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Topic: China in Zimbabwe: Exploring the Political and Economic Impacts of Chinese Engagement in the Zimbabwean Crises

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ABSTRACT

Between the years 2000-2009, Zimbabwe experienced the worst socio-economic and political challenges in its post-independence history. The period saw a spiral downfall of the economy in the midst of an increasingly unstable political landscape. As a result of the deteriorating economic environment and a worsening human rights record, Zimbabwe’s traditional aid donors and trading partners from the West began to disengage from the country, withdrawing their commercial and political support. In the midst of Western isolation and sanctions, China increased its stakes in Zimbabwe. China does not interfere in her partners’ domestic affairs hence she snubbed Western calls to put pressure on the Zimbabwean government for political and economic reforms. Thus, China offered both economic and political support in various forms to the Mugabe administration. China provided Zimbabwe with several trading arrangements, aid, loans, investments and as well as diplomatic support in the United Nations Security Council during the crisis period. The study explains the post-2000 nature of China’s increased engagement with Zimbabwe and explores the economic and political effects resulting from this close interaction. The study revealed that China’s support was important to bail out the Zimbabwean government against Western sanctions despite failing short of preventing the deterioration of the country’s political and economic situation.
DECLARATION

I, Trust Mvutungayi, hereby declare that this research report, submitted to the University of the Witwatersrand, Johannesburg for the purposes of attaining the Master of Arts in International Relations degree is my own work. It has not been formally submitted for any other degree or examination at any other university for degree purposes.

Signed by_______________________________

Signature_______________________________

day of September, 2010
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ABBREVIATIONS

ACP - African, Caribbean and Pacific
AIPPA - Access to Information and Protection of Privacy Act
CATIC - China Aviation Technology Import-Export Corporation
DRC - Democratic Republic of Congo
ESAP - Economic Structural Adjustment Programme
EU - European Union
FDI - Foreign Direct Investment
FOCAC - Forum on China-Africa Cooperation
GDP - Gross Domestic Product
HCC - Hwange Colliery Company
IMF - International Monetary Fund
MDC - Movement for Democratic Change
MDC-T - MDC - Tsvangirai
MMCZ - Mineral Marketing Corporation of Zimbabwe
Norinco - China North Industries Corporation
NRZ - National Railways of Zimbabwe
POSA - Public Order and Security Act
RBZ - Reserve Bank of Zimbabwe
SADC – Southern African Development Community
U.S – United States
UN – United Nations
UNSC - United Nations Security Council
US$ - United States Dollar
USAID - United States Agency in International Development
WHO - World Health Organisation
World Bank - International Bank of Reconstruction and Development
ZANLA - Zimbabwe African National Liberation Army
ZANU – PF - Zimbabwe African National Union - Patriotic Front
ZAPU - Zimbabwe African People’s Union
ZEDC - Zimbabwe Electricity Distribution Company
ZESA - Zimbabwe Electricity Supply Authority
ZIDER A - Zimbabwe Democracy and Economic Recovery Act
ZIMASCO - Zimbabwe Mining and Smelting Company
ZISCO - Zimbabwean Iron and Steel Corporation
ZNCC - Zimbabwean National Chamber of Commerce
ZUPCO - Zimbabwean United Passenger Company
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1.1. Background
Since the end of the Cold War, China has been strengthening strategic partnerships with developing countries around the globe. It is however, China’s invigorated engagement with African countries that attracted profound interest among scholars, analysts and critics the world over. Much scholarly interest is on the geo-political and economic implications resulting from the increased Chinese presence on the continent. According to Kweku Ampiah and Sanusha Naidu, China is “seemingly challenging the hegemonic positions” that have long been “monopolised by the United States of America (U.S), Britain and France in Africa.” China’s recent economic power has also been hugely affecting the economic interests of these major powers on the continent. Put in other words, China’s venturing into the sphere of influence of these former colonial powers threatens to undermine certain distinguished goals of the West such as “isolating rogue governments for failing to promote democracy, comply with international law…or respect human rights.”

China has often been heavily criticised particularly by Western powers for its willingness to support ‘despotic’ regimes in African countries such as Angola, Sudan and Zimbabwe. While the former U.S Secretary of State, Condoleezza Rice described

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2 The West in this context refers to countries in the developed world which generally condemned Zimbabwe during the crisis period particularly the United States, Britain and France and others in the European Union. This also includes Australia, New Zealand as well as institutions such as the World Bank and The International Monetary Fund because of their demands for political and economic liberalization in their aid policies to developing countries. Also note that the word West or Western will particularly be used in the same context in this paper.
Zimbabwe as one of the so called “outpost of tyranny,”\(^5\) China continues to partner with the country as an old friend and ally.\(^6\) From the late 1990s to date, Zimbabwe has been embroiled in the worst political and economic challenges of its post-independence history. Meanwhile, although the country has not yet fully recovered from the troubles of a remarkable political and economic slide, major economic problems such as inflation and commodity shortages have subsided with the dollarization of the economy since early 2009. Political problems, however, still persist as the inclusive government remains divided over power sharing. In the last decade, Zimbabwe’s socio-economic and political structures systematically deteriorated, invoking diverse opinions and responses from the country’s allies and critics around the world.

