

Moving Forward in Zimbabwe
Reducing Poverty and Promoting Sustainable
Development
through Policy Dialogue



Moving Forward in Zimbabwe

REDUCING POVERTY AND PROMOTING SUSTAINABLE DEVELOPMENT
THROUGH POLICY DIALOGUE

This is a discussion document to be used in the 'Moving Zimbabwe Forward: An Evidence-Based Policy Dialogue Initiative' being implemented by the Institute of Environmental Studies, University of Zimbabwe. It is a summary of the issues raised and recommendations in the *'Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth'* Report. Its purpose is to stimulate debate and dialogue on the best ways forward for development in Zimbabwe.

Editors: Jeanette Manjengwa, Sara Feresu and Admos Chimhowu

October 2010

Acknowledgements

This document accompanies the Second Edition of a Report '*Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth*'. For this Edition, thanks to the Institute of Environmental Studies staff, in particular Dr Jeanette Manjengwa and Professor Sara Feresu, as well as Admos Chimhowu of the Brooks World Poverty Institute, University of Manchester, for additional editing and updating of the Report. Dr Joseph Hanlon is also acknowledged for his valuable input to the summary.

The Report's first edition was written by Admos Chimhowu, based on background papers written by a group of Zimbabwean academics and development practitioners that came together with the intention of contributing to the discussions and debates on the best way forward for Zimbabwe.

Production of this Report in hard copies was made possible by generous support from the International Development Research Centre (IDRC).

Contact details

Institute of Environmental Studies
2nd Floor, Computer Science Building
University of Zimbabwe
PO Box MP 167, Mount Pleasant
Harare
Zimbabwe

Telephone No.: +263 (0)4 302 603/332039

Fax No.: +263 (0)4 332 853

E-mail address: secretary@ies.uz.ac.zw

Internet: <http://www.uz.ac.zw/ies> or <http://www.ies.ac.zw>

The Policy Dialogue Initiative

"Moving Zimbabwe Forward: An Evidence-Based Policy Dialogue Initiative" is an initiative that intends to encourage and promote a wide-ranging policy dialogue to support the government in identifying the areas of policy that can quickly stabilize incomes and suggest ways for rapidly improving the lives of the country's poor people in rural and urban areas.

The Policy Dialogue Initiative is being implemented by the Institute of Environmental Studies, University of Zimbabwe, and is a continuation of work on a research project that began in 2008, to understand the multiple dimensions of Zimbabwe's development challenges and to generate ideas for future development. An initial report entitled *"Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth"* was written by an independent team of Zimbabweans and produced by the Brooks World Poverty Institute, University of Manchester (UK) in collaboration with the University of Zimbabwe.

The draft Report and background sector papers were initially presented at a Round Table Conference held in Harare in August 2009. The Report was launched in Manchester in December 2009. An Executive Summary was produced as a hard copy, while an electronic version of the main Report is available on the Brooks World Poverty Institute website.

The Report outlines key elements of a strategy for the development of Zimbabwe which is emerging from a decade of socio-economic decline. It intends to stimulate focussed debates about policies that are likely to help Zimbabwe move forward. The Report is based on a number of commissioned papers which cover ten sectors, namely: the economy; employment and labour markets; agriculture and land reform; water; environment; education; health; social protection; information and communication technologies (ICTs); and public services. These papers deal with a range of economic and social development challenges facing the country.

Realizing that Zimbabwe has moved on since the launch of the Report in 2009, the Institute of Environmental Studies in collaboration with the Brooks World Poverty Institute have updated the initial Report to produce a second edition which has to be read together with this document. The publication of the Second Edition marks further activities since the first edition.

Realising the importance of the initial Report to contribute towards policy making in Zimbabwe, the two institutions have further developed a proposal *'Moving Zimbabwe Forward: An Evidence-Based Policy Dialogue Initiative'* which would enable dialogue among government, civil society, academia, industry and the public to discuss and dialogue over the recommendations of the Report so that some of the suggested strategies could be implemented into policies for recovery and future sustainable development. The proposal was accepted for funding by the International Development Centre (IDRC), Canada.

The Evidence-Based Policy Dialogue Initiative seeks to:

- initiate and encourage policy dialogue for poverty focused sustainable development in Zimbabwe;
- disseminate policy relevant information to a wider audience especially among the policy and decision makers; and
- generate and disseminate policy relevant knowledge on the nature of poverty and well-being through a sample survey in selected Districts in Zimbabwe.

These objectives will be accomplished through a number of events, including a seminar series and public lectures for the general public and specific in-house seminars for policy and decision makers to share research findings and stimulate dialogue. After debate and input from state actors and other stakeholders, the outcomes will be synthesized into a series of policy briefs containing the key issues, agreed priorities and actions, and suggested recommendations for policy. This process of policy dialogue will be inclusive, continuous and dynamic as there are a multitude of variables that impact on policy processes that have to be balanced.

Further research will be done to keep up with the rapid changes in the country, including carrying out a pilot poverty assessment which will feed into evidence-based policy making.

The Policy Dialogue Initiative will provide an opportunity for a wide range of ideas, new knowledge, research findings, best practices and experiences to be put on the table and discussed by a wide range of stakeholders, particularly policy and decision-makers, with a vision of a better sustainable future for all Zimbabweans.

Background to the Problem

Zimbabwe is emerging from a decade of socio-economic decline. The gains the country saw after independence in 1980; particularly the impressive progress in reducing poverty and inequality as well as the high standards in health and education; had stagnated and in some cases been reversed. Although triggered by a multiplicity of causes, the programme to redistribute land from mainly white farmers to the majority black Zimbabweans in February 2000, is often cited as the catalyst that precipitated an economic crisis which subsequently became a social crisis.

Zimbabwe's economy had been in decline since the mid-1990s, initially caused by failed structural adjustment policies but later compounded by shortages of foreign exchange (see Figure 1). It became increasingly difficult to import raw materials, spare parts, and fuel, which undermined manufacturing and agriculture, and accelerated a downward economic spiral. Alongside this decline in productivity came a sharp decline in disposable incomes and employment. The economic crisis reshaped the structure of employment and formal sector employment was dwarfed by a burgeoning informal sector. By 2003, 72 per cent of the population lived below the total consumption poverty line, compared to 55 per cent in 1995. Hyperinflation peaked at over 200 billion per cent in 2008, which became a year of economic and political crisis.

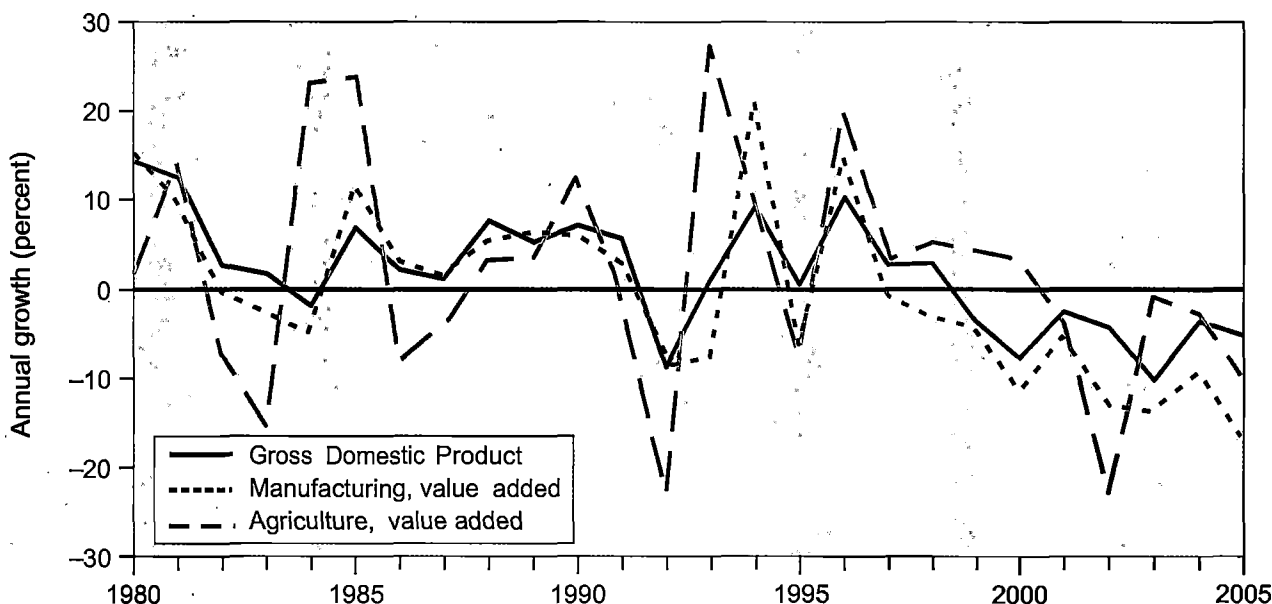


Figure1: Key economic trends, 1980-2005

The formation of the Government of National Unity in March 2009 and introduction of the use of multi-currencies stabilised the country and laid the foundation for long-term socio-economic development. The rapid resumption of economic and social activity in the past year shows the resilience, skills and innate abilities of the Zimbabwean people. It also shows that rather than being destroyed by the era of hyperinflation, many institutions and activities were simply put 'on hold' and activity could resume quite quickly. Land reform, and the expertise and experience of Zimbabwean farmers, provide the basis for an agricultural revolution. Despite this positive outlook, the past decade has caused huge disruptions and dislocations; whereby most Zimbabweans are poorer than they were two decades ago. One of the key issues for the government will be to rapidly reduce this poverty, taking care to deliberately formulate policies that directly address poverty.

For Zimbabwe's rapid economic transition to bring significant improvements to the social and economic conditions of its people and especially of the poor majority, carefully considered policy choices are essential. Improved access to food and employment are central to sustainable development and thus any strategy should be led by agriculture, and the consolidation of a radically transformed rural sector. Most of the efforts to move forward are being made, and will be made, by farmers and labourers (women and men), but they need the support of the country's professionals, politicians, public servants and academics in identifying policies and programmes that deliver rapid gains and lay the foundation for inclusive growth and sustainable development.

Opportunities for Prioritizing and Targeting Sustainable Development

Zimbabwe's recent economic and social crisis is unusual in that although it was disruptive and with pockets of periodic violence, it did not escalate into a war. Thus the deterioration in services and infrastructure should be temporary – the civil service and other institutions were only working under capacity or 'on hold' during the crisis period, and have already resumed normal activity.

Although there has been brain drain some people did stay and have continued with their work. This means that models from other African countries, often based on post-war scenarios of extensive destruction and skills loss, might not apply, and it will be necessary to craft a model based on realities on the ground in Zimbabwe. In particular, there is expertise, a structure and institutional memory which can be built upon.

Any development efforts should therefore build on and promote existing institutions rather than starting largely from scratch, as has been the case in many countries in Africa.

The existence of an experienced civil service gives the government scope for some quick wins and the capacity to utilise external resources effectively; in other words, capacity to absorb aid is high in Zimbabwe. Furthermore, Zimbabwe, with its abundant high value resources, has potential to achieve sustainable development in a conducive and enabling environment. Zimbabwe has rich biodiversity, including large charismatic mammals, and huge mineral wealth. Zimbabwe has the second largest platinum deposits in the world and the country's gold deposits are amongst the largest in Africa. Zimbabwe's diamond reserves are not only immense on a global scale, but are also considered to be easily extractable. The challenge is how can these valuable natural resources be mainstreamed into the economy without causing environmental degradation so that they can contribute towards sustainable development and poverty reduction?

Expectations of a rush of long-term, sympathy-borne donor aid may not materialise as donors may opt for more tentative engagement, often termed 'humanitarian plus'. Implicitly, this means resources for rapid reductions in poverty and for sustainable development will have to come from domestic and other regional sources, at least in the short term.

Prompt action is needed to support the majority of Zimbabweans living in poverty. At the same time, maximum advantage must be taken of the experience and institutions, land reform and the rapid resumption of economic activity caused by the use of multi-currencies. But there are a huge number of demands on the government and a very large range of interests, not only in Zimbabwe but in the donor community. The Policy Dialogue Initiative is an attempt to promote research and discussion leading to policy choices and implementation which promote poverty focussed growth and development.

The Second Edition Report of *Moving Forward in Zimbabwe: Reducing Poverty and Promoting Growth* lays a base for discussion in identified priorities and the following sections provide a summary of the recommendations made by each sector chapter. Some of the suggestions in the Report may be controversial but are meant to tease minds and encourage debate and discussion. The recommendations are not prescriptive but are meant to stimulate dialogue; they are ideas for discussion, which may or may not be agreed with.

Moving Forward with Poverty Reduction and Productivity Enhancement: Prioritising Agriculture with a Small Farmer Focus

Historically, there has always been a link between productivity growth in agriculture, aggregate Gross Domestic Product (GDP) growth and welfare in Zimbabwe (Figure 1). What happens to agriculture influences manufacturing and has an impact on welfare. Land reform changed agrarian structure, with many more units of production. The number of larger commercial farm units has more than doubled, while the number of smallholder farms has also nearly doubled. Agriculture can play a leading role in development if the right policy environment is created to ensure that the new farm units are rapidly made productive.

The changed structure of agriculture means that the focus will have to be on smallholder farmers rather than large-scale commercial agriculture. About 70 per cent of Zimbabweans still derive a living from the land, either directly as smallholder farmers or indirectly as workers on farms. We also know that about 77 per cent of Zimbabwe's poor and almost 90 per cent of its extremely poor reside in rural areas. A majority of the poor derive their livelihood from smallholder farms in communal lands, so any development strategy will need to focus on communal as well as resettlement areas. Smallholder agriculture exhibits production efficiencies within a supportive policy environment that can make it the main driver of development.

While the needs of the impoverished urban population must be met, the main focus should be a growth strategy that can transform the welfare of the rural poor. Income growth is at the core of any future strategy. For the nearly 1.4 million rural smallholder households, income growth will have to come from expanding and intensifying farm operations and a shift towards more commercial agriculture. Increased commercial farming will also create rural jobs, both on farms and in associated commercial activities. The view here is that manufacturing recovery and, ultimately, growth of the urban economy will also depend on agricultural sector growth. When rural incomes rise, effective demand for manufactured goods and services also rises, providing a ready market for the increased output of manufactured goods and other services. An agriculture-led strategy would raise rural incomes and provide the most direct way to address poverty, enhance employment and kick-start growth. Focusing on agriculture, and consequently rural areas, implies that a majority of the population need not wait for the benefits of growth to trickle down to them from urban activity. Other productive sectors like mining and tourism can make a contribution, but the benefits only indirectly influence the welfare of the rural majority.

The government therefore needs to prioritise agricultural recovery and growth as a major part of overall poverty reduction efforts.

Quick wins from a focus on smallholder farmers

The main priority in Zimbabwe will have to be smallholder farmers - in communal and resettlement areas. They are the most important agricultural group, both in terms of numbers and also in the gains that can be made quickly. Although much of the rural infrastructure has not been maintained in the past decade, it still exists and basic agricultural infrastructure and services can be rapidly revived at a reasonable cost. The most serious problems relate to lack of inputs. Indeed, a significant part of the decline in agricultural production was due to smallholders simply being 'too poor to farm' – not having money to buy essential, yet expensive, inputs or equipment. There are opportunities to achieve some quick wins in restoring and increasing agricultural production in communal lands and resettlement areas. There is abundant evidence that smallholder agriculture can rebound quickly from adverse economic and climatic events if appropriately supported.

Taking a cue from Malawi and from past experiences in Zimbabwe, we know that providing a package of key inputs – draught power, irrigation, seed, and fertiliser – would kick-start agriculture on communal and resettlement land dramatically.

Smallholders will need to be supported over at least three seasons on 'full packages', followed by a managed reduction of support over a further two years.

Agricultural support may not be sufficient – many households will need money from a social protection scheme to restart production. As we discuss further below, we do not think the assistance package should be means tested, as most smallholders are currently poor and need assistance.

Enhancing agricultural incomes through high-value crops and links to markets

After the initial gains from a basic agricultural package have been achieved, smallholders need to improve their earnings through innovation. This can be done not only through productivity growth, but also by ensuring that some of the lucrative markets that have only been accessible to large-scale farmers in the past are made available to smallholder farmers. For example, links to some of the global supermarket chains should be established through out-grower schemes.

Smallholders need support to begin to diversify into high value crops linked to global production chains and markets.

Both state and non-state sectors, especially private companies with corporate social responsibility programmes, will need to be involved in identifying these markets and linking the smallholders with them.



Smallholders need support to begin to diversify into high-value crops linked to global production chains (Photo © Tsvangirayi Mukwazhi).

Reviving large-scale commercial agriculture

While smallholder farmers must be the priority, large-scale commercial agriculture will also need to be revived. This sector occupies about a third of all agricultural land, primarily in the better rainfall areas, and includes A2 resettlement farms. A key constraint to reviving large-scale commercial agriculture is the need for private financial institutions to begin lending again. For this to happen, the uncertainties surrounding land ownership and tenure need to be resolved. The commercial farm sector has an impact on poverty primarily via employment creation and other upstream and downstream activities.

Revitalising agricultural institutions

The disturbed decade took a heavy toll on agricultural institutions, with a reduction in extension and research activity. There was some extension support for resettlement farmers, and activity has picked up in the past year. Meanwhile, the country now has many more small, medium and large-scale commercial farmers than before.

There is a need to identify the training and other support farmers require, and at the same time carry out an audit of agricultural institutions to assess their capacities to meet the new demands.

Any policy dialogue must include discussions of how to reshape these institutions to meet the new demands of farmers.

In the medium to long term, agricultural recovery will depend on how some of the key outstanding issues affecting investment in agriculture are resolved. Below we highlight some of the issues.

Land Reform: Moving Forward

Land reform is at the heart of Zimbabwe's development vision, and the country now has an agricultural system comprising a large smallholder farming sector occupying about two-thirds of all agricultural lands.

The socio-economic crisis, however, prevented the beneficiaries of land redistribution from growing their way out of poverty. The political agreement that formed the basis for the Government of National Unity foreclosed any discussions about reversing the land redistribution exercise. There are, however, a number of issues which still need attention.

Most of the nearly 141,000 beneficiaries resettled on A1 units lack basic social services and infrastructure, since most of the previous large-scale commercial farming areas did not have much social infrastructure. This affects the ability of A1 households to use the land they have received. From the experiences of the 1980s it can cost up to US\$12,000 per household to provide basic physical and social infrastructure, training and initial input support needed for a typical agricultural settlement. It would require an investment of almost US\$1.7 billion to support the 141,000 A1 beneficiaries.

Support for inputs and infra-structure on new A1 resettlement is needed. This should include government, development partners and the corporate sector.

Infrastructure development will need to recognize the symbiotic relationship between the resettlement areas and adjacent communal land. It is therefore important that planning be integrated and coordinated with existing physical and social infrastructure in the communal lands. Given that A2 beneficiaries have more land and better terms of access, the State needs to explore private sector partnerships to provide commercial loans to this group, perhaps at subsidised rates, to develop local physical infrastructure, although the State can help organise provision of social infrastructure.

Land registry

The resettlement process created new farm units that need to be mapped and registered. This may require that the land information management system be revamped to cope with the increased land units that will need to be registered. It may be necessary to decentralise this function to Districts. Since District Land Committees hold the most accurate information, a Land Information Management Unit could be set up to run from these institutions and possibly even at Ward level. The registration process will need to be as accessible, cheap, and simple as possible to improve the user interface. This might mean creating and training a new cadre of para-legals operating at District or Ward levels, in order to reduce costs.

Maximizing land use

Zimbabwe cannot afford to have good land unused, and it is particularly important that maximum use is made of the larger A2 resettlement farms. There are two ways to stop land from being left unused. First, we know from the Utete and Buka Reports that there are still issues related to farm ownership under A2 schemes. It is important to go ahead with an independent audit of A2 farms with a view to reallocating underutilised land. The issue would be controversial and the setting of a land tax would need to be transparent and public, but would also need to be related to individual farms – probably based on potential output. A short tax holiday would be essential for A2 resettlement farmers, but would need to be short enough to ensure rapid development of the land. A land tax might be phased in over 10 years.

The government needs to dialogue and develop policies around the maximization of land use including issues of a land audit and a land tax.

Compensation fund for former land owners

Some former white commercial farmers have remained in Zimbabwe and are setting up other businesses, often linked to agribusiness and commercialisation, and thus of use to resettlement and other farmers. Although the former white commercial farmers cannot be compensated for land under the terms of Constitutional Amendment 16 of 2000, donors might wish to create a pool of investment funds which could be used by those former commercial farmers who are establishing new businesses in Zimbabwe.

The issue of compensation will continue in the courts and be part of the international political dialogue for years to come, and creating such a fund, linked to investment in Zimbabwe's agribusiness, might be a compromise which brings closure to this issue.

Water Reforms and Agriculture

Water is one of the major limiting factors for agricultural productivity in Zimbabwe. Reforms undertaken in the water sector in the late 1990s, that made all water belong to the State and, where users of more than 'primary water' have to apply for a permit, substantially altered the terms and conditions under which water for agriculture is allocated, and ensured more equity in the provision of water for smallholder farmers.

However, the division and settlement of many large farms has changed and probably increased the demand for water by the smallholder farming sector. This demand will increase further if this sector is expected to play a more significant role in agricultural production. Thus, there is need to review and further discuss the distribution and access to water among land users under the new situation.

The 1998 Water Act and its accompanying regulations need to be reviewed to achieve a more equitable use of water in the face of new challenges arising from applying these water reforms under the new situation resulting from land reform.

It is only when combined with access to water that the productivity of land can be enhanced increasing earnings, alleviating poverty and contributing to economic growth.

Moving Forward on the Environment

Poverty can drive people to 'mine' natural resources. Thus, the decline of the economy drove many Zimbabweans to rely more on nature and natural goods – timber, firewood, bush meat, wild vegetables, traditional medicines etc. During the crisis period environmental management efforts had weakened because of staff attrition and inadequate resources, that made environmental regulation weak due to a decrease in enforcement capacity (deforestation and gold panning being two clear examples).

A priority must be strengthening of the Environmental Management Agency's capacity, especially at sub-national level, as it is in these areas that most of the work needs to be done.

The rural restructuring that occurred as a result of the Fast Track Land Reform Programme has changed the dynamics of environmental stewardship and attitudes and patterns of resource use. This change has affected both wildlife and forest products directly. Deforestation has risen significantly due to reduced protection and increased demand for fuel wood as paraffin and electricity were less available during the economic crisis period. Further, since 2000, forests and wooded areas have been cleared for cultivation. While the exact rate of deforestation in Zimbabwe is unknown, estimates suggest ranges between 100,000 and 320,000 hectares per year.

An audit of the state of the environment is now needed, because of the changes that have occurred over the past decade.

This would build confidence and strengthen the environmental agenda of the Ministry of Environment and Natural Resources Management. The audit would form the basis for a new vision on the environment and provide an entry point for other actions to promote sustainability.

Finally, Zimbabwe will need to think about global environmental change. Rainfall patterns in southern Africa are widely believed to be changing already, so research is urgently needed on adaptations to climate change and such issues as drought resistant crop varieties and alternative land uses.

Revamping Zimbabwe's Education Sector

Hyperinflation and the associated economic problems had serious impacts on education during the socio-economic crisis period. Government salaries had become worthless, and *ad hoc* systems of fees were introduced to provide some kind of wage for teachers and nurses. These fee structures meant that the poorest could not attend school and there was a brain drain, as teachers went to South Africa and elsewhere. The introduction of multi-currencies has already brought some recovery; however, because of a decade of underinvestment, the demands in the education sector are huge, while available funds remain limited. The need in education is to expand coverage while at the same time improving quality. Clearly there will be issues of affordability.

Given that the State lacks resources and the education system has not seen substantial investment in nearly a decade, a compromise will have to be struck between offering free universal education and recovering some costs. Hard choices will be necessary, requiring an open policy dialogue around the issue.

If Zimbabwe is not to leave a substantial percentage of its population with a sub-standard level of basic education and limited employment prospects, it will need to return to its original policy of free primary education, and extend it to cover two years of junior secondary education.



Investment in education is one of the key ways of moving and staying out of poverty (Photo © Tsvangirayi Mukwazhi)

About one quarter of primary school children (100,000 children out of about 400,000) were not completing Grade 7, and a further 70,000 did not enter secondary school during the crisis period. Therefore, around 170,000 children each year were not achieving the nine years of education that are essential to fully participate in social, political and economic development.

Although the education sector is recovering rapidly, a large number of young people partially lost out on education and are probably too old to be re-integrated into the formal education system. Thus there is a significant group of young people not in education, employment or training. Most of these children will find it difficult to make a living; as they will have few opportunities to increase their productivity or obtain better jobs. Experience from elsewhere in Africa suggests that these young people often drift into the informal sector where they make their living on the edge of the law, sometimes participating in violent and illegal activities.

One of the first priorities of government should be to provide education, training or employment support for this group of not in education, employment or training young people.

Linking education and training more closely to economic development

Investment in education is one of the key ways of moving and staying out of poverty. Despite the decline of the economy during the past decade, Zimbabwe still has the highest literacy rate in Africa. However, the need for economic development requires a shift in the education system at all levels, particularly at secondary, technical/vocational and tertiary levels.

The post-independence focus on preparing people for the public sector needs to change to providing people with the technical skills and entrepreneurial approaches demanded in the 21st century. This means more technical and vocational training at secondary school level – the present output of 20,000 graduates each year is insufficient.

Consideration should be given to add more science and technical/vocational content in education, plus education for real life challenges.

Community involvement and decentralisation, which kept the education system running during the most difficult times of the last decade, are essential for sustainability in the future.

Stabilizing the Health Sector

Similar to education, the health sector suffered from limited resources, staff attrition and lack of maintenance of existing structures and equipment during the last decade. Therefore, the government needs to stabilize and restore finances, staffing, systems and the structure of the health service before any long-term programming can take place.

The priorities are dealing with the basic emergency and curative services and providing low-cost preventative services, particularly immunisation. The most vulnerable are the under-fives, pregnant women and those with underlying health conditions. These must be prioritised and their specific needs should be clinically determined. Other priorities include arresting brain drain through introduction of retention schemes; revitalizing of training facilities; rebuilding management capacity; re-establishing medical and surgical supplies chains and re-establishing the health information system.

In terms of public health, a high priority must be to provide resources to local governments so that they can restore basic water supply and sanitation services.

Once the immediate health risks have been addressed, the next step is to restore health programming and to return to primary and curative health-care strategies with a focus on quick win areas or quick impact programmes. The biggest health needs are likely to be financial resources and filling the gaps caused by the brain drain. External donor agencies are likely to play a role in both cases. However, there is a real danger of external agencies trying to apply inappropriate lessons in Zimbabwe which fail to take into account the country's history and high skill level, as well as the fact that some health services continued to operate even during the most difficult times. It therefore becomes essential that health workers and health institutions become involved in a policy dialogue to establish needs and priorities that are required to revamp their sector.

A key issue for dialogue will be about fees and cost recovery, which tend to exclude the poorest from medical care.

The international community has channelled some of its resources through civil society in the last five years. Therefore it will be important to include civil society actors and health NGOs in any policy dialogue on health.

Social Protection for the Poor

Social protection is public action undertaken to address vulnerability, risk and deprivation within the population. After a difficult decade of economic crisis, most governmental social protection became restricted. With declining formal employment and hyperinflation, social insurance had become all but worthless, while there was little scope to enforce labour-market regulation. Publicly funded social assistance (notably food aid and agricultural input support) still continued, though at a reduced rate, but most of the distribution of food aid and protection of the vulnerable and poor was done by non-state actors, which targeted orphans and other vulnerable children and adults.

After the 1980s and 1990s when the international financial institutions pressed constantly to reduce the role of the State, these global bodies have partially reversed their position and increasingly expect the State to take a lead in developing comprehensive social protection schemes for its citizens.

Given the high levels of poverty in Zimbabwe, it is imperative to carry out a comprehensive review of social protection and to formulate a more integrated and inclusive social protection system

The goal should be to establish a minimal livelihood flow, below which citizens will not fall. This should aid to restore central planning and systematic social protection by the State.

Workfare relief

A major priority for the government is to ensure food security to both the urban and rural poor. Workforce relief might be a sustainable medium to long-term response to the severe food insecurity across the country. Labour-based relief for the able bodied adults, while keeping a streamlined food aid programme for primary school children and the elderly, would help stretch the government's resources. With high unemployment and a situation in which a significant portion of the country's physical infrastructure (roads, rural schools, clinics, water systems, sewage systems, etc) needs repair, trading famine relief for labour would be prudent. The success of labour-based relief will depend on adequate technical monitoring and supervision of projects.

Cash grants

The economic crisis hit orphans, the elderly and adults with chronic illnesses the hardest. Although the state and some non-state actors provided for some of their needs (notably medicine and food), the government will need to find ways to extend coverage of these groups by shifting from food packages to cash transfers, perhaps based on some age, health and educational conditionalities.

Elsewhere, cash grants for orphans, vulnerable children and the elderly are the most common forms of social protection. Cash grants are clearly better than food or other commodities, because families can decide how best to spend the money. They can instil confidence and provide a level of independence that direct food aid does not achieve. Selecting recipients, however, is a complex administrative task, and can be divisive in communities, particularly when a community says 'we are all poor here'.

A simpler alternative is gaining favour in many countries, namely cash transfers to large groups. South Africa gives non-contributory pension to all people over 65 years old. Many countries give benefit-cash transfers to all children under 15 or 12 years old. These are administratively much simpler, as choices do not have to be made, and are seen as fairer and more politically acceptable. Where most families with children or elderly people are poor, such broadly based cash transfers are good at targeting poor families

As well as providing social protection, cash transfers have another advantage. They are developmental, in that the money is spent locally and thus stimulates the local economy. Also, even if the grant is technically a child benefit, families spend some of the money on fertiliser or other inputs which promote production.

A basic cash transfer can be introduced at a cost of 0.5 per cent of Gross Domestic Product.

However, there is need to dialogue among government and its citizens on the introduction of the cash transfers, as there are issues of affordability given the state of the national economy, and of conditionalities that need to be determined.

The Basic Income Grant (BIG)

There is substantial discussion in southern Africa about the Basic Income Grant (BIG) as a way of promoting inclusive citizenship. The BIG is a grant paid to all citizens, without means testing, and financed through taxation. A BIG pilot was recently carried out in Namibia.

The universality of a child benefit, non-contributory pension, or BIG might be appealing in Zimbabwe. They reduce the administrative burden of targeting or means testing, which is especially difficult and divisive when nearly everyone is poor. They prevent all accusations of favouritism and politicization of allocation of grants. The hyperinflation of 2007-2008 means that many poor rural families simply lack cash to become productive farmers, and such grants could provide the cash to help communal and resettled farmers to become productive.

Information and Communication Technologies (ICTs) for Development

During the period of crisis, the Information and Communication Technology (ICT) sector suffered like all the other sectors. As a result Zimbabwe was ranked among the lowest countries in the world for information technology (placed 132 out of 134 countries surveyed in 2009). Compared to other countries in the region, Zimbabwe has been slow to embrace the commercial and governance potential offered by the new ICTs. Yet the potential for information and communications technology (ICT) is huge.

Zimbabwe could take advantage of new and innovative offerings like mobile banking (m-banking) such as those in South Africa (WIZZIT) and Kenya (M-Pesa).

The prospective for this industry to generate jobs is already evident and government should explore ways to enhance this technology.

A recent ICT survey in Zimbabwe identified as priorities: infrastructure development; finance mobilisation; and human resource development and capacity building. On infrastructure and financial resource mobilisation, promoting competition and public-private partnerships will encourage investment and reduce access costs for consumers. The growth of ICTs in African countries such as Nigeria is directly linked to creating a competitive environment, lowering barriers to entry, and allowing market forces to determine the pace of growth.

The establishment of a Ministry for ICT in Zimbabwe has created an institutional base from which to direct sound policies for the ICT sector. An ICT policy was previously launched by the Ministry of Science and Technology.

Since the ICT sector is constantly improving and changing the Ministry of ICT should review the policy to ensure that it is on a current, robust, coherent and internally consistent framework cognisant of the cross sectorial nature of ICTs.

Simply implementing the right policies and a regulatory environment will not produce the skills to run the sector, or attract back lost talent, so a focus on capacity building is needed.

There is need to create an e-culture that extends to primary education, and promotes ICT use at an early age. At tertiary level it is essential to establish centres of excellence in ICT. The State can lead this, but private sector involvement is also needed.

Revamping the Public Service

Zimbabwe's Public Service, one of the best in sub-Saharan Africa in the early 1990s, has been weakened by staff attrition and declining budgets during the last decade. Flexible and competent public management will be essential if government is to keep up with the very rapid changes and introduce the new policies needed to promote sustainable development.

In addition to rebuilding the Public Service through concrete tasks such as filling vacant posts, re-installing systems and revamping training institutions there will be need to work on complementary aspects such as organisational culture. Improving the capacity of civil servants, to deliver services effectively, especially to poorer people, and develop a client orientation, are priorities.

Rapid growth and sustainable development means that a good public service will have to become better and more responsive to a new range of demands, for example from a large group of resettled farmers who will be pressing for land titles, agricultural extension, water, schools and health facilities. This will require strengthening the capacity of Permanent Secretaries to take a leading role in the reforms through targeted staff development programmes, especially in corporate planning, strategic management and the promotion of a culture of excellence. In addition, government will need to ensure that civil servants are fairly rewarded and are motivated to work.

Improving the capacity of the bureaucracy to deliver services effectively will require a more organized and structured system to identify needs.

Regular and simple customer surveys should be introduced to ensure that services offered are accessible and meet client needs, to assess the conduct of public officials as well as to enhance accountability.

Part of the revitalisation and transformation of the public service will require the appointment of more women into decision-making positions.

Finally, the changes over the past decade, combined with the rapid current changes, make it difficult to establish accurate pictures of the present development and poverty position and the changes in them. This means that there should be more support provided to the Zimbabwe National Statistics Agency (ZIMSTATS) (former Central Statistical Office), to produce accurate statistics for planning.

Migrants and Poverty-focused Development

Major population movements have taken place and it is estimated that between 1.5 and 3 million Zimbabweans have emigrated over the ten years of economic decline. Most skilled professionals remain within the region, especially South Africa, Botswana and Namibia, although a significant number emigrated to Australia, Canada, New Zealand, the UK and the USA. Most emigrants were able bodied and of working age, which has caused a major human capital loss and is partly responsible for the decline in productivity and service delivery. Evidence elsewhere suggests that in the short term it is unlikely that those who have settled and are gainfully employed will migrate back to Zimbabwe once the situation stabilises; it is mainly the less skilled and those that are educated but unemployed who are likely to return.

The diaspora could be a significant source of investment capital, if the correct mechanisms are put in place. Available evidence suggests that to date most investment by emigrants is spent on sustaining relatives or goes towards conspicuous consumption. However, in Asia, South America and elsewhere in Africa emigrants have made a difference when organised into hometown associations, and the government might wish to encourage investment from such groups.

Some emigrants working as professionals have gained valuable experience and they need to be enticed back. It is probably in non pecuniary remittances that Zimbabwe could gain the most. This is one area where the government, working with donors, can harness the human capital that probably benefitted the most from post-independence investment in education. The health and education sectors should be targeted most as these were the areas hardest hit by the brain drain.

Emigrants need to feel that the government values them as citizens and does not view them as having divided loyalties.

Confidence-boosting measures might include restoring voting rights for emigrants who hold Zimbabwean citizenship and creating mechanisms for them to be heard. In exchange, emigrants should be prepared to pay an annual tax, which could be channelled into development projects, for retaining Zimbabwean nationality

Clearly this is a controversial recommendation but it could be a way for emigrants to contribute directly to the State budget.

What roles for development partners?

Development partners from traditional donor countries are anxious to return to Zimbabwe, but are unsure how to respond to the opportunity created by the formation of the Government of National Unity. Most donors have a clear idea of what they want and do not want to do. They may attempt to import programmes from other countries and simply apply them in Zimbabwe without an understanding of the Zimbabwean reality and also ignoring Zimbabwean expertise and institutions. Zimbabwe can make good use of donor money and skills, but careful negotiation will be required. The Paris Declaration lists most of the ways to make donor funding in Zimbabwe more effective.

Conclusion

Zimbabwe is already moving forward. The country has rich natural resources, particularly minerals, land and biodiversity, which, if managed wisely by adding value and developing good market linkages, could make a major contribution to sustainable development and significantly reduce poverty. Sound policy frameworks exist, together with structures and institutions. Experience has shown that to be effective, action needs to be concentrated at local level and therefore local-level institutions need to be strengthened and empowered.

Land reform has created a large new group of smallholder farmers who will transform the rural economy. There are opportunities for further land redistribution to benefit poor rural households. Given better quality land than they have at present and the necessary inputs, these small holder farmers can improve their well-being and contribute to development.

Quick wins can be achieved by promoting agricultural production in communal lands and resettlement areas. Providing 'full packages' of agricultural inputs for the next three seasons would raise productivity, generate employment and directly tackle poverty.

The impacts of the economic crisis, the hugely varied responses to it, and the complex strategies employed by Zimbabweans, mean that there have been dramatic changes in the livelihoods of most people in the country. Land reform has transformed the rural economy and social and economic relations. The use of multi-currencies is provoking a new wave of changes. Policy makers must run to keep up with the changes taking place on the ground. Few people have a good overview of this complex and rapidly shifting picture, and no single person or group has all the answers. Academics have a crucial role to play in utilising research to quickly develop a better picture of the complex reality on the ground and to encourage and promote a wide-ranging policy dialogue to support the government in identifying knowledge based policies that need to be introduced to improve the lives of Zimbabweans, particularly the poor, so that they can be part of, and contribute towards the development process.

Zimbabwe could be on the verge of an agricultural and developmental revolution. This Policy Dialogue Initiative is one small part of supporting that revolution.



The University of Manchester
Brooks World
Poverty Institute

MANCHESTER
1824

IES

INSTITUTE OF
ENVIRONMENTAL
STUDIES
University of Zimbabwe

ISBN No: 978-0-7974-4406-5

The research presented in this publication is the result of a project funded by
Canada's International Development Research Centre (www.idrc.ca)

IDRC  CRDI



This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 License.

To view a copy of the license please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

This is a download from the BLDS Digital Library on OpenDocs
<http://opendocs.ids.ac.uk/opendocs/>