitterly divided in early 2009. At that time, the government of Zimbabwe, considered to be authoritarian by the U.S. State Department and others, found few allies in the international community; several countries, including Botswana, refused to recognize its legitimacy.

March 2008 Elections⁷

Following years of political tensions and a violent March 2007 assault by police on government critics that drew widespread international criticism, then-South African President Thabo Mbeki initiated a mediation effort between the government of Zimbabwe and the opposition to create political conditions for free and fair elections, the results of which would be accepted by all parties. Although the negotiations resulted in the amendment of some laws seen to restrict press freedom and political activity, the talks were abandoned after Mugabe announced that elections would be held on March 29, 2008. Human rights activists argue that the legislative changes were cosmetic and that the talks failed to create a level playing field prior to the elections.⁸

The two factions of the main opposition party, the MDC, which split in 2005, remained divided prior to the elections.⁹ Despite rumors of dissatisfaction with Mugabe's continued rule from within his own party, the party's central committee nominated Mugabe to be their presidential candidate. The committee also supported a resolution to hold all elections (presidential,

⁵ Food and Agriculture Organization of the United Nations and the World Food Program, *Special Report: Crop and Food Security Assessment Mission to Zimbabwe*, June 22, 2009 and USAID, "Zimbabwe – Complex Emergency," Situation Report #1, Fiscal Year (FY) 2010, April 26, 2010.

⁶ Between August 2008 and July 2009, Zimbabwe's cholera epidemic infected over 98,500 and killed almost 4,300, according to UN sources. After significant international intervention, the rate of infection declined, and from September 2009 to January 2010 there were approximately 150 cases reported and five deaths. A new outbreak began in February 2010, but the percentage of confirmed cases since September 2009 remains less than 1 percent of cases during the same period in 2008/2009.

⁷ For more details on the 2008 elections, see CRS Report RL32723, *Zimbabwe*, by Lauren Ploch.

⁸ See, for example, Human Rights Watch (HRW), *All Over Again: Human Rights Abuses and Flawed Electoral Conditions in Zimbabwe's Coming General Elections*, Vol. 20, No. 2(A), March 2008, and International Crisis Group (ICG), Africa Report No. 138, *Zimbabwe: Prospects from a Flawed Election*, March 20, 2008.

⁹ The MDC split in 2005 due to internal struggles; one faction, known as MDC-T, is led by Tsvangirai while the other, MDC-M, is led by Arthur Mutambara.

parliamentary, and local council) at the same time, and to reduce the terms for all public offices from six to five years. In addition, they voted to back efforts to increase the number of parliamentarians. Critics contend that these proposals were an effort to manipulate the electoral process through gerrymandering, with the new constituencies created in rural areas where the ruling party had stronger support.¹⁰ The proposals were included in a controversial Constitutional Amendment Bill, which, to the surprise of many observers, was passed by the parliament in 2007 with the support of MDC Members of Parliament (MPs). The final version of the legislation, did, however, include some changes seen as concessions to the opposition, and reports suggest that the MDC supported the legislation because of progress in the South Africa negotiations.

In February 2008, a senior member of ZANU-PF, Simba Makoni, announced his intention to run against President Mugabe in the upcoming elections. He was subsequently expelled from the party and ran as an independent, although he was rumored to have the support of several unnamed senior party officials. Makoni, 57, served as Finance Minister from 2000 to 2002 and was reportedly dismissed after criticizing the administration's economic policies. Opposition leader Tsvangirai dismissed Makoni as "old wine in a new bottle," but rival MDC leader Arthur Mutambara withdrew as a presidential candidate and expressed his support for Makoni.

In the pre-election period, civic activists reported significant pre-election irregularities. The Zimbabwean government invited election observers from over 40 countries and regional organizations, including SADC, but allegedly barred observers from countries considered to be critical of its policies.¹¹ Western media organizations and journalists were also reportedly denied permission to cover the elections.¹²

Zimbabwe's first "harmonized" elections were held on March 29, 2008.¹³ The Zimbabwe Electoral Commission (ZEC), widely criticized for its delayed release of the electoral results, announced the National Assembly results four days after the election. For the first time since independence, ZANU-PF lost its majority in the National Assembly. The MDC factions, known as MDC-Tsvangirai (MDC-T) and MDC-Mutambara (MDC-M) for their respective leaders, which reunited on April 28, won 109 seats in the 220-seat National Assembly, over ZANU-PF's 97. After a month of rising tensions, the results of the presidential race were belatedly announced on May 2. They indicated that Morgan Tsvangirai had received more votes than Mugabe, but had failed to garner the 50% needed to avoid a runoff.¹⁴

Although the opposition accused the government of manipulating the results and initially objected to participating in a runoff, Morgan Tsvangirai agreed to stand against President Mugabe in a second round of voting. While electoral law requires the government to hold a runoff election within 21 days of announcing the initial results, the ZEC declared that the runoff would not be held until June 27, three months after the first round. During the following weeks, reports of political violence increased dramatically, in what many critics contend was a government-orchestrated attempt to punish opposition supporters and ensure a Mugabe victory in the runoff.

¹⁰ "Zimbabwe Ruling Party Accused of Manipulating Electoral Process," *Voice of America*, April 18, 2007.

¹¹ See "First Poll Observers in Zimbabwe," *BBC*, March 11, 2008.

¹² "CNN Denied Permission to Cover Elections in Zimbabwe," *CNN*, March 25, 2008.

¹³ The 2008 "harmonized" elections were held for all levels of government (local, National Assembly, Senate, and presidential) simultaneously.

¹⁴ The ZEC declared that Tsvangirai received 47.9% of the votes, Mugabe 43.2% and Makoni 8.3%. Some independent tallies, including the MDC's, suggest that Tsvangirai may have actually received over 50% of the votes.

Several of the country's security service chiefs, including the heads of the army and the police, publicly announced that they would not recognize an electoral victory by anyone other than Mugabe.¹⁵ Citing the high number of attacks against MDC supporters and the lack of a level playing field, Tsvangirai withdrew from the race days before the election. Despite public comments from African observer missions and a presidential statement from the United Nations Security Council arguing that conditions for a free and fair election did not exist, the government held the runoff as scheduled. Mugabe was declared the winner with over 85% of the vote and inaugurated on June 29, 2008. His electoral victory in the runoff election was declared illegitimate by several countries, including the United States and Botswana.

Was ZANU-PF Planning for a Coalition Government?

Prior to the runoff, Zimbabwe's state-controlled media sent mixed signals about the regime's post-election plans. On April 23, the government-owned *Herald* newspaper printed an editorial that suggested SADC should mediate between the parties to create a transitional coalition government, led by President Mugabe, that would organize new elections.¹⁶ The following day the paper announced on its website that a unity government was "not feasible." According to a May 2008 International Crisis Group report, some senior ZANU-PF members, including Vice President Joyce Mujuru and Reserve Bank governor Gideon Gono, tried to convince the president to accept a unity government, but were overruled by senior security officials.¹⁷ Central to the concerns of ZANU-PF hardliners, critics assert, are questions regarding immunity for serious human rights abuses committed since independence. Both parties issued public statements after the elections indicating a willingness to negotiate, but ZANU-PF declared that Tsvangirai must acknowledge Mugabe's victory as a prerequisite. Tsvangirai refused to do so. Some believe ZANU-PF had planned to negotiate even before the runoff, but wanted to enter the talks from a position of power, with Mugabe having won the second round.

Post-Election Violence

As noted above, although observers suggest that the March 29 election day was largely peaceful, reports of politically motivated violence subsequently increased to a level not seen in two decades, according to advocacy groups. The MDC has alleged that over 500 of its supporters were killed in the months after the election.¹⁸ U.S. Ambassador James McGee implicated the ruling party in orchestrating the attacks (see "U.S. Policy on Zimbabwe" below).¹⁹

ZANU-PF and the Zimbabwean army have denied involvement with the violence, although the army, police, intelligence service, "war veterans,"²⁰ and Zimbabwe's National Youth Service, also known as the "Green Bombers," have all been implicated. One week after the elections, self-styled war veteran leader Jabuli Sibanda warned, "It has come to our realization that the elections were used as another war front to prepare for the reinvasion of our country.... As freedom fighters,

¹⁵ "Zim Prisons Chief Orders Officers to Vote Mugabe," Reuters, February 29, 2008.

¹⁶ "West Should Stop Blocking Zimbabwe's Way Forward," *The Herald* (Harare), April 23, 2008.

¹⁷ International Crisis Group, "Zimbabwe: Prospects from a Flawed Election," *Africa Report No. 138*, March 20, 2008.

¹⁸ "Zimbabwe's Former Opposition MDC Says 500 Died in 2008 Political Violence," VOA, August 9, 2009.

¹⁹ Statement by Ambassador James McGee, "Breaking the Silence on Political Violence in Zimbabwe," May 8, 2008.

²⁰ Among those calling themselves "war veterans," some have questionable credentials, and some are too young to have participated in the liberation struggle. Some other veterans disagree with ZANU-PF's policies.

we feel compelled to repel the invasion,” echoing a frequent Mugabe refrain that an opposition victory would be tantamount to the British reinstating colonial rule. The state-owned *Herald* newspaper, contributed to fears of a white takeover in the wake of the election, reporting, “an increasing number of white former commercial farmers are reportedly threatening resettled black farmers throughout the country with eviction from their farms or face the wrath of an anticipated ‘incoming MDC government.’”²¹ These pronouncements coincided with farm invasions throughout the country, and by mid-April 2008 the Commercial Farmers Union reported that over 100 of the estimated remaining 400 white farmers had been forced off their lands. Further evictions in 2009 may have reduced the number to less than 250.

Zimbabwe’s rural areas appear to have been the hardest hit by the post-election violence; the U.S. Embassy in Harare documented thousands who fled the countryside for urban areas in the months after the March elections. Most Harare medical clinics were at full capacity during the height of the violence, according to the U.S. Agency for International Development (USAID). Zimbabwe’s largest farmers’ union reported that militias displaced over 40,000 farm workers, and there were widespread reports of burned homes, granaries, and livestock.²² The United Nations’ resident representative in Zimbabwe stated at the time, “there is an emerging pattern of political violence inflicted mainly, but not exclusively, on suspected followers of the MDC.” The level of violence was confirmed by an eight-person SADC mission: “we have seen it, there are people in hospital who said they have been tortured, you have seen pictures, you have seen pictures of houses that have been destroyed and so on.”²³

Some Zimbabwean officials, including the police chief, have accused the MDC of rigging and inciting violence. More than 10 newly elected MDC legislators were arrested in the wake of the March elections. Sixteen other MDC officials and human rights activists were charged with terrorism and sabotage. Over 100 election officers were arrested on charges of committing fraud and abusing public office in favor of the MDC. Independent reports suggest that teachers, who held many of the election officer positions, were specifically targeted by government supporters.

The Power-Sharing Agreement

Questions surrounding the legitimacy of the Zimbabwe government in the wake of the March and June 2008 elections left the country mired in political uncertainty for much of 2008. President Mugabe delayed the swearing in of the new parliament and the naming of a new cabinet as Mbeki and other international leaders pressed for talks between the parties. When the parliament was sworn in on August 25, 2008, Lovemore Moyo, an MP from the MDC Tsvangirai faction, was elected as Speaker. He received 110 votes, beating MDC-M MP Paul Themba-Nyathi, who had received 98 votes, including those of most ZANU-PF members of parliament. Two MDC-T MPs were arrested prior to the swearing in, but were later released.

On September 15, after several weeks of negotiations overseen by Mbeki, Mugabe and Tsvangirai signed a power-sharing arrangement aimed at resolving the political standoff. The agreement, known as the Global Political Agreement (GPA), outlined a time frame for the drafting and

²¹ “White Former Farmers Threaten Blacks with Eviction,” *The Herald*, May 7, 2008.

²² “Hunger Drives Post-Election Violence, Deepens Poverty,” *IRIN*, May 9, 2008.

²³ “Call for State of Emergency Over Zim Violence,” *Mail & Guardian*, May 14, 2008.

adoption of a new constitution.²⁴ As part of the deal, Tsvangirai would become Prime Minister in a new unity government, and cabinet positions would be divided among the parties. The MDC factions would take 16 ministerial positions, three of which would come from the MDC-M faction, and ZANU-PF would take 15 positions. Mugabe, who remains head of state under the arrangement, would lead the cabinet, but Tsvangirai, who would chair a Council of Ministers, would be responsible for the day-to-day management of government affairs.²⁵ Early reports claimed that Tsvangirai would gain control of the police force, while Mugabe would retain control of the armed forces. The text of the agreement, however, left the oversight of the police, which falls under the Ministry of Home Affairs, undetermined, and ZANU-PF refused to relinquish the position.

In the months after the agreement was signed, the MDC accused the government of abducting and torturing over forty opposition and civil society leaders, including human rights activist Jestina Mukoko. Mukoko's whereabouts were unknown for three weeks before she was presented in court on charges of treason (see "Human Rights Abuses" below).²⁶ Southern African leaders continued to call on the parties to implement the agreement, and for the parties to share the Home Affairs ministry, but Tsvangirai, citing the continued harassment of his colleagues, declared the deal to be unworkable. After Mugabe announced plans to name a new cabinet with or without Tsvangirai's participation, SADC leaders renewed efforts to bring the parties together, and on January 31, amid reports of significant internal debate among the MDC leadership, Morgan Tsvangirai announced that he would join Mugabe in a transitional coalition government.

The Transitional Government

On February 11, 2009, Morgan Tsvangirai was sworn in as the Prime Minister of Zimbabwe. Arthur Mutambara was sworn in as a Deputy Prime Minister, as was MDC vice-president Thokozani Khupe. The positions were created as part of a constitutional amendment approved unanimously by the legislature on February 5 that formalized the coalition government and the GPA.²⁷ The new ministers were sworn in on February 13 (see **Appendix** for a list of cabinet members). The controversial Ministry of Home Affairs is co-chaired by an MDC and a ZANU-PF Minister, but the MDC's ability to affect change within the police service, still led by a ZANU-PF loyalist, remains in question. The MDC factions gained control of several other key ministries, including Finance, Public Service, Water, Energy and Power Development, Public Works, Health, Education, Commerce, and State Enterprises, which oversees parastatals. The party has expressed its intention to use the Ministry of Constitutional and Parliamentary Affairs to press for its goal of constitutional reform. The GPA, now enshrined in Zimbabwe's constitution, outlines a time frame of eighteen months for the drafting of a new constitution and a nationwide referendum on the document. Some expect elections to be held several months after the referendum, but a timeline for elections is not provided in the GPA. According to reports, as of February 2010, the review process was several months behind schedule, which may affect the timing of the referendum.

²⁴ The text of the agreement is available online at <http://www.nimd.org/document/807/zimbabwe-agreement>.

²⁵ "Zimbabwe Rivals Sign Power-Sharing Deal," Reuters, September 15, 2008.

²⁶ Mukoko was reportedly abducted from her home at night and was beaten and forced to kneel on gravel while unknown individuals tried to force her to act as a state witness to an alleged MDC terrorist plot or be killed.

²⁷ The GPA was incorporated into Zimbabwe's constitution through constitutional amendment no. 19.

Despite the MDC's new role in government, many observers remain skeptical that the parties can work together effectively to implement reforms deemed necessary by international donors. Critics of the previous regime suggest that Mugabe and his allies have not entered into this new government in good faith, and some suggest that Zimbabwe now has, in fact, two parallel governments.²⁸ International donors have repeatedly stated that a resumption of significant aid will depend on both economic and democratic reforms, the restoration of the rule of law, and a demonstrated respect for human rights. Without an influx of considerable foreign funds, economic and social indicators are expected to continue their downward slide.

Economic Reforms Made, but Challenges Remain

Zimbabwe's new Finance Minister, MDC Secretary-General Tendai Biti, who was arrested in June 2008 on charges of treason and incarcerated for several weeks, has been credited with initiating a series of critical economic reforms that have brought a renewed sense of optimism to many Zimbabweans. Initial reports by the International Monetary Fund (IMF) and others suggest that reforms made by the new government on the macroeconomic front are encouraging, but the situation remains fragile. The adoption of hard currencies (the U.S. dollar and the South African rand) has stabilized prices and stemmed Zimbabwe's rampant inflation rate, which fluctuated between -3% and 1% in 2009, according to the Finance Ministry. The local currency has become effectively worthless. The "dollarization" of the economy, combined with the elimination of price controls, has allowed shopkeepers to restock their shelves with basic goods, although the cost of living remains high. Some retailers are again offering credit facilities, suspended since 2007. The Zimbabwe Stock Exchange began trading again, in U.S. dollars, on February 18, 2009, after months of inactivity.

In late September 2008, Zimbabwe began officially trading in foreign currency in an attempt to lower prices, and, in early February 2009, Zimbabwe adopted hard currencies for transactions. Later that month, under the direction of Minister Biti, the government began issuing government "salaries" in vouchers good for \$100 U.S. dollars, regardless of seniority. Biti and Prime Minister Tsvangirai pledged to pay these allowances in foreign currency in an effort to get Zimbabweans to return to work. Absenteeism within the civil service reportedly reached 50% in the latter half of 2008. The allowances encouraged many civil servants to return, including, notably, the country's teachers, who had been on strike for months. The allowances are low by regional salary standards, however, and the country's unions have repeatedly pressed the government for salary increases. Teachers threatened to strike again at the beginning of the school term in May 2009, but Education Minister David Coltart (MDC-M) reportedly persuaded them to stay on with a pledge to cut school fees and to secure additional funds for salaries through an appeal to donors by UNICEF. In July 2009, the Finance Ministry announced a 20% increase in the public service wage bill, some of which has been used to introduce some progression into the salary structure, from \$150 to \$250 per month, according to the Ministry. With the cost of living for an urban family of six estimated at almost \$500 a month and food costs rising, the unions announced in early February 2010 that civil servants would strike until wages were raised again. There were reports of armed ZANU-PF supporters forcing teachers and others to join the strike. The strike affected schools, hospitals, government departments, and the courts, but most civil servants returned to work within two weeks. Teachers threatened another strike in May 2010, but after negotiations they conceded to give the government more time to raise revenues.

²⁸ Interviews by the author in Zimbabwe in April 2009.

The cash budgeting policy implemented by Finance Minister Tendai Biti has restored fiscal discipline, although revenue shortfalls are expected to continue in 2010. Biti initially cut the government's 2009 budget almost in half, from \$1.9 billion to \$1 billion, and he allowed the government to spend only what it collected in revenue.²⁹ By mid-2009, aid pledges had provided Minister Biti with the flexibility to increase government spending for the year from his initial estimate of \$1 billion to \$1.4 billion. However, as of June 2009, the government's revenues were estimated at \$30 million per month, which barely covered the \$100 allowances for an estimated 250,000 government employees and allowed almost nothing for public services or infrastructure repairs.³⁰ Revenue generation improved during the year, from \$72 million in the first quarter of 2009, \$213 million and \$283 million in the second and third quarters respectively, to \$362 million in the fourth quarter, according to the Finance Ministry. In total, the government's 2009 revenues of \$934 million were six percent below the Ministry's budget estimate of \$1 billion, and over 60% went to the government's employment bill.

Finance Ministry officials have warned that without a more significant influx of foreign currency, they will be unable to meet basic needs or address demands for wage increases.³¹ The government's 2010 budget of \$2.25 billion assumed an economic growth rate of over seven percent in 2010 and revenues of \$1.44 billion, with the remainder, \$810 million, to be filled by drawing down on IMF credits or through new foreign grants or loans. In April 2010, the Finance Ministry downgraded its GDP growth rate estimate from 7.7 percent to an estimated 4.8 percent, due in part to decreased investor confidence and reduced mining output as a result of power shortages, and announced that it had only been able to attract \$2.9 million to date in donor financing.³² The IMF has recommended that the government reduce its public wage expenditures, a proposal that has drawn considerable criticism from the labor unions.³³

Humanitarian "Plus" Assistance and the Multi-Donor Trust Fund (MDTF)

Given restrictions by many international donors against direct budget support to the government of Zimbabwe, the Finance Ministry has struggled to find other sources of revenue to pay salaries and provide public services. Some donors have promoted the concept of "humanitarian plus" assistance, through which donors could provide assistance for certain sectors without fear of contributing to the country's entrenched patronage system. The Finance Ministry is coordinating with these donors to identify certain budget lines (water, education, sanitation, etc.) for which donors might assume payouts. Such a strategy requires strong donor coordination, and to that end the World Bank, the African Development Bank, and the United Nations Development Program (UNDP) developed the scope and parameters for a multi-donor trust fund (MDTF) in coordination with the Finance Ministry and donors. The World Bank has been expected to be the

²⁹ According to Minister Biti, income and other direct taxes composed almost 56% of the country's tax revenue between 1996 and 2004. In January 2009, direct taxes composed less than 18% of tax revenue, reflecting the high level of unemployment and informal business.

³⁰ With the assistance of the World Bank, the Finance Ministry has initiated a payroll audit to determine how many "ghost workers" may be collecting salaries. The results of that audit are expected to be released in mid-2010.

³¹ The Government of Zimbabwe reportedly generated approximately \$1.4 billion in tax revenues in 2007, but revenues in 2008 totalled only an estimated \$300 million, due in large part to rampant hyperinflation. Finance Minister Biti hoped to raise \$1 billion in revenues in 2009, but failed to meet that target.

³² Lance Guma, "Stock Exchange Suffers Big Losses Over Indigenization Law," SW Radio Africa, March 5, 2010.

³³ IMF, Statement at the Conclusion of the 2010 Article IV Consultation Mission to Zimbabwe, March 23, 2010.

trustee and manager of the fund, but implementation has been delayed because donor countries' targeted sanctions against specific Zimbabwean individuals and companies contradict current World Bank policy.³⁴ The World Bank has indicated that it can presently only follow and enforce U.N. Security Council sanctions (there are no U.N. sanctions against Zimbabwe); it cannot, under current Bank policy, enforce the targeted restrictive measures currently imposed by donors considering contributions to the MDTF- EU member states, the European Community, Australia, Canada, Norway, and the United States. If the MDTF is unable to accommodate donors' legal restrictions against procurements from sanctioned Zimbabwean companies, for example, donors would likely have to withdraw funding for the MDTF. The World Bank, donors, and Zimbabwe's Finance Ministry are now exploring options to address this issue so that implementation can commence.

Public Finance Management and Reserve Bank Reforms

Many see "humanitarian plus" assistance as a short-term measure until Zimbabwe can establish donor confidence and improve its public finance management, an area in which the World Bank is providing technical support. In December 2009, parliament passed legislation introduced by Biti's ministry on public finance management and the government's audit office; the latter would require every ministry to publish a monthly account of its spending. President Mugabe signed these bills into law in April 2010.

Central bank governance remains an issue of primary concern to donors. According to the IMF, the quasi-fiscal activities of the Reserve Bank of Zimbabwe (RBZ), under the management of RBZ Governor Gideon Gono, were primarily responsible for the surge in the country's money supply in recent years. These activities included monetary operations to absorb excess liquidity; subsidized credit; sustained foreign exchange losses through subsidized exchange rates for selected government purchases and multiple currency practices; and financial sector restructuring. After the government implemented its price control policy in June 2007, cutting prices of basic commodities by 50% in an effort to stem inflation, manufacturing output fell more than 50% within six months and many firms were forced to close. Gono's price controls also resulted in a shortage of basic goods and contributed to worsening social indicators. In April 2009, Gono admitted to having "borrowed" over \$1 billion from private foreign exchange accounts in the Reserve Bank to pay government expenses. Among the accounts raided was that of the Global Fund to Fight AIDS, Tuberculosis and Malaria; unlike many of the private accounts raided, the Global Fund's money has reportedly been returned. The IMF has requested an independent audit of the Reserve Bank. The MDC has pressed for Gono's replacement, but, in the interim, U.S. officials suggest that Biti's reforms have managed to largely marginalize him. The new Reserve Bank Act, passed by parliament in March with amendments and signed into law in April, reflects recommendations made by the IMF for strengthening RBZ governance and refocusing the RBZ's activities on its core tasks of monetary policy formulation, currency stabilization, and supervision of financial institutions. Finance Minister Biti appointed a new board for the RBZ in May in accordance with the new law. Among other responsibilities, the board is expected to explore new strategies for resuming the Bank's operational viability as the lender of last resort.

³⁴ According to World Bank sources, the MDTF would allow the World Bank to reengage with Zimbabwe despite outstanding arrears.

Efforts to Revive the Economy

In March 2009, the transitional government introduced the Short Term Emergency Recovery Program (STERP), designed to rehabilitate Zimbabwe's economy.³⁵ Introduced by the Finance Ministry, the STERP identified the following priority areas as targets for policy reforms and donor assistance:

- a) Political and Governance Issues: the constitution and constitution-making processes; the media and media reforms; and legislative reforms aimed at strengthening governance and accountability, promoting the rule of law, and promoting equality and fairness, including gender equality;
- b) Social Protection: food and humanitarian assistance, education, health, and strategically targeted vulnerable sectors; and
- c) Stabilization: implementation of a growth oriented recovery program; restoration of the value of local currency and the guarantee of its stability; increased capacity utilization in all sectors of the economy and job creation; assured availability of essential commodities such as food, fuel, and electricity; rehabilitation of collapsed social, health, and education sectors; and assured availability of water supply and safe sanitation.

The document also identified key areas of the economy, including agriculture, mining, manufacturing, and tourism, as anchors of the stabilization program and stresses the need to promote production and increase capacity in those sectors. According to the government's estimates, outputs from the agriculture, manufacturing, and mining sectors declined by 7.3%, 73.3% and 53.9% respectively in 2008. The Finance Ministry reported in its 2010 budget documents that each of those sectors grew in 2009: agriculture by 10%, manufacturing by 8%, mining by 2%, and tourism by 6.5%. However, long-overdue domestic electricity infrastructure upgrades, regional electricity shortages, and unpaid debts to neighboring power producers continue to compound economic woes, causing frequent power outages and significantly reducing the productivity of the manufacturing and mining sectors. The MDC Minister for Energy and Power Development has asserted that Zimbabwe's power infrastructure is in disrepair and that up to \$1 billion will be needed to fix the crumbling energy sector.³⁶ Economists suggest Zimbabwe will also require a combination of donor assistance, direct foreign investment, and domestic policy reforms to restore productivity in these key sectors. In late 2009, Minister Biti introduced a new three-year medium-term policy framework, STERP II, which is expected to anchor the government's budgets from 2010 to 2012. According to Minister Biti's projections, an estimated \$45 billion may be needed for the economy to fully recover.

The Mining Sector and the Indigenization Law

Mining accounts for almost half of Zimbabwe's total foreign currency revenues. Zimbabwe has the world's second-largest reserves of platinum, behind South Africa.³⁷ In 2006, the government announced plans to take a 51% share of all foreign-owned mines for local black investors; 25% of that share would be acquired at no cost to the government, and mines that refused to part with

³⁵ STERP and STERP II available online at <http://www.zimtreasury.org/>.

³⁶ "Mudzuri Says \$1 Billion Needed to Revamp Energy Sector," SW Radio Africa, February 25, 2009.

³⁷ The largest mining operations in the country are controlled by Impala Platinum and Anglo Platinum, respectively. These South African-owned companies are the world's largest platinum producers.

their shares would be expropriated. After industry officials cautioned that the plan would deter foreign investment, the proposal was modified, allowing firms that invested in community projects to keep their majority share. Parliament voted to approve similar plans to take a majority share in all foreign-owned businesses in 2007; the legislation became law in March 2008. The government insisted that it would not expropriate foreign-owned companies and that the law would not be applied to every company, but rather “on the basis of capital (investment) and employment levels.”³⁸ In early 2010, however, a ZANU-PF minister announced new regulations, demanding that all foreign and locally owned businesses valued at \$500,000 or greater transfer at least 51% ownership to black Zimbabweans, in accordance with the law. According to these regulations, which Prime Minister Tsvangirai dismissed as “null and void” because they were introduced without MDC approval, thousands of companies were to submit plans for compliance by March 1, 2010; the ZANU-PF minister subsequently agreed to extend the deadline to May 15 and reexamine the directive, and the government’s position on the regulations remains under dispute. Among the larger companies that could be affected are local subsidiaries of the British banks Barclays and Standard Chartered, and mining companies such as Impala Platinum, AngloPlatinum, and Rio Tinto. As of late April 2010, over 400 companies had reportedly complied with the regulations. Critics argue that indigenization law further deters much-needed foreign investment and suggest that it be repealed by the new government.

The coalition government has taken some measures to encourage new investment in the mining sector. Under the previous administration, gold miners were required to sell their product to the Reserve Bank. As the Bank’s foreign currency reserves dwindled, it reportedly ceased to pay miners for the gold, and many of the country’s gold mines closed. With current gold prices strong, the new government has allowed the mines to market their own gold and accept payment in foreign currency. It has also cut the tax on gold export revenues.

The Agriculture Sector

Several Southern African countries have suffered from chronic food insecurity in recent years, stemming from a combination of weather-related and man-made factors, including prolonged drought, floods, poor economic performance, and the impact of HIV/AIDS. Although these factors are partly to blame for Zimbabwe’s food shortages, analysts believe that disruptions to the farming sector resulting from Mugabe’s land seizure program (see “Farm Invasions” below), are the main reason for reduced food production. Nearly all of the country’s 4,500 commercial farms have now been taken over, but the land redistribution program is reportedly plagued by inefficiencies, with large portions of redistributed land not being actively farmed. Tractors and other inputs to production are in short supply. Thousands of experienced farm workers were reportedly forced to flee seized farms, and many of those who now hold farmland have no agricultural expertise. The government’s introduction of price controls in 2007 may have further restricted production. The country’s seed and fertilizer producers reported that the controls created “unrealistic prices,” which in turn caused supply shortages.³⁹ The new coalition government has liberalized grain marketing, formerly tightly controlled by a parastatal; removed import duties; and requested significant assistance for the agriculture sector from donors.

³⁸ “Zimbabwe Clarifies Nationalization Legislation,” *Financial Times*, March 11, 2008.

³⁹ “Zimbabwe: The Mother of All Farming Seasons,” *IRIN*, October 25, 2007.

In the near term, the country's agriculture industry shows little sign of recovery. The issues of property rights and land reform will be among the most difficult for the government to address. One of the unintended side effects of Mugabe's land reform strategy, which resulted in the abolition of land tenure, was that farmers were unable to use their land as collateral to obtain bank loans to invest in their farms. As a result, few commercial farmers have been able to find the capital to maintain productivity.⁴⁰ In the STERP documents, the government has pledged to conduct a comprehensive land audit consistent with agreements made in the GPA. The Finance Ministry has allocated \$30 million in the 2010 budget for the audit, but many analysts expect the land audit to be a slow and contentious process.

Calls for Political Reforms Continue

Despite measurable progress on economic reforms, the inclusive government has yet to meet many of the benchmarks for political reform outlined in the Global Political Agreement. Among the outstanding issues are

- a halt to police harassment, continued detention, or onerous bail requirements placed on several opposition and civic activists;
- the repeal of repressive legislation that restricts media, NGO, and opposition activities;
- the appointment of MDC provincial governors and Deputy Agriculture Minister Roy Bennett, and the lack of consensus among the parties on the current Reserve Bank Governor and the Attorney General;
- a halt to ongoing invasions and seizures of commercial farms; and
- security sector reform.

Speaking at an MDC rally in September 2009, Prime Minister Tsvangirai noted progress in some areas of GPA implementation, but he told supporters, "They continue to violate the law, persecute our people, spread the language of hate, invade productive farms, ignore our international treaties and continue to loot of our national resources."⁴¹ Several international donors have expressed similar concerns.⁴²

The parties reportedly resolved their disagreements on several political appointments in June 2009, and several MDC-appointed ambassadors took their posts at embassies abroad in early 2010. However, President Mugabe has yet to accept the MDC appointees for the provincial governor posts, and he has refused to replace the Reserve Bank Governor and Attorney General, despite MDC protests. Laws restricting the freedoms of speech and association continue to be used to harass independent media (despite the formation of a new media commission), to levy

⁴⁰ The government began to distribute 99-year leases in November 2006. Some suggest financial institutions have been reluctant to accept the new leases as collateral, given that the government reserves the right to cancel the lease if it deems the farm unproductive.

⁴¹ "Tsvangirai Accuses Zanu-PF of Law-Breaking, Hate, Land Invasions," AllAfrica.com, September 14, 2009.

⁴² The MDC and ZANU-PF have differed on a number of cabinet positions. In April 2009, President Mugabe transferred the communications technology portfolio from the Ministry of Information and Communications Technology, held by MDC Spokesperson Nelson Chamisa, to the Ministry of Transport and Infrastructure Development, held by Nicholas Goche, a ZANU-PF official considered by many to be a hardliner.

charges against political opponents, and to support police action to break up public gatherings. A number of MDC officials were arrested in the latter half of 2009, including several members of parliament; some suggest the arrests were part of an effort to overturn the party's parliamentary majority. Four of the seven MDC MPs convicted of crimes had been suspended from parliament by August 2009.⁴³ Four others were acquitted of the charges against them in late 2009.

An executive committee composed of President Mugabe, Prime Minister Tsvangirai, the vice presidents and the deputy prime ministers, has met on multiple occasions to discuss the outstanding issues between them. Under the terms of the GPA, the agreement is being monitored by a Joint Monitoring and Implementation Committee ("JOMIC"), composed of four senior members from ZANU-PF and four senior members from each of the two MDC factions. The JOMIC can receive reports and complaints, provide assessments, and consider steps to ensure compliance with the agreement, but it lacks enforcement authority.

As guarantors and facilitators of the agreement, SADC and the African Union can be called upon by the parties to intervene. On October 16, 2009, citing the outstanding issues as areas in which ZANU-PF "continued to frustrate the implementation of the GPA," the MDC announced that it was suspending cooperation with ZANU-PF. While the MDC remained in government, the Tsvangirai faction disengaged from executive branch forums, such as the Cabinet and Council of Ministers, in which the MDC interacts with ZANU-PF. The MDC announcement followed the October 14, 2009 arrest of a senior MDC official, Roy Bennett, but many observers also suggest that the decision reflected the growing pressure within the party over the lack of political progress in recent months.⁴⁴ Following the MDC decision, Prime Minister Tsvangirai began a tour of the region to request intervention from SADC leaders, including Jacob Zuma, South Africa's new president, to place renewed pressure on the parties to resolve their disputes and fully implement the GPA. In mid-October 2009, after Tsvangirai's visit, Zuma publicly expressed concern with the situation, saying "Zimbabwe should not be allowed to slide back into instability." Botswana's President Ian Khama announced that he would not recognize Robert Mugabe as President of Zimbabwe outside the transitional government.⁴⁵ Following a mediation effort by Zuma and other southern African leaders in Mozambique, the MDC ministers reengaged with their ZANU-PF counterparts the following month, but several of the party's demands for reform remain outstanding and, to date, negotiations, while ongoing, have yet to result in any major concessions by Mugabe and his party.

Prime Minister Tsvangirai has expressed his appreciation for President Zuma's mediation effort and noted some progress, but in late March 2010 told supporters,

After the most recent round of negotiations it appears that the issues that have stalled progress for more than a year are still being used to avoid creating the open, free and prosperous society that our people demand and deserve...If this situation continues, I will ask President Zuma to call upon SADC to break the deadlock once and for all. We cannot

⁴³ Zimbabwe's laws require MPs sentenced to six or more months of imprisonment to be immediately suspended.

⁴⁴ Bennett, an MDC MP and Deputy Minister of Agriculture nominee, was initially arrested on terrorism charges on February 10, as the new coalition cabinet was being sworn in, and was held for over a month before being released on bail on a Supreme Court order. He was rearrested on October 14, and held for two nights in jail before a High Court justice ordered his release on bail, based on the original Supreme Court ruling. The Attorney General's office initially ordered that his trial begin in October, but Bennett's lawyers were able to have the trial postponed until November, to allow time to prepare his case. The trial was moved from Mutare to the High Court in Harare.

⁴⁵ "Zimbabwe PM Begins Regional Tour," VOA News, October 20, 2009.

allow our nation to be trapped indefinitely by the failed policies of the past, while countries around us prioritize people's rights, economic development and the rule of law.⁴⁶

On May 10, 2010, Zimbabwe's High Court acquitted Roy Bennett of the charges against him, ruling that the prosecution had failed to make its case and had failed to prove that the evidence against Bennett, including emails written by a state witness who later testified that they were obtained under torture, was genuine. MDC officials are now pressing President Mugabe to swear Bennett in as Deputy Agriculture Minister.

The Security Sector and Possible Internal Struggles within ZANU-PF

Reports suggest that hardline elements within ZANU-PF may be actively trying to undermine the transitional government. Some suggest that the recent farm invasions and the detention of MDC officials and civic activists may be part of that effort. Mugabe and ZANU-PF officials remain largely in control of the security sector. Several of the security service chiefs, including the heads of the army and the police, publicly announced in 2008 that they would not recognize an electoral victory by anyone other than Mugabe.⁴⁷ According to reports, some continue to refuse to recognize Prime Minister Tsvangirai's authority in the new government, but the army and air force chiefs appeared to break ranks with their colleagues in August 2009, when they saluted the Prime Minister. Tsvangirai now sits on a new National Security Council, as mandated by the GPA, but the new organ was not created until August, and its meetings have been infrequent.

In view of Mugabe's advanced age and reports of power struggles within his party, the question of presidential succession has led some analysts to raise concerns over the possibility of a violent succession struggle or a possible military coup in the event of his death in office.⁴⁸ Under the constitution, the president may designate one of the country's two vice presidents to serve as acting president until the next election, should he leave office, but Mugabe has never done so. In 2004, Joice Mujuru, a veteran of the liberation struggle and women's movement leader, beat Emmerson Mnangagwa, then speaker of the parliament and long touted as Mugabe's heir, for the position of ZANU-PF's second vice president. Some suggest that Mnangagwa, now Minister of Defense and considered to be among the party's most influential hardliners, has lobbied since then to have Mujuru replaced. Mnangagwa's national popularity has been hampered by accusations that he led the purge of alleged regime opponents in Matabeleland in the 1980s.

Vice President Joseph Msika died in August 2009 at age 86. According to some reports, Mnangagwa tried, but failed, in the following months to have Joice Mujuru replaced as vice president with a candidate of his own as the party reconsidered its leadership slate. In December 2009, delegates at ZANU-PF's party congress reelected Mujuru as vice president and chose then-party national chairman John Nkomo, 75, to replace Msika. Both Msika and Nkomo are from the Ndebele minority.

⁴⁶ The Prime Minister's Newsletter, "PM Tsvangirai Calls for Tolerance and Freedom of Choice," March 31, 2010, available at <http://www.zimbabweprememinister.org>.

⁴⁷ "Zim Prisons Chief Orders Officers to Vote Mugabe," Reuters, February 29, 2008.

⁴⁸ For more information on succession issues, see International Crisis Group, "Zimbabwe: Engaging the Inclusive Government," *Africa Briefing No. 59*, April, 20 2009.

Human Rights Abuses

Under the former ZANU-PF government, Zimbabwe was considered by some to be among the world's most repressive states.⁴⁹ The State Department has repeatedly accused the government of the pervasive and systemic abuse of human rights, including the state-sanctioned use of excessive force, torture, and unlawful killings.⁵⁰ In 2008, the Zimbabwe Human Rights NGO Forum recorded 723 incidents of torture; 6 politically motivated rape cases; 107 murders; 137 abductions/kidnappings; 1,913 cases of assault; 19 cases of disappearance; 629 of displacements and 2,532 violations on freedoms of association and expression. Several MDC activists reportedly abducted in October 2008 remain missing. According to the Human Rights Forum, the number of monthly violations reported decreased substantially after the coalition government was formed in 2009, although reports of retributive violence between ZANU-PF and MDC supporters has continued.⁵¹ The number of violent incidents against MDC activists has reportedly begun to rise again in early 2010, possibly related to the ongoing constitutional review process, according to USAID.⁵² Some reports also suggest that ZANU-PF supporters may continue to operate alleged "torture centers" throughout the country.⁵³

The MDC's Tendai Biti has repeatedly asserted that the biggest achievement of the new government has been the restoration of peace and security.⁵⁴ He suggested that harassment of opposition supporters and civic activists had declined significantly since February 2009; several local human rights groups have corroborated his claim.⁵⁵ Nevertheless, abuses have continued. In May 2009, a magistrate remanded to prison thirteen activists, including Jestina Mukoko, who had been released two months earlier after having been jailed for three months on charges of sabotage and terrorism; the Attorney-General reportedly consented to release them on bail again the following day, after an emergency meeting of the President, the Prime Minister, and other principals.⁵⁶ Several accused the government of torture during their initial incarceration. Their lawyer was also later arrested for obstruction of justice and then released; his case was dropped. The editor and a journalist of the *Zimbabwe Independent* newspaper were arrested in May 2009 for publishing an article naming police officers and state intelligence agents implicated in the abductions of the above activists. They were later released on bail, but their arrest and more recent reports of media harassment highlight restrictions on press freedom that have yet to be addressed by the government.

Human Rights Watch has suggested that the MDC lacks effective power in the power sharing arrangement, and has charged that "the MDC has not forcefully insisted on justice and

⁴⁹ See, for example, Freedom House, "Country Report: Zimbabwe," *Freedom in the World 2006: The Annual Survey of Political Rights and Civil Liberties*.

⁵⁰ The U.S. Department of State, "Zimbabwe," *2008 Human Rights Report*, February 25, 2009.

⁵¹ Zimbabwe Human Rights NGO Forum, *Monthly Political Violence Reports*, at <http://www.hrforumzim.com>. The organization suspended publication of its monthly reports after June 2009, the most recent month for which data is available.

⁵² USAID, "Zimbabwe – Complex Emergency," Situation Report #1, Fiscal Year (FY) 2010, April 26, 2010.

⁵³ Human Rights Watch, *False Dawn: The Zimbabwe Power-Sharing Government's Failure to Deliver Human Rights Improvements*, August 2009.

⁵⁴ Comments made by Biti at an event hosted by the National Endowment for Democracy and Freedom House in Washington, DC, on April 27, 2009. Similar comments were made by Biti during an April 2010 visit to Washington.

⁵⁵ Interviews with human rights groups by the author in Zimbabwe on April 8, 2009.

⁵⁶ "Zimbabwe Unity Government Principals Said to Resolve Crisis Over Arrests," VOA, May 6, 2009.

accountability for human rights abuses, nor has it attempted to bring the perpetrators of those abuses to book.”⁵⁷ A decision by Zimbabwe’s Supreme Court on September 28, 2009, however, indicates that victims of state abuses may begin to find recourse through the justice sector. In that ruling, the chief justice granted Jestina Mukoko, mentioned above, and nine of her fellow defendants a permanent stay of prosecution after Mukoko testified that their confessions had been obtained by security forces through torture. The court found that “the state, through its agents, violated the applicant’s constitutional rights.”⁵⁸

Justice Sector Reforms

Several laws enacted under the previous ZANU-PF-dominated parliament continue to raise concerns with respect to the protection of human rights in Zimbabwe. Laws that critics contend have been used to quiet dissent and influence political developments include, but are not limited to, the following: the Access to Information and Protection of Privacy Act (AIPPA), the Public Order and Security Act (POSA), the Criminal Law (Codification and Reform) Act, and the Miscellaneous Offences Act (MOA).⁵⁹ The ZANU-PF parliament also passed several controversial constitutional amendments which some analysts contend breach international human rights standards. The South African-led SADC negotiations led in January 2008 to amendments to both AIPPA and POSA. Critics suggest the amendments did not adequately address human rights concerns and have not been fully implemented.⁶⁰ Parliament is currently undertaking a public review of POSA.

Civic activists have also called for reforms within the judiciary. The MDC Home Affairs co-minister has ordered police to compile complaints of political violence committed since the March 2008 election, and several thousand reports have been collected. However the government has yet to prosecute cases of alleged violence associated with the 2008 elections, or to prosecute those who might be responsible for crimes related to the government’s Operation Murambatsvina (the demolition of informal urban settlements in 2005) or subsequent evictions.⁶¹ The ability of the judicial system to protect its citizens or their property, or to provide due process to those seeking remedy or compensation, will be a critical step toward the restoration of the rule of law in Zimbabwe.

Farm Invasions

At the time of Zimbabwe’s independence in 1980, the country’s white minority, which composed less than 5% of the population, owned the vast majority of arable land. Many observers considered the country’s commercial farms crucial to the country’s economy, although there was a general recognition that reforms were necessary to provide greater equity in land distribution. Britain initially funded a “willing buyer, willing seller” program to redistribute commercial farmland, offering compensation to white farmers amenable to leaving their lands. Dissatisfaction

⁵⁷ Human Rights Watch, *False Dawn: The Zimbabwe Power-Sharing Government’s Failure to Deliver Human Rights Improvements*, August 2009.

⁵⁸ “Zimbabwe Drops Activist Charges,” BBC, September 28, 2009.

⁵⁹ For more information on these laws, see CRS Report RL32723, *Zimbabwe*, by Lauren Ploch.

⁶⁰ Human Rights Watch, *All Over Again: Human Rights Abuses and Flawed Electoral Conditions in Zimbabwe’s Coming Elections*, Vol. 20, No. 2(A), March 2008.

⁶¹ For more information on Murambatsvina, see

with the pace of land reform grew and led in the 1990s to spontaneous and often violent farm invasions. Facing rising political and economic challenges, the government of Zimbabwe began to implement aggressive land expropriation policies, leading Britain and other donors to begin withdrawing financial support for resettlement. In 2000, the government held a referendum to approve changes to the constitution that would allow land seizures without compensation. The referendum was rejected by 55% of voters. Within days of the vote, however, so-called veterans of the independence struggle and ruling party supporters moved onto an estimated 1,000 white-owned farms, and, months later, the President invoked emergency powers to expropriate land without compensation. There were numerous attacks against white farmers and their employees.

Farm invasions have continued sporadically since 2000, but reports suggest a renewed and coordinated effort to remove the remaining white farmers may have begun in 2009.⁶² The looting and violence associated with these invasions has affected not only the commercial farmers, but also often black Zimbabwean farm workers and their families.⁶³ President Mugabe, at his 85th birthday celebration, declared that “the few remaining white farmers should quickly vacate their farms, as they have no place there.... I am still in control and hold executive authority.”⁶⁴ He and ZANU-PF ministers have dismissed a 2008 ruling by SADC regional tribunal that found Zimbabwe’s land redistribution program to be illegal, in part because it was based on racial discrimination.⁶⁵ The invasions also have continued in spite of a pledge in the STERP document that the government would “uphold the rule of law as well as enforce law and order on farms, including arresting any further farm invasions, which disrupt farming activities.” Prime Minister Tsvangirai has called the evictions acts of theft and ordered police to arrest violators, but police compliance with his order remains in question. Deputy Prime Minister Arthur Mutambara led a ministerial fact-finding mission on the invasions in April 2009. He reportedly tabled a report on the mission with the cabinet, who referred the matter to the President and Prime Minister. Human rights activists suggest that the government has yet to take any action on the invasions.⁶⁶

“Blood Diamonds”?

The World Diamond Council (WDC), a diamond industry organization that aims to prevent the trade of conflict diamonds, raised concerns in December 2008 that rough diamonds from Zimbabwe were being exported illegally, rather than through the Kimberly Process (KP), an international government certification scheme designed to prevent the “blood diamond” trade. Rough stones from Zimbabwe have reportedly been confiscated in India and Dubai. According to civil society reports, Zimbabwean security forces in the Marange diamond fields have forced

⁶² International Crisis Group, “Zimbabwe: Engaging the Inclusive Government,” *Africa Briefing No. 59*, 20 April 2009.

⁶³ Press Statement by the General Agriculture and Plantation Workers Union of Zimbabwe, “Zimbabwe Farm-Workers Bear the Brunt of Invasions,” 1 April 2009, available at <http://www.citizenjournalismafrica.org/node/1406>.

⁶⁴ “Who’s Land?” *The Economist*, March 5, 2009.

⁶⁵ The case was brought before the regional court by 78 white farmers. The ruling, delivered on November 28, 2008, found that their evictions had violated the government’s obligation to the rule of law under the SADC treaty. In a separate case, the International Center for the Settlement of Investment Disputes (ICSID) sitting in Paris ruled on 22 April 2009, in favor of 13 Dutch farmers against the Government of Zimbabwe. According to the ruling, the government broke a bilateral investment agreement with the Netherlands by seizing the farms without providing just compensation. The ICSID awarded the farmers approximately \$21 million, including interest, in compensation. Whether the ruling could lead to the seizure of government assets overseas is not yet clear.

⁶⁶ Human Rights Watch, *False Dawn: The Zimbabwe Power-Sharing Government’s Failure to Deliver Human Rights Improvements*, August 2009.

villagers to labor in the mines and then smuggled the stones from the country.⁶⁷ By some accounts, security forces may have executed several hundred illegal miners in the Marange fields.⁶⁸ The European Union pressed for an investigation into Zimbabwe's compliance with its Kimberly obligations in early 2009, and a high level KP delegation visited Zimbabwe in March to express the group's concern with reports of violence and smuggling from the Marange area. The KP Secretariat refrained from suspending Zimbabwe from the certification scheme at that time, but its investigation has continued.⁶⁹ An interim report by a KP review team released in July reportedly documented "unacceptable and horrific violence against civilians by authorities in and around Chiadzwa," one of the diamond fields in Marange.⁷⁰ During a KP Plenary meeting in November 2009, the KP called for stringent export controls on diamonds from Marange. The U.S. government and others have called for Zimbabwe to be suspended from the Process if the controls are not implemented. The Zimbabwean government reported later that month that security forces had begun withdrawing from the area. International diamond dealers announced that they would not deal in Marange diamonds until the controls were fully in place; Zimbabwe has been given until June 2010 to make the suggested changes.

The Kimberly Process had previously investigated allegations that "blood diamonds" from the Democratic Republic of Congo (DRC) were being smuggled along with rough stones from Zimbabwe into South Africa for export. The Mugabe government dismissed those claims as a western attempt to promote regime change. Zimbabwe has been previously linked to conflict diamonds; senior officials were named in a 2003 U.N. report for profiting from illicit trade during Zimbabwe's military operations in the DRC.

Cholera Outbreak

A nationwide cholera outbreak resulted in over 4,300 deaths and almost 100,000 infections between August 2008 and July 2009, according to the U.N. World Health Organization. During that time, several neighboring countries reported confirmed cases in border areas. Cholera, an acute diarrhoeal infection, is spread by contaminated food and water, and the severity of Zimbabwe's outbreak has been attributed to the collapse of the country's water and sanitation infrastructure and its health system.⁷¹ In Zimbabwe, the reported case fatality rate (CFR) reached almost 6% at its peak in January 2009, much higher than the normal 1% CFR rate for cholera cases globally. Interventions to improve access to clean water and sanitation appear to have mitigated the effects of more recent outbreaks, but aid agencies' estimates suggest that half the population still lacks sustainable access to an improved drinking water source.

⁶⁷ World Diamond Council, "WDC Calls for Concerted International Action to Halt Theft of Natural Resources in Zimbabwe," December 10, 2008; "Soldiers are the New Illegal Diamond Miners," IRIN, January 20, 2009.

⁶⁸ Partnership Africa Canada, "Zimbabwe, Diamonds, and the Wrong Side of History," *Occasional Paper No. 18*, March 2009; Human Rights Watch, *Diamonds in the Rough*, June 26, 2009.

⁶⁹ Zimbabwe is a signatory of the Kimberly Process. Kimberly Process Certification Scheme Secretariat, "Public Statement on the Situation in the Marange Diamond Fields, Zimbabwe," March 2009.

⁷⁰ "Kimberly Process Team Cites 'Horrific' Violence in Zimbabwe Diamond Field," VOA, July 9, 2009.

⁷¹ USAID, "Zimbabwe—Cholera Outbreak," Fact Sheet #2, Fiscal Year (FY) 2009, December 19, 2008.

International Reactions

The international community was divided over how to respond to Zimbabwe's political crisis in 2008, and, as the coalition government enters its second year, donors remain cautious about when, and under what conditions, international lending should resume. Western governments like the United States and the United Kingdom have been highly critical of ZANU-PF policies, particularly in the wake of the 2008 elections. These governments have welcomed the reform agenda of the new government but remain reluctant to release significant funds. African governments, particularly those in the sub-region, have expressed support for the transitional government, and several have offered either bilateral loans or credit lines to help Zimbabwe's economic revival. Zimbabwe remains in arrears to the major international financial institutions, including the IMF and World Bank, and thus remains ineligible for new loans.

Many analysts suggest that the coalition government will require a significant influx of foreign donor assistance to stabilize the economy and address the many humanitarian needs of the population. In 2009, the IMF warned that "in the absence of cash budget support, higher humanitarian assistance, and wage restraint, the economic and social situation could deteriorate significantly."⁷² However, donors appear wary to commit large-scale funding until they can assess whether members of the previous administration will adhere to the intent of the power sharing agreement, working with the MDC to implement reforms necessary to instill donor confidence and move the country toward a new round of free and fair elections. In early 2010, Mugabe and other ZANU-PF officials publicly indicated that the party would not make further political concessions until "Tsvangirai and his western allies remove their sanctions."⁷³ The reactions of various international organizations and foreign governments to Zimbabwe's 2008 elections and to its new transitional government are discussed below.

The Southern African Development Community (SADC)

Many critics of Mugabe's leadership in Zimbabwe have faulted the regional body SADC for inaction in recent years as Zimbabwe's political and economic crisis worsened. However, some within the organization advocated for a stronger position to be taken, among them Zambia's now-deceased President, Levy Mwanawasa, who in 2007 called Zimbabwe "a sinking Titanic whose passengers are jumping out to save their lives."⁷⁴ Mwanawasa, who served as the head of SADC before his death, convened an extraordinary meeting of the Southern African heads of state in April 2008 to discuss Zimbabwe's elections. He had convened a similar emergency summit in late March 2007, following the beating and arrest of opposition officials earlier that month. Although the SADC leaders reportedly chastised President Mugabe privately at that time, they did not publicly condemn the regime's actions and instead appointed South African President Thabo Mbeki to mediate between the ZANU-PF government and the opposition.

During the April 2008 summit, attended by Tsvangirai and Makoni but not Mugabe, the SADC leaders declined to call the situation in Zimbabwe a crisis. They did, however, publicly urge the government to release the electoral results "expeditiously," allow opposition representatives to be

⁷² IMF, "Zimbabwe: 2009 Article IV Consultation—Staff Report," *IMF Country Report No. 09/139*, April 20, 2009.

⁷³ "Zimbabwe: Little to Celebrate After a Year," IRIN, February 11, 2010.

⁷⁴ "Zimbabwe 'A Sinking Titanic,'" *Financial Times*, March 22, 2007.

present when vote tabulations were verified, and ensure that a runoff, if needed, would be held in a “secure environment.” The SADC leaders also called on Mbeki to continue his role as mediator.⁷⁵ Mwanawasa reportedly asked the leaders to seek solutions that would allow “the people’s verdict” to be heard so that Zimbabweans could “turn [over] a new leaf in their history.” Zimbabwe civil society groups were supportive of SADC’s statements on the electoral results, but critical of its continued support for Mbeki’s mediation. Mugabe reportedly called the meeting “a show staged by Britain.”⁷⁶

Following Tsvangirai’s withdrawal from the runoff, President Mwanawasa reportedly commented that “elections held in such an environment will not only be undemocratic but will also bring embarrassment to the region.”⁷⁷ President Mwanawasa suffered a stroke on the eve of the 2008 African Union summit and passed away in August 2008. After the runoff, Botswana took the strongest stance on Zimbabwe, declaring on July 4 that it would not recognize Mugabe as president. President Ian Khama reportedly called on other SADC leaders to do the same, and he boycotted an August 2008 SADC summit attended by Mugabe.⁷⁸ In November 2008, Botswana’s foreign minister called on the international community to isolate Mugabe and urged neighboring countries to close their borders. Several other international leaders became increasingly critical of the SADC response to the Zimbabwe crisis—former U.N. Secretary General Kofi Annan declared in late 2008, “It’s obvious that SADC could have and should have done more.”⁷⁹

Reportedly frustrated by the lack of progress on the implementation of the power sharing agreement and amidst growing criticism from within the region, the SADC heads of state convened in late January 2009 for another push to mediate a final settlement on Zimbabwe.⁸⁰ President Khama attended, as did President Mugabe, and the MDC objected to his being seated with the other heads of state during the deliberations. South African President Kgalema Motlanthe announced that a deal had been reached on January 27.

On March 30, 2009, the SADC heads of state voted to support a plan to help raise \$8 billion for Zimbabwe’s economic recovery, including \$2 billion in short term aid. Much of that funding is expected to be sourced from outside the region, however. Botswana and South Africa have publicly pledged aid and credit lines, and African banks have reportedly given Zimbabwe some \$500 million in credit lines for the mining and agriculture industries, and to provide liquidity to the financial sector.⁸¹ According to press reports, the government of Botswana has warned that it may rescind its assistance offer if political detentions and farm invasions continue.⁸²

During a SADC summit in early September 2009, regional heads of state expressed concern over outstanding political issues in Zimbabwe, but ignored calls for a special summit on the topic; the

⁷⁵SADC Communique, “2008 First Extra-ordinary SADC Summit of Heads of State and Government Issued on April 13, 2008, in Lusaka, Zambia.”

⁷⁶Fiona Forde, “Summit on Zim ‘Coup’ Crisis Stalls,” *Sunday Independent*, April 13, 2008.

⁷⁷Cris Chinaka, “Tsvangirai’s Risky Gamble Needs Regional Backing,” Reuters, June 22, 2008.

⁷⁸“Botswana Refuses to Recognize Mugabe as President,” BBC, July 8, 2008.

⁷⁹“Barred from Zimbabwe, but Not Silent,” *The New York Times*, November 26, 2008.

⁸⁰“A Growing Chorus in S. Africa Urges Action on Mugabe,” *Washington Post*, January 26, 2009.

⁸¹ According to press reports, Botswana pledged \$70 million in bilateral credit lines, while South Africa pledged \$30 million in agricultural inputs, \$30 million in direct budget support, and a \$50 million credit line for Zimbabwe’s commercial banks.

⁸²“Watch Out, Botswana Tells Mugabe,” *The Nation* (Nairobi), May 11, 2009.

SADC leaders instead determined that disputes be addressed by a smaller panel of three SADC heads of state known as the “Troika”. South African President Jacob Zuma, who is among those three, is reported to be pushing for further reforms. During the September summit he urged the parties to remove unspecified obstacles in the implementation of the GPA. Zuma took over from Thabo Mbeki as SADC’s mediator on the Zimbabwe situation in November, following a Troika summit in Mozambique at which SADC leaders convinced the MDC to reengage their ZANU-PF counterparts in the government. Zuma named a three-person team, led by his political advisor and former defense minister Charles Nquakula, to manage the effort.

The African Union (AU)

The African Union was critical of the violence in Zimbabwe in 2008, but lacked consensus on how to address the issue. In a communiqué on April 17, 2008, the African Union expressed concern over the delayed election results, “which creates an atmosphere of tension that is not in the least conducive to the consolidation of the democratic process that was so felicitously launched through the organization of the elections.”⁸³ In early May 2008, Chairman of the AU Commission Jean Ping led an AU mission to Zimbabwe, Zambia, and South Africa. He called for Zimbabwe’s political actors to

conduct their activities in a free, transparent, tolerant, and non-violent manner to enable eligible Zimbabweans [to] exercise their democratic rights. It is essential also that peace and security be maintained, and that the will of the people be respected by all stakeholders once the results are announced.⁸⁴

At the June 29-July 1, 2008, AU Summit in Sharm el Sheikh, Egypt, Botswana’s vice president joined leaders from Kenya, Liberia, Sierra Leone, and Ghana in calling for punitive measures against the Mugabe regime. The AU ultimately failed to reach agreement on sanctions, but issued a public call for talks toward a unity government.

While the AU has traditionally deferred to sub-regional mediation efforts, reports suggest the AU Chairman at the time, Tanzanian President Jakaya Kikwete (who is also a member of SADC), encouraged a greater role on Zimbabwe by the United Nations. Kenya’s prime minister, Raila Odinga, and former U.N. Secretary-General Kofi Annan commented that Southern African leaders could do more to resolve the crisis. Odinga received widespread attention for his comments on Zimbabwe, and he called on AU leaders not to allow Mugabe to attend the Sharm el-Sheikh summit. Odinga also called for peacekeepers to be sent to Zimbabwe.

The African Union has some precedent for intervening in support of democracy within its member countries, should it choose to do so.⁸⁵ The intervention of AU leaders in the early days of

⁸³ AU Division of Communication and Information, “Communiqué on the Situation in Zimbabwe,” April 17, 2008.

⁸⁴ Statement by the Chairman of the AU Commission on the Situation in Zimbabwe on May 6, 2008, available at <http://www.africa-union.org>.

⁸⁵ In 2005, after the death of the President of Togo, the Togolese army installed his son as president. The AU declared the intervention to be a coup, and the AU Peace and Security Council demanded the resignation of the new president and urged members to impose sanctions until elections were held. The president stepped down the following day. It is notable in the case of Togo, that the relevant regional body, the Economic Community of West African States (ECOWAS) played an important role in denouncing the coup and leading the campaign for sanctions. In the second instance of AU intervention, the AU suspended Mauritania from all organizational activities after the country’s military led a successful coup against the president, in office for 21 years. Reports suggest that most Mauritians supported the (continued...)

the 2007/2008 Kenyan election crisis is viewed by many as having helped move the two opposed parties toward negotiations and an eventual post-election agreement. Both SADC and the AU are identified as guarantors of Zimbabwe's power sharing agreement, but some analysts suggest that the new AU Chairman, Malawian President Bingu wa Mutharika may be reluctant to apply pressure. Mutharika named a major road in his country after Mugabe and reportedly called him a "true democrat" in 2006.⁸⁶

South Africa

Thabo Mbeki, who resigned from his position as President of South Africa in September 2008, drew substantial criticism at home from opposition parties, trade unions, and civil society groups for his reaction to Zimbabwe's 2008 elections. Tsvangirai had criticized Mbeki for his "quiet support for the dictatorship," and called for him to step down as mediator prior to the elections.⁸⁷ According to reports, Mbeki wrote President Bush a letter in mid-2008 warning the United States not to interfere in the Zimbabwe situation.⁸⁸ In the months following Zimbabwe's general elections, domestic public pressure may ultimately have forced Mbeki to take a stronger position on the violence there: Mbeki visited the country several times and in May 2008 dispatched six retired generals to investigate reports of attacks on the opposition. The generals reportedly expressed shock at the level of violence.⁸⁹

Several senior officials within the ruling African National Congress (ANC) party have been more outspoken on Zimbabwe. "In resolving the problem of Zimbabwe, Thabo Mbeki is not speaking on behalf of the ANC," a spokesman for the ANC youth wing declared in April 2008.⁹⁰ Baleka Mbete, then-speaker of parliament, called the delayed release of the 2008 results a "democratic process gone wrong." In a gathering of the Inter-Parliamentary Union, she urged representatives of 147 countries not to remain silent on the issue.⁹¹ The ANC issued a public statement in reaction to the June 2008 runoff noting the effect Zimbabwe's instability has had on the SADC region and accusing the Zimbabwe government of "riding roughshod over the hard-won democratic rights of the people." The statement cited "compelling evidence of violence, intimidation and outright terror; the studied harassment of the leadership of the MDC, including its Presidential candidate, by the security organs of the Zimbabwean government." The ANC warned outside players not to try to impose regime change, however, and expressed continued support for President Mbeki's mediation efforts.⁹² According to local press reports, Mbeki declared in July 2008 that there was no legitimate government in Harare and that the creation of a unity government was necessary.⁹³

(...continued)

military's actions. Nevertheless, the AU upheld the suspension because it opposed the unconstitutional overthrow of a civilian regime. Following an investigation, the AU decided against sanctions, but held the suspension until elections were held in 2007. Mauritania was suspended from the AU again in August 2008 following another coup, and the West African country of Guinea has received similar treatment after a December 2008 coup.

⁸⁶ See, for example, "Mugabe Defends Malawi Road Naming, BBC, May 4, 2006.

⁸⁷ Barry Bearak, "Zimbabwe Opponent Criticizes Mbeki," *New York Times*, February 14, 2008.

⁸⁸ Michael Gerson, "The Despots' Democracy," *Washington Post*, May 28, 2008.

⁸⁹ "Anxiety Grows for Kidnaped Zimbabwe Activist," Voice of America, May 18, 2008.

⁹⁰ "Zimbabwe's Political Crisis Enters South Africa Domestic Politics," Voice of America, April 17, 2008.

⁹¹ Statement by Speaker Baleka Mbete in Cape Town, 13 April 2008, available at <http://www.parliament.gov.za>.

⁹² "South Africa: Finding a Workable Solution to the Crisis," Press Release issued by the ANC on 27 June 2008.

⁹³ "Mbeki Brands Mugabe's Rule Illegitimate," *Pretoria News*, July 8, 2008.

South Africa's current President, Jacob Zuma, who defeated Mbeki in December 2007 for the ANC party presidency, was publicly critical of Zimbabwe's 2008 elections. He openly criticized the delayed announcement of the March results, saying, "there is a crisis in Zimbabwe. We ought to stand up and do something about it." While not directly charging the Mugabe administration with rigging, he distanced himself from Mbeki's "quiet diplomacy" approach. In late April 2008, he told reporters, "Definitely there is something wrong with those elections.... I think the manner in which the electoral commission has acted has discredited itself, and therefore that is tantamount to sabotaging the elections."⁹⁴ Zuma did not call for Mbeki to step down as mediator, but said "I imagine that the leaders in Africa should really move in to unlock this logjam,"⁹⁵ and called for African leaders to "assist" Mbeki as mediator, "given the gravity of the situation."⁹⁶ Many analysts have predicted that South African policy toward Zimbabwe, and Mugabe in particular, could change under the Zuma administration if the coalition government collapses or fails to abide by the GPA.⁹⁷ Zuma has criticized western governments, however, for withholding financial assistance from the coalition government.⁹⁸

President Zuma, following a meeting with Prime Minister Tsvangirai in late July and a visit to Harare in August 2009, has stressed the need for the parties to hasten the pace of reforms, but he has refrained from publicly criticizing Mugabe. Other ANC officials have been more outspoken—ANC secretary-general Gwede Mantashe told reporters during Zuma's Harare visit that President Zuma would be critical of Mugabe's "deviant behavior" in his meetings there.⁹⁹

Xenophobic Attacks Against Immigrants

An outbreak of xenophobic violence in South Africa in May 2008 highlights tensions created by the immigration of large numbers of Zimbabweans to neighboring countries in recent years. In May and June 2008, Zimbabweans and other foreign nationals were targeted by mobs in several South African townships; at least 60 were killed and over 25,000 fled their homes. South Africa is home to some 3-5 million illegal immigrants, most from Zimbabwe, and some South Africans blame them for the country's high crime and unemployment rates and rising food prices. President Mbeki condemned the attacks, but the opposition criticized the government for not addressing tensions earlier. On May 21, Mbeki deployed the army internally for the first time since the end of apartheid to stem the violence. Under Mbeki's successor, President Kgalema Motlanthe, the South African government announced that it would revise its immigration policy, lifting visa restrictions for Zimbabweans visiting the country for less than 90 days.¹⁰⁰

The United Nations

In the wake of the March 2008 elections, U.N. Secretary-General Ban Ki-moon joined the United States, Great Britain, and France in calling on the U.N. Security Council to address the Zimbabwe situation. In remarks to the Security Council on April 16, 2008, Ban expressed his deep concern

⁹⁴ "Zimbabwe Crisis at Critical Level, Warns Zuma," *CNN*, April 24, 2008.

⁹⁵ "Africa Shows Impatience on Zimbabwe Crisis," Reuters, April 22, 2008.

⁹⁶ "Zuma Ratchets Up Rhetoric Over Zimbabwe," *Financial Times*, April 22, 2008.

⁹⁷ CRS Report RL31697, *South Africa: Current Issues and U.S. Relations*, by Lauren Ploch.

⁹⁸ "S. Africa's Zuma Criticizes West over Zimbabwe," Reuters, March 26, 2009.

⁹⁹ "Mugabe Faces Tougher Scrutiny, Says ANC," *Business Day* (South Africa), August 27, 2009.

¹⁰⁰ South African Department of Home Affairs, "SA Signs MOU With Zimbabwe," Media Release on May 7, 2009.

with the delayed release of the electoral results, warning that “the credibility of the democratic process in Africa could be at stake.” The Secretary-General, who declared the runoff election illegitimate, engaged world leaders to determine how the international community could “help the Zimbabwean people and authorities to resolve this issue.”¹⁰¹ His concern was echoed by the UN High Commissioner for Human Rights, who called the runoff a “perversion of democracy.”¹⁰² Thabo Mbeki chaired the April 16 Security Council meeting, which was originally called by South Africa, as rotating chairman of the Council, to discuss cooperation between the United Nations and the African Union. The U.S. Ambassador to the United Nations recommended that a U.N.-AU mission visit the country. The only African representative to address the Zimbabwe issue at the meeting was Tanzanian President Kikwete, who praised SADC for working to “ensure that the will of the people of Zimbabwe is respected.”¹⁰³

The U.N. Security Council held a special session on April 29, 2008, to discuss Zimbabwe, reportedly at the behest of incoming Security Council chair Britain. European and Latin American members pressed for a U.N. envoy to visit the country, while other delegations, including South Africa’s, rejected the proposal. President Mugabe denounced the closed session as “sinister, racist, and colonial.”¹⁰⁴ On June 22, the Council issued a Presidential Statement condemning the violence and acts of political repression by the government of Zimbabwe.

On July 8, 2008, the Group of Eight (G8) nations, many of whom already have bilateral sanctions in place, agreed to impose sanctions against the Mugabe regime due to the ongoing violence. The G8’s announcement set the stage for a U.S.-sponsored resolution in the U.N. Security Council. The resolution (S/2008/447) called for targeted sanctions on 14 members of the Mugabe regime, and an international arms embargo. It also requested the appointment of a U.N. Special Representative on Zimbabwe, and the creation of a Panel of Experts to monitor and evaluate the situation and the effects of the sanctions. On July 11, Russia and China vetoed the resolution. The vote was nine, including Burkina Faso, in favor, and five against, with South Africa joining Russia, China, Vietnam, and Libya in opposition. The United States expressed its disappointment with the two vetoes, particularly that of Russia, which had supported the G8 agreement earlier that week.¹⁰⁵

South Africa’s Ambassador to the U.N. repeatedly expressed reservations about imposing sanctions on Zimbabwe, arguing that the situation in Zimbabwe did not pose a threat to international security and thus should not be considered to be a matter for the U.N. Security Council. Some criticized South Africa’s position, suggesting that the xenophobic violence against Zimbabwean immigrants in South Africa was only one of several examples of how the political and economic crisis in Zimbabwe has affected the neighboring region. Some analysts suggest that the African Union acknowledged the threat to regional security in a July 2 resolution issued during its Sharm el-Sheikh summit, which noted the “urgent need to prevent further worsening of the situation and with a view to avoid the spread of the conflict with the consequential negative impact on the country and the subregion.” South Africa’s term as a rotating member of the Security Council expired in January 2009.

¹⁰¹ “U.N. Council and AU to debate Zimbabwe,” Reuters, April 16, 2008.

¹⁰² “Elections Won’t Be Delayed, Zimbabwe Insists,” *International Herald Tribune*, June 27, 2008.

¹⁰³ “Spotlight Turned on Zimbabwe at UN Council,” Reuters, April 16, 2008.

¹⁰⁴ “Zimbabwe Dismisses U.N. Talks,” Reuters, April 30, 2008.

¹⁰⁵ Testimony of Assistant Secretary of State Jendayi Frazer before the Senate Africa Subcommittee on July 15, 2008.

The United Kingdom and the European Union

The European Union (EU) maintains targeted sanctions against members of Zimbabwe's former administration, many of whom remain in office under the coalition government, and EU sanctions prohibit member states from selling weapons to the country. Amidst the political violence that followed the 2008 elections, British Prime Minister Gordon Brown, in a speech to the House of Commons, called for an international arms embargo against Zimbabwe, accusing the government of rigging the elections and calling the political situation "completely unacceptable." The United States, which also prohibits weapons sales to Zimbabwe and maintains targeted sanctions, expressed support for Brown's proposal, which was included in a U.S.-sponsored draft of a U.N. Security Council resolution. Britain's Queen Elizabeth stripped Mugabe of an honorable Knighthood he received in 1994.

In early September 2009, the EU sent its first high level delegation to Zimbabwe in seven years. EU officials stressed that the visit was intended to renew diplomatic engagement, but that the EU would not consider lifting its targeted sanctions until the GPA was fully implemented. In January 2010, Foreign Secretary David Miliband drew criticism for comments made at the World Economic Forum in Davos, Switzerland, that appeared to imply that the EU would consider easing its sanctions on Zimbabwe only upon the recommendation of Prime Minister Tsvangirai. MDC officials called Miliband's comments unhelpful and suggested that they undermined Tsvangirai's position in negotiations with Mugabe. The British Foreign Office later clarified the UK's position, stating that any change in its stance on sanctions would be determined by the British government based on progress on political reforms. In February 2010, the EU renewed its targeted sanctions, but removed several individuals and entities from the sanctions list.¹⁰⁶

U.S. Policy on Zimbabwe

The U.S. government has been critical of President Mugabe and members of his former regime for their poor human rights record and lack of respect for the rule of law. For much of the past decade, the United States has imposed targeted sanctions against the government, including financial and visa sanctions against select individuals;¹⁰⁷ banned transfers of defense items and services; and suspended non-humanitarian assistance to the government. At the same time, the United States has remained one of the largest donors of humanitarian assistance to the people of Zimbabwe. With the exception of defense items, the United States has not imposed trade sanctions on the country.¹⁰⁸

The George W. Bush Administration was highly critical of the ZANU-PF government's role in the 2008 post-election violence. Prior to the runoff, then Assistant Secretary of State Jendayi

¹⁰⁶ Among those removed from the list was Dumiso Dabengwa, a former ZANU-PF minister who left the party and has been publicly critical of its policies, several other individuals removed from the list died in 2009. Nine companies were removed from the list, including Zimbabwe Iron and Steel Company.

¹⁰⁷ President Bush imposed these sanctions through Executive Order 13288, issued in March 2003. The Order prohibits transactions with persons, entities, or organizations found to be undermining democratic institutions and processes in Zimbabwe, who are included in a Specially Designated Nationals (SDN) list maintained by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

¹⁰⁸ Zimbabwe is not eligible for trade benefits under the African Growth and Opportunity Act (AGOA) because of its poor record of economic management and human rights abuses.

Frazer accused Mugabe of “trying to steal the election,” saying, “My preferred option would be that the will of the people be accepted. That Mr. Mugabe does the honorable thing and steps down.”¹⁰⁹ In May 2008, a State Department spokesman urged Mugabe to “call off his dogs,”¹¹⁰ and the U.S. Ambassador publicly condemned what he referred to as a “systematic campaign of violence designed to block this vote for change ... orchestrated at the highest levels of the ruling party.”¹¹¹ American diplomats and officials from other foreign embassies report that they were repeatedly harassed by elements of the Mugabe regime, in violation of the Vienna Convention.

In the months following the elections, the Bush Administration repeated its calls for African governments to play a greater role in resolving the political impasse. During a visit by the British Prime Minister to Washington, President Bush told the media, “The United Nations and the A.U. must play an active role in resolving the situation in Zimbabwe.”¹¹² Former Secretary of State Condoleezza Rice said more bluntly, “It is time for Africa to step up.”¹¹³ In December, she called the power sharing talks a “sham.”¹¹⁴

In the early days of his administration, President Barack Obama reached out to then-South African President Kgalema Motlanthe to express his concern regarding Zimbabwe and to stress South Africa’s role in resolving the political crisis.¹¹⁵ President Obama repeated his concerns to President Jacob Zuma on the occasion of his inauguration and again during an April 2010 visit by Zuma to Washington, DC. The Obama Administration has expressed support for the new coalition government, but Administration officials continue to press for the full implementation of the GPA. Both President Obama and Secretary of State Hillary Rodham Clinton met with Prime Minister Tsvangirai during a visit to Washington, DC, in June 2009. In late 2009, President Obama presented the human rights group Women of Zimbabwe Arise (WOZA) with the annual Robert F. Kennedy Human Rights Award.

Congressional Interest and Relevant Legislation

Congress has played a key role in the shaping of U.S. policy toward Zimbabwe. In 2008, several Members of the 110th Congress issued statements highly critical of the Mugabe Administration, the delayed release of the 2008 election results, and the political violence in Zimbabwe. Some wrote letters to Administration officials or African leaders. In April 2008, the Senate passed S.Res. 533, introduced by Senator John Kerry, calling for the immediate release of the presidential results, an end to the political violence and intimidation, and a peaceful transition to democratic rule. The resolution also supported calls for an international arms embargo and other targeted sanctions against the Mugabe regime, and encouraged the creation of a comprehensive political and economic recovery package in the event a democratic government is installed. The House of Representatives passed H.Res. 1230, sponsored by Representative Donald Payne and all

¹⁰⁹News Briefing by State Department Spokesman Sean McCormack on April 15, 2008, and “Mugabe Trying to Steal Elections, Says U.S. Official,” *CNN*, April 24, 2008.

¹¹⁰Daily Press Briefing by State Department Spokesman Tom Casey, May 1, 2008.

¹¹¹Statement by Ambassador James McGee, “Breaking the Silence on Political Violence in Zimbabwe,” May 8, 2008, available at <http://harare.usembassy.gov>.

¹¹²Remarks by President Bush in a press conference with Prime Minister Brown at the White House, April 17, 2008.

¹¹³On-the-Record Briefing by Secretary Rice in Washington, DC, April 17, 2008.

¹¹⁴Roundtable with Secretary Rice and the Associated Press on December 15, 2008.

¹¹⁵Office of the White House Press Secretary, “Readout on the President’s Call to South Africa’s President Motlanthe,” January 27, 2009.

the House Members of the Congressional Black Caucus, among others, condemning the violence and calling for a peaceful resolution to the political crisis. The House also passed H.Res. 1270, sponsored by Representative Ileana Ros-Lehtinen, calling for an international arms embargo, urging the United Nations to deploy a special envoy to Zimbabwe, and encouraging the parties to discuss the creation of a government of national unity. Prior to the June runoff, Representative Adam Schiff had introduced legislation calling on the Zimbabwe government to postpone the election. Representative Tom Tancredo also introduced legislation, H.Con.Res. 387, calling for the United States to sever diplomatic ties with Zimbabwe.

The 111th Congress continues to monitor the progress of the transitional government, and has begun to review existing U.S. policy toward Zimbabwe. In March 2009, Representative Ros-Lehtinen introduced H.Res. 238, declaring the economic and humanitarian crisis in Zimbabwe to be a threat to international security. Seven months after the new government's formation, the Senate Foreign Relations Africa Subcommittee held a hearing, *Exploring U.S. Policy Options Toward Zimbabwe's Transition*. Following that hearing, Subcommittee Chairman Russ Feingold called the transition a "great opportunity ... to help advance real reform and recovery," noting that while transition remains incomplete and abuses in Zimbabwe continue, "we need to seize this opportunity and look for ways that we can proactively engage and help strengthen the hands of reformers in Zimbabwe's transitional government."¹¹⁶

President Mugabe has frequently claimed that Western sanctions are to blame for the collapse of the country's economy. He and other ZANU-PF officials often cite a U.S. law, the Zimbabwe Democracy and Economic Recovery Act (ZDERA) (P.L. 107-99), passed by Congress in 2001. This legislation is discussed further in "Current Restrictions on U.S. Assistance" below. On May 4, 2010, Senator Feingold, Senator Johnny Isakson, and Senator John Kerry introduced S. 3297, the Zimbabwe Transition to Democracy and Economic Recovery Act of 2010. According to Senator Feingold, S. 3297 "aims to update U.S. policy and to provide the necessary direction and flexibility for the United States to proactively push for democracy and economic recovery in Zimbabwe."¹¹⁷ Specifically, it would:

- reaffirm U.S. policy to "support the people of Zimbabwe in their struggle to affect peaceful democratic change, achieve broad-based and equitable economic growth, and restore the rule of law" through various forms of assistance, the promotion of trade, and the continuation of targeted sanctions;
- authorize technical assistance to the transitional government and to the parliament to support reforms;
- express support for agricultural development and efforts to reestablish security of land tenure to "lay the groundwork for economic recovery,"
- amend the Zimbabwe Democracy and Economic Recovery Act (ZDERA) of 2001 to "reflect new political conditions and opportunities created by the Global Political Agreement," to direct the Administration to examine options for addressing Zimbabwe's existing debt to international financial institutions, and to define new conditions for U.S. support of any proposed assistance by such institutions;

¹¹⁶ Statement of Senator Feingold on Zimbabwe's Transition for the Congressional Record, October 5, 2009.

¹¹⁷ Statement of Senator Feingold Upon Introducing New Legislation on Zimbabwe for the Congressional Record, May 4, 2010.

- amend the restrictions in the FY2010 Consolidated Appropriations Act (P.L. 111-117) on assistance for the government of Zimbabwe to make exceptions in the areas of health and education;
- direct the President to press for Zimbabwe's suspension from the Kimberly Process diamond certification scheme and to sanction persons funding efforts to undermine democratic processes through illegal activities involving diamonds;
- express the Sense of Congress that the Administration should review and update targeted sanctions related to Zimbabwe; and
- direct the U.S. government to work with regional and international partners to begin preparations for future elections and develop a strategy for reducing the risk of electoral violence and other related abuses.

U.S. Assistance

The United States is one of the largest donors of humanitarian assistance to Zimbabwe, having provided an estimated \$1 billion in aid since 2002. In FY2008, U.S. assistance included \$271 million in food aid and \$22 million in other humanitarian assistance, as well as over \$22 million in health programs and over \$10 million for democracy and governance support. During President Obama's June 2009 meeting with Tsvangirai, President Obama pledged \$73 million in new governance, education, and health assistance to Zimbabwe; in total, the U.S. government obligated over \$292 million in foreign aid in FY2009. The U.S. government provided over \$7.3 million in FY2009 specifically to address the cholera outbreak, in addition to \$8.6 million for other water and sanitation programs. The State Department estimates that \$89 million will be spent on Zimbabwe in FY2010, not including food aid, and has requested \$99 million for FY2011.¹¹⁸ The Administration has indicated that the provision of non-humanitarian assistance directly to the government remains predicated on progress toward political reforms. Key elements of current U.S. policy continue to include targeted sanctions against high-ranking members of ZANU-PF and their affiliates, support for economic and democratic reforms, and the provision of assistance intended to help the country's poor and strengthen civil society.

According to the State Department's FY2011 Congressional Budget Justification,

In 2009, the formation of the transitional government in Zimbabwe provided new opportunities to work with reformers to consolidate democracy and address the country's dire humanitarian crisis and its collapsed health care system. Although the transitional Government is still struggling with implementation of the Global Political Agreement (GPA), some positive steps have been taken that suggest that meaningful change is possible.... U.S. assistance will support reformers within the transitional Government to build on the principles and provisions of the GPA more fully.

Current Restrictions on U.S. Assistance

Due to loan defaults, Zimbabwe is subject to the Brooke-Alexander Act and Section 620(q) of the Foreign Assistance Act, both of which prohibit direct assistance to the government of Zimbabwe

¹¹⁸ The FY2009 figure includes food aid. Congress approved \$40 million in supplemental appropriations for Zimbabwe in FY2009, and \$15 million in FY2008.

based on past due indebtedness the United States. Sections 7088 and 7070(e) of the FY2009 Omnibus Appropriations Act also prohibit assistance to the government. In addition, the Zimbabwe Democracy and Economic Recovery Act of 2001 (ZDERA; P.L. 107-99) prohibits U.S. support for loans to the government by international financial institutions.

Sanctions Against Individuals

The United States has enforced targeted sanctions against top government officials and associates since 2002; these sanctions have been annually renewed by the White House. The sanctions are intended to punish those responsible for Zimbabwe's difficulties without harming the population at large. The initial sanctions, imposed in 2003, ban travel to the United States by "senior members of the government of Robert Mugabe and others ... who formulate, implement, or benefit from policies that undermine or injure Zimbabwe's democratic institutions or impede the transition to a multi-party democracy." Persons who benefit financially from business dealings with such individuals are also banned, as are the spouses of people in either group. In 2003, President George W. Bush also issued an executive order freezing assets held in the United States by 75 high-ranking Zimbabwe officials and President Mugabe's wife, Grace.¹¹⁹ Nine companies and commercial farms were added in 2004, and the list was further expanded in November 2005 to block the assets of 128 individuals and 33 entities. The executive order also allows the Secretary of the Treasury, in consultation with the Secretary of State, to go beyond previous authority and block the property of additional persons who "have engaged in actions or policies to undermine Zimbabwe's democratic processes or institutions," their immediate family members, and any persons assisting them.¹²⁰ President Bush added additional names to the list in 2007 and 2008. President Barack Obama renewed the sanctions most recently in March 2010. The European Union and Britain have imposed similar targeted sanctions on over 150 persons and entities, as well as an arms embargo and an asset freeze.

Some, but not all, ZANU-PF members serving in inclusive government positions are included in the list of individuals sanctioned by the U.S. government (see list of cabinet members in **Appendix** below). MDC officials in the government have not called for the sanctions against individuals to be lifted, but some have argued that sanctions against certain entities, including several local banks and parastatals, should be reexamined.¹²¹ Several of these entities were removed from the EU sanctions list in February 2010.

Multilateral Financing Restrictions

Congress expressed its opposition to the Zimbabwe government's "economic mismanagement" and "undemocratic policies" and called for sanctions in the Zimbabwe Democracy and Economic Recovery Act of 2001. ZDERA, which was introduced by Senator Bill Frist in March 2001,¹²² became public law in December of that year. This legislation, which authorized U.S. bilateral aid for land reform and governance programs, also called for consultations with allies on economic sanctions and a travel ban. Under ZDERA, U.S. support for financial assistance to Zimbabwe by international financial institutions is prohibited until the President has been able to certify that

¹¹⁹ Seventy-seven individuals were named in the executive order (EO 13288), but one of these had died.

¹²⁰ The text of this annex to EO 13288 can be found at <http://www.whitehouse.gov>.

¹²¹ Interviews by the author with MDC officials and U.S. embassy personnel in Harare, Zimbabwe in April 2008.

¹²² ZDERA cosponsors included Senators Russ Feingold, Hillary Rodham Clinton, Jesse Helms, and Joseph Biden.

certain conditions pertaining to the rule of law, democratic elections, and legal and transparent land reform have been met.¹²³ At the time of ZDERA's passage, Zimbabwe was already ineligible to receive loans from the IMF and the World Bank's International Development Association (IDA) because it was in arrears to those institutions for debt payments. If a presidential certification is made that the conditions identified in ZDERA have been met, the legislation calls upon the Secretary of the Treasury to review the feasibility of restructuring, rescheduling, or eliminating Zimbabwe's sovereign debt held by the U.S. government and to propose similar reviews by the multilateral development banks.

Administration Policy on the Easing of Sanctions

Despite its support for the new government, the Obama Administration has noted, "We will not consider providing additional development assistance or even easing sanctions until we see effective governance," and the State Department has reiterated "serious concerns about the regime of Mr. Mugabe."¹²⁴ U.S. officials and representatives of like-minded donor governments and institutions have agreed to increase humanitarian aid to the extent possible and to support the goals of the power-sharing agreement, but have predicated the provision of most development assistance on progress toward political and economic reforms.

The FY2010 Consolidated Appropriations Act (P.L. 111-117) declares that no funding for bilateral economic assistance or international security assistance shall be provided to Zimbabwe except as provided through the regular notification procedures of the Appropriations Committees. Sec. 7070(i) of the Omnibus further instructs that:

(1) The Secretary of the Treasury shall instruct the United States executive director to each international financial institution to vote against any extension by the respective institution of any loans to the Government of Zimbabwe, except to meet basic human needs or to promote democracy, unless the Secretary of State determines and reports in writing to the Committees on Appropriations that the rule of law has been restored in Zimbabwe, including respect for ownership and title to property, freedom of speech and association, and a transition government has been established that reflects the will of the people as they voted in the March 2008 elections.

(2) None of the funds appropriated by this Act shall be made available for assistance for the central government of Zimbabwe, except for macroeconomic growth assistance, unless the Secretary of State makes the determination pursuant to paragraph (1).

Similar language was included in the FY2009 Supplemental Appropriations Act (P.L. 111-32).

¹²³ The conditions include the following: 1) restoration of the rule of law; 2) election or pre-election conditions; 3) commitment to equitable, legal, and transparent land reform; 4) fulfillment of agreement ending war in the Democratic Republic of Congo; and 5) military and national police subordinate to civilian government. Under the terms of the Global Political Agreement between ZANU-PF and the MDC, which established the inclusive government, elections are not expected to be held for at least 18 months, during which time the agreement stipulates that a constitutional review take place. Under ZDERA, a presidential certification may be made before a presidential election takes place if "the Government of Zimbabwe has sufficiently improved the pre-election environment to a degree consistent with accepted international standards for security and freedom of movement and association." ZDERA allows for a presidential waiver of the multilateral financing restriction if it is determined to be in the U.S. national interest.

¹²⁴ Daily Press Briefing by State Department Spokesman Robert Wood, February 11, 2009, and Daily Press Briefing by State Department Spokesman Ian Kelly, August 28, 2009

Policy Options¹²⁵

Following the formation of Zimbabwe's coalition government, U.S. policymakers are reexamining how to approach President Mugabe and his new administration. As mentioned above, President Obama's Administration has taken a cautious approach and has made the return of effective governance a prerequisite to the lifting sanctions or the provision of significant financial support for Zimbabwe's economic recovery. Like-minded donor countries and institutions expect certain economic and political policy changes to be made prior to a resumption of financial assistance to the government; Britain's initial response has been similar to that of the United States.

The international donor community has generally expressed support for the new inclusive government, but has predicated significant assistance on improvement in the following areas:

- the end of farm disruptions;
- the cessation of politically motivated violence;
- the establishment of a credible and transparent Reserve Bank team;
- an end to harassment and intimidation of the media and civil society; and
- a commitment of all stakeholders to holding credible elections in a timely manner.¹²⁶

As discussed, many of the economic reform conditions set by the IMF and other donors, including price liberalization, the elimination of quasi-fiscal activities, and cash budgeting, have already been met. Zimbabwe's Finance Ministry has also taken initial steps to meet other reform conditions, such as central bank transparency and reform, by calling for an audit of the Reserve Bank's financial statements and by initiating legislative reforms related to Reserve Bank governance. Credible stewardship of the Reserve Bank and a full restoration of Zimbabwe's relationship with the IMF and the World Bank will take time.

Obama Administration officials have been reluctant to publicly specify their own benchmarks for renewed assistance to the government of Zimbabwe, but Administration officials suggest that many of the necessary conditions are already outlined in the GPA, and thus in Zimbabwe's own constitution. Broadly, U.S. officials expect "genuine progress on governance and democracy," as evidenced by continued movement toward constitutional reform and free and fair elections, but they have also reiterated the importance of interim confidence-building measures such as those listed above.¹²⁷ If the installation of Tsvangirai and other MDC officials into government

¹²⁵There have been a number of studies conducted on policy options to reengage Zimbabwe, including, Michelle D. Gavin, *Planning for Post-Mugabe Zimbabwe*, Council on Foreign Relations (CFR) Special Report No. 31, October 2007; Todd Moss and Stewart Patrick, *The Day After Comrade Bob: Applying Post-Conflict Recovery Lessons to Zimbabwe*, Center for Global Development Working Paper no. 72, December 2005; and "After Mugabe: Applying Post-Conflict Recovery Lessons to Zimbabwe," *Africa Policy Journal*, John F. Kennedy School of Government, Harvard University, vol. 1, Spring 2006.

¹²⁶Remarks by the German Ambassador to Zimbabwe, Dr. Albrecht Conze, as referenced in "Getting Zimbabwe to Work Again," *The Zimbabwe Times*, March 29, 2009.

¹²⁷See the Administration's FY2009 Supplemental Justification for the Department of State and USAID.

positions does not bring about a change in governance, some in the international community may explore other avenues for addressing the country's political and economic problems.

Diplomatic Pressure

Certain countries, including the United States, declared the Mugabe Administration illegitimate after the 2008 elections. Prior to the September 2008 agreement, some suggested that these governments should officially recognize Tsvangirai as President, and allow him to establish a government in exile. The MDC and others had called for the United Nations to deploy human rights monitors to investigate the political violence. Although South Africa and SADC already deployed inquiry teams, the deployment of U.N. monitors could be influential, particularly if the Zimbabwe government takes no initiative to investigate or prosecute abuses. The Mugabe government has, in the past, reportedly denied similar delegations entry. In November 2008, the government refused to provide visas to several members of the group of world leaders known as the Elders, including Kofi Annan and former U.S. President Jimmy Carter. Based on interviews in South Africa, Carter declared the crisis there to be “much greater, much worse, than anything we had ever imagined.”¹²⁸ There have been calls for members of the Mugabe government to be referred to international justice regimes, although some observers suggest such calls for justice should be considered carefully as long as the coalition government remains intact.

Humanitarian Assistance

The food security situation in Zimbabwe remains unstable. An estimated 5 million people required food assistance in 2008 and approximately 7 million were in need of food aid in early 2009. An estimated 3 million required food aid in early 2010. According to the United Nations, one in three children under the age of five suffers from chronic malnutrition.¹²⁹ The displacement of farm workers and vandalism that has followed the March 2008 elections has also contributed to food insecurity. In addition, according to U.N. reports, political violence and government interference in 2008 impeded the delivery of NGO assistance. According to the government of Zimbabwe, the country requires 2 million tons of maize and an estimated 500,000 tons of wheat per year to feed its population. In recent years Zimbabwe's farms have produced on average only 20% of these requirements.¹³⁰ The 2008 crop production deficit in much of the country was estimated at 75 to 100%, and the 2009 winter wheat crop did not meet government production targets. Both government officials and humanitarian aid groups suggest that financing for farmers in 2010 will be critical. The U.N. has requested \$378 million in food aid and other assistance to vulnerable groups, as well as “humanitarian plus” assistance, in its 2010 Consolidated Appeal Process.

Poor sanitation and water shortages continue to pose serious health risks in Zimbabwe's urban centers, as the cholera epidemic highlights. In Harare and in the country's second-largest city, Bulawayo, service delivery, including garbage collection, declined severely in recent years because of budget shortages, and reports suggest ambulances and fire trucks sit unused because the city councils cannot afford fuel or spare parts. Severe water shortages have plagued Harare and other urban areas.

¹²⁸ “Carter Shocked by Zimbabwe Crisis,” BBC, November 24, 2008.

¹²⁹ The United Nations, 2009 Consolidated Appeal Process, November 2008.

¹³⁰ Zimbabwe Ministry of Finance, *Short Term Emergency Recovery Program (STERP)*, March 2009.

The Obama Administration's FY2009 supplemental budget included funds to "protect the vulnerable Zimbabwean population during the process of stabilization." This assistance aimed to support income-generating activities and employment opportunities; improve safety-net structures; and assist returnees' reintegration into society. In addition, this assistance aimed to address the country's collapsed health care system by providing emergency health interventions. The Administration's FY2010 request noted that economic stabilization programs are likely to introduce new hardships for many in the short-term, and humanitarian assistance will continue to be needed to address both food and non-food needs. The FY2011 request reiterates the importance of supporting livelihood projects for vulnerable households as the economy recovers.

Economic Recovery

In April 2009, the IMF estimated that in addition to increased humanitarian assistance needs, Zimbabwe would require approximately \$200 million in official budget support from donors to achieve positive economic growth during the year.¹³¹ The United States and other international actors have discussed financial incentives and assistance to facilitate Zimbabwe's economic recovery.¹³² Zimbabwe's economy collapsed over the last decade, and every sector of the economy has been affected. Annual outputs of wheat, maize, and tobacco, once Zimbabwe's largest foreign exchange earner, have plummeted. Manufacturing output declined by 73% in 2008 alone, according to government estimates.¹³³ Zimbabwe's mining sector has been similarly affected, although the platinum industry remains a major income earner for the government.¹³⁴ World Bank and IMF lending has been suspended for ten years due to nonpayment of arrears. These factors have all contributed to increasing pressure on both the people of Zimbabwe and members of the government. In a public display of dissatisfaction among the military, shortages of cash caused rioting and looting by army soldiers in Harare in late November 2008, prior to the formation of the coalition government.

According to the IMF, the Reserve Bank of Zimbabwe's quasi-fiscal activities were primarily responsible for the surge in the country's money supply in recent years. Losses from such activities were estimated to be 75% of GDP in 2006, for example. The government's fast track land reform and more recent policy changes such as the Indigenization and Economic Empowerment Act, have created significant uncertainty over property rights, deterring foreign direct investment and lowering consumer confidence. It remains unclear how much influence the MDC will have in countering the entrenched patronage system that currently exists.

Western donors have met periodically in recent years to explore reconstruction options, and their representatives meet regularly in Harare to coordinate existing aid programs. Britain has maintained its willingness to release funds to pay for parts of an orderly land redistribution program if Mugabe retires and the rule of law is returned. With Mugabe remaining in office under the GPA, it is unclear whether Britain will concede to release such funds. Prime Minister Gordon Brown has indicated that political prisoners must be released and restrictive laws repealed before the UK can engage more fully. By Zimbabwean government estimates, the cost of Zimbabwe's

¹³¹ IMF, "Zimbabwe: 2009 Article IV Consultation—Staff Report," *IMF Country Report No. 09/139*, April 20, 2009.

¹³² Information here draws such sources as David Coltart, "A Decade of Suffering in Zimbabwe: Economic Collapse and Political Repression under Robert Mugabe," *CATO Institute Development Policy Analysis No. 5*, 24 March 2008.

¹³³ Zimbabwe Ministry of Finance, *Short Term Emergency Recovery Program (STERP)*, March 2009.

¹³⁴ Zimbabwe has the world's second largest reserves of platinum, behind South Africa. The largest mining operations in the country are controlled by South African-owned Impala Platinum and Anglo Platinum.

economic recovery may be almost \$45 billion in the next decade, but the government is using a more conservative figure in its discussions with donors of \$8 billion over a three-year period to cover food support, land reform, health services and education, infrastructure, balance of payment and budget support, and emergency aid programs.

The World Bank and the IMF have developed strategies for Zimbabwe's economic recovery. Given the need to cut government spending to reduce the government deficit, significant donor assistance will be required to rebuild the public health sector, which according to reports may have lost over 70% of its skilled workforce. The education sector faces similar challenges. Save the Children UK estimates that attendance at public schools in Zimbabwe dropped from 85% to 20% between 2007 the end of 2008, and that some 30,000 teachers had left the public education system.¹³⁵ According to reports, textbooks are in extremely short supply, with one for every ten students. Reviving the country's agriculture industry will require delicate handling to address historical grievances against white Zimbabweans regarding land distribution and tenure.¹³⁶ Congress authorized \$20 million in its ZDERA legislation for land reform assistance for FY2002, and some analysts suggest this level of annual assistance may still be appropriate, should Zimbabwe's government undertake a serious effort to address the issue.

Maintaining the flow of foreign currency to pay salary vouchers is particularly critical to ensuring stability, but MDC officials have acknowledged donor concerns. Prime Minister Tsvangirai, in his inaugural address to the parliament, warned MPs, "no donor country or institution is going to offer any meaningful assistance unless our government projects a positive new image."¹³⁷ Australia and Sweden were among the first to offer initial aid packages, reportedly worth \$10 million each, but those funds are being channeled through the United Nations and NGOs for humanitarian assistance. To date, only Southern African governments and China have publicly indicated a willingness to provide loans or aid directly to the government, and in February 2010, China suggested that it would not provide new loans until Zimbabwe paid its existing debts. Representatives from the IMF, the World Bank, and the Africa Development Bank (ADB) visited the country in March 2009. The president of the ADB called Biti's initial efforts "impressive," and "merit[ing] support," but called on the country to meet its debt obligations.¹³⁸ The IMF noted positive steps toward fiscal discipline and offered to provide further policy advice, but warned that IMF funding would not be renewed until Zimbabwe began to repay its debts and established "a track record of sound policy implementation [and] donor support."¹³⁹

Zimbabwe's debt is estimated at \$5.2 billion, including over \$3.6 billion in payment arrears, according to the Finance Ministry. Zimbabwe owes over \$1 billion to multilateral institutions, including the IMF, the World Bank, and the African Development Bank. The government settled other outstanding arrears with the IMF in 2005 and 2006 to avoid compulsory withdrawal from the IMF. The source of the funds used to pay the IMF debt was a source of considerable

¹³⁵ "Children and Teachers Unlikely to Return to School as Zimbabwe Term Begins," Press Release from Save the Children UK, January 27, 2009.

¹³⁶ The U.N. Food and Agriculture Organization (FAO) has suggested that raising the yields of communal farming areas, which compose 50% of land, could guarantee food security. The FAO estimates that a \$50 million investment annually for three years to train farmers and provide seeds and fertilizer would significantly increase yields and cost less than what Zimbabwe pays to import food. See "Zimbabwe: Small Scale Farmers Seen as Backbone of Food Security," IRIN, May 15, 2008.

¹³⁷ Inaugural Address by Prime Minister Tsvangirai to the Seventh Parliament of Zimbabwe, March 4, 2009.

¹³⁸ "ADB Praises Zimbabwe Recovery Plan," Reuters, February 26, 2009.

¹³⁹ Tony Hawkins, "IMF Dampens Hopes of Aid to Zimbabwe," *Financial Times*, March 25, 2009.

speculation in the media. The ADB has predicated the resumption of lending to Zimbabwe on the restoration of the credibility of the sovereign state and launching a set of economic, financial, and institutional reforms. If these conditions are met, the ADB would classify the country as a fragile state, which would permit access to grant resources.

Following the March 2009 consultation visit, the IMF noted positive steps toward fiscal discipline and offered to provide further policy advice, but warned that IMF funding would not be renewed until Zimbabwe begins to repay its debts and establishes “a track record of sound policy implementation [and] donor support.”¹⁴⁰ Following another consultation visit in March 2010, IMF officials reiterated these conditions, noting that economic policies had “improved significantly” but that the recovery remained fragile. Finance Minister Biti has said that Zimbabwe cannot currently pay its remaining debts to international donors, and the IMF suggests that “Zimbabwe’s external debt burden is unsustainable even if policies are improved and medium-term financing gaps are filled by concessional financing.”¹⁴¹ In the interim, the IMF’s Executive Board met in May 2009 to approve a “targeted lifting” of the Fund’s suspension of technical assistance to the government. This resumption of assistance indicates that the IMF has judged Zimbabwe to be cooperating with the Fund on policies and payments toward addressing its outstanding arrears.¹⁴² It allows IMF technical advisors to work with the Finance Ministry to improve its revenue collection and bank payment system, particularly to process transactions in foreign exchange, as well as on fiduciary control of the central bank.

In early September 2009, the IMF announced that it had transferred approximately \$400 million in Special Drawing Rights (SDR) to Zimbabwe to boost its foreign currency reserves, as part of the Fund’s effort to improve liquidity in the global economic system. Finance Minister Biti announced that these funds would be used to help rebuild the country’s infrastructure. A further \$100 million will reportedly be held in escrow by the IMF until Zimbabwe clears its arrears to the Fund, currently worth over \$130 million. In February 2010, with the support of the United States, the Board voted to restore Zimbabwe’s voting rights, which were suspended in 2003 after a determination that Zimbabwe had not sufficiently strengthened its cooperation with the IMF in areas of policy implementation and payments.¹⁴³ Several recent studies have explored options for addressing Zimbabwe’s external debt arrears and pursuing comprehensive debt relief.¹⁴⁴

The State Department’s FY2009 Supplemental request stated that “to be successful, Zimbabwe’s transition will require a significant infusion of capital and program investment in both the short- and long-term.” That request included funds to support the transitional government. The request also included support for economic growth programs, including technical assistance for monetary and fiscal policy reform and economic revitalization, especially for the agriculture sector. The request suggested that further reforms would be needed before the international financial institutions would support a broader macro-economic recovery program. The Department’s FY2010 request included an expansion of technical assistance to the government on a range of issues, such as trade policy and legal and regulatory reforms that affect businesses, and it aims to reinforce technical assistance provided by the international financial institutions. The FY2011

¹⁴⁰ Ibid.

¹⁴¹ IMF, “Zimbabwe: 2009 Article IV Consultation—Staff Report,” *IMF Country Report No. 09/139*, April 20, 2009.

¹⁴² IMF, “Request for Targeted Lifting of the Suspension of Fund Technical Assistance,” April 21, 2009.

¹⁴³ Find information on overdue financial obligations at <http://www.imf.org/external/pubs/ft/pam/pam45/contents.htm>.

¹⁴⁴ See, for example, Benjamin Leo and Todd Moss, *Moving Mugabe’s Mountain: Zimbabwe’s Path to Arrears Clearance and Debt Relief*, the Center for Global Development, November 12, 2009.

request goes further, proposing new activities to promote private sector development and agricultural recovery, but cautions that “if the government does not make adequate progress in meeting donor benchmarks, assistance beyond the agriculture sector may not follow.”

Accountability and Reform

The inability of Zimbabwe’s judicial system to protect its citizens or their property, or to provide due process to those seeking remedy or compensation, suggests a fundamental breakdown in the implementation of the rule of law in Zimbabwe. Analysts suggest that the country will require significant judicial and security sector reforms as part of larger constitutional reforms. The people of Zimbabwe will also have to determine what level of accountability they may seek, not only for recent political violence, but for historical grievances and alleged official corruption. Morgan Tsvangirai has proposed the creation of a Truth and Reconciliation Commission similar to that of South Africa, “striking a healthy balance between reconciliation and accountability.”¹⁴⁵ Prior to the September 2008 agreement, he offered Mugabe “an honorable exit as ... father of the nation,” but it is unlikely that his party would consider extending such an offer to all senior officials implicated in acts of violence.¹⁴⁶ Under the terms of the power sharing agreement, a new constitution is expected to be developed within two years; many expect fresh elections to be held at that point. Mugabe and other senior officials may resist a peaceful exit from power if they fear subsequent prosecution, as occurred with the former presidents of Liberia, Chad, and Zambia.¹⁴⁷

¹⁴⁵Morgan Tsvangirai, “Freedom for Zimbabwe,” *The Wall Street Journal*, March 21, 2008.

¹⁴⁶“Zimbabwe Opposition Seeks Peacekeepers for Run-off,” Reuters, May 11, 2008.

¹⁴⁷Former Liberian President Charles Taylor now faces war crimes charges before the Special Court for Sierra Leone; former Chadian President Hissani Habre is expected to be tried for human rights abuses committed by his regime.

Appendix. Members of Zimbabwe's Inclusive Government

President—Robert Mugabe (ZANU-PF)*
Prime Minister—Morgan Tsvangirai (MDC-T)
Vice President—Joyce Mujuru (ZANU-PF)*

Vice President—John Nkomo (ZANU-PF)*
Deputy Prime Ministers—Arthur Mutambara (MDC-M); Thokozani Khupe (MDC-T)

Ministers:

Finance—Tendai Biti (MDC-T)
Information & Communications Technology—Nelson Chamisa (MDC-T)
Science and Technology—Heneri Dzinotyiwei (MDC-T)
Public Service—Elphas Mukonoweshuro (MDC-T)
Energy and Power Development—Elias Mudzuri (MDC-T)
Constitutional and Parliamentary Affairs—Eric Matinenga (MDC-T)
Labour—Pauline Mpariwa (MDC-T)
Water Resources—Joel Gabuza (MDC-T)
Health—Henry Madzorera (MDC-T)
State Enterprises—Samuel Sipepa Nkomo (MDC-T)
National Housing & Social Amenities—Fidelis Mhashu (MDC-T)
Economic Planning and Development—Elton Mangoma (MDC-T)
Public Works—Theresa Makone (MDC-T)
Education, Sport and Culture—David Coltart (MDC-M)
Industry and Commerce—Welshman Ncube (MDC-M)
Regional Integration & International Cooperation—Priscilla Misihairabwi-Mushonga (MDC-M)
Home Affairs—Co-ministers Kembo Mohadi (ZANU-PF)* and Giles Mutsekwa (MDC-T)
Defense—Emerson Mnangagwa (ZANU-PF)*
Local Government & Urban Development—Ignatius Chombo (ZANU-PF)*
Justice and Legal Affairs—Patrick Chinamasa (ZANU-PF)*
Agriculture—Joseph Mtekwese Made (ZANU-PF)*
Environment—Francis Dunstun Chenayimoyo Nhema (ZANU-PF) *
Tourism—Walter Mzembi (ZANU-PF)
Transport and Infrastructural Development—Nicholas Goche (ZANU-PF)*
Mines and Mining Development—Obert Moses Mpofu (ZANU-PF)*
Foreign Affairs—Simbarashe Simbanenduku Mumbengegwi (ZANU-PF)*
Media, Information and Publicity—Webster Kotiwa Shamu (ZANU-PF)*
Lands and Land Resettlement—Herbert Murerwa (ZANU-PF)*
Higher & Tertiary Education—Stan Goreraivo Mudenge (ZANU-PF)*
Women's Affairs, Gender, & Community Development—Olivia Muchena (ZANU-PF)*
Youth Development, Indigenization & Empowerment—Savior Kasukuwere (ZANU-PF)*

Deputy Ministers (that have been sworn-in):

Foreign Affairs—Moses Mzila Ndlovu (MDC-M)
Higher and Tertiary Education—Lutho Addington Tapela (MDC-T)
Health and Child Welfare—Dr. Tendai Douglas Mombeshora (ZANU PF)
Labour and Social Welfare—Dr. Tracy Mutinhiri (ZANU PF)
Education, Sports, Arts and Culture—Lazarus Dokora (ZANU PF)
Economic Planning and Development—Dr. Samuel Undenge (ZANU PF)
Energy and Power Development—Hubert Nyanhongo (ZANU PF)
State Enterprises and Parastatals—Walter Chidhakwa (ZANU PF)
Industry and Commerce—Michael Bimha (ZANU PF)
Regional Integration and International Co-operation—Reuben Marumahoko (ZANU PF)*
Public Works—Aguy Georgias (ZANU PF)
Public service—Andrew Langa (ZANU PF)*
Local Government, Urban and Rural Development—Sessil Zvidzai (MDC-T)
Transport and Infrastructural Development—Dr. Tichaona Mudzingwa (MDC-T)
Mines and Mining Development—Murisi Zwizwai (MDC-T)
Media, Information and Publicity—Jameson Timba (MDC-T)
Youth Development, Indigenisation and Empowerment—Thamsanqa Mahlangu (MDC-T)
Women's Affairs, Gender and Community Development—Evelyn Masaiti (MDC-T)
Justice and Legal Affairs—Jessie Majome (MDC-T)

Ministers of State:

President's Office (Healing Organ)—John Nkomo (ZANU-PF)*
Prime Minister's Office (Healing Organ)—Sekai Holland (MDC-T)
Deputy Prime Minister's Office (Healing Organ)—Gibson Sibanda (MDC-M)
Vice President Mujuru's Office—Sylvester Nguni (ZANU-PF) *
National Security in the President's Office—Sydney Sekeramayi (ZANU-PF)*
Security Minister in the President's Office—Didymus Mutasa (ZANU-PF)*
Prime Minister's Office—Gordon Moyo (MDC-T)

*Denotes those included in the Specially Designated Nationals (SDN) list maintained by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

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