Since the year 2000 until the formation of the inclusive government, Zimbabwe’s political landscape was characterized by internal violence and gross human rights violations. Violence was mainly noticeable in the land reform processes and increased tremendously in the aftermath of the 2008 disputed elections. In addition, the country’s economy suffered a spiral downfall over the same period as shown by worsening macro-economic indicators and continual deterioration of industrial output.\(^7\) It is reported that between 2000 and 2008, Zimbabwe’s national economy contracted by as much as 40 per cent, as inflation rose from about 25 percent in 1997 to 231 million per cent in July 2008.\(^8\) Foreign direct investment dwindled from US$400 million in 1998 to less than US$30 million in 2008 while unemployment rose to more than 90 per cent by July 2008.\(^9\) Severe shortages of foreign currency, fuel, and other basic supplies from the formal market further strained the country’s economy.

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\(^5\) This phrase was used by the former US Secretary of State, Condoleezza Rice to refer to a list of six countries deemed to be most repressive. These include Iran, North Korea, Cuba, Belarus, Zimbabwe and Myanmar. Newzimbabwe.com: “Condoleezza Rice says Zimbabwe ‘outpost of tyranny’” Available Online at http://www.newzimbabwe.com/pages/powell18.12161.html.


\(^7\) Ibid, p. 5


\(^9\) Ibid
The general decline of Zimbabwe’s socio-economic structures also resulted to a tragic health crisis which resulted in the closure of major referral hospitals and the collapse of the education system which witnessed the closure of most public schools for long periods in 2008. These events, patterns and the recurrence of a cycle of poverty, violence and repression describe what has generally been referred to as the ‘Zimbabwean crisis.’ It was this situation that greatly led to the large scale migration of the country’s working class population into neighbouring countries particularly Botswana and South Africa, with some going as far as the United Kingdom, Australia and other countries across the globe.

In response to the escalating violence, human rights violations and political repression in Zimbabwe, motions of isolating President Mugabe’s Zimbabwe African National Union-Patriotic Front (ZANU–PF) government were raised among most Western governments with Britain and the United States of America leading this campaign. Suggestions on suspending Zimbabwe from major international institutions such as the United Nations (UN), the International Monetary Fund (IMF), the World Bank as well as the Commonwealth were also raised. The U.S Congress passed the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) in December 2001 to push for political and economic reforms in Zimbabwe. In the same pattern, the European Union imposed targeted sanctions in 2002, as the Commonwealth battled over the decision to suspend Zimbabwe’s membership, effectively paralyzing the country’s economy.

Against this background, China sturdily stood with the Zimbabwean government and continued to partner with the regime despite Western opposition and chastisement. China supplied Zimbabwe with generous and unconditional aid, replacing rigorous IMF and World Bank loans. Its engagement with Zimbabwe in terms of bilateral trade and

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12 According to the International Crisis Group, ZIDERA was an approach that included incentives for a free and fair election and economic development. It also allowed the US to impose targeted sanctions against key ZANU PF officials.
13 The International Crisis Group: Op cit, p. 16
investment had already reached US$191 million by 2002.\textsuperscript{15} Its capital has been mainly directed into mining, electricity generation, infrastructural construction, farming, irrigation as well as other sectors that had been abandoned by traditional Western investors.\textsuperscript{16}

Recent studies on China-Africa relations largely dwell on the general overview of China’s involvement in Zimbabwe without sufficiently engaging the rationale for China’s current, more embedded interest in the country despite its unpleasant economic and political circumstances. The political and economic implications of this renewed engagement have not been adequately explored. Hence, China’s engagement with Zimbabwe in the context of the recent crisis needs to be explored to establish the economic and political implications of this renewed relationship.

1.2. Statement of the Problem
Since the turn of the millennium, China has displayed a refreshed interest to relate with Zimbabwe in direct contrast to the Western disengagement from the country. In the midst of a declining economy and an increasingly volatile political environment, the West began to withdraw their support and resources from Zimbabwe to show their displeasure with President Mugabe’s policies. On the contrary, China increased its involvement in the country through copious diplomatic, financial and military assistance.\textsuperscript{17} The current Chinese engagement in Zimbabwe is grounded on the premises of a close historical relationship described by Zimbabwean officials as an “all-weather friend.”\textsuperscript{18}

\begin{itemize}
\item \textsuperscript{16} Schwersensky S: “Harare’s ‘Look East’ Policy now focuses on China” in le Pere G (edr): China in Africa: A Mercantilist Predator or Partner in Development, The Institute of Global Dialogue, Midrand, 2007, p. 23
\item \textsuperscript{17} Peter Brookes and Ji Hye Shin: “China’s influence in Africa: Implications for the United States,” Backgrounder, The Heritage Foundation, No. 1916, February 22, 2006, p. 6
\item \textsuperscript{18} ‘All-weather friend’, quoted in the words of former Zimbabwe Speaker of Parliament Emmerson Munangagwa when he said, “with all-weather friends like the Peoples Republic of China…Zimbabwe will never go wrong” see Paul Mooney: China’s Africa Safari, YaleGlobal 3 January 2005; Chibuzo N. Nwoke: China and Africa: The Dynamics and Prospects of a New Model of South-South Cooperation, Paper presented at the 12\textsuperscript{th} EADI General Conference on Global Governance for Sustainable Development, Geneva, June 2008, p. 17
\end{itemize}
such language implies a brotherly relationship that would result in positive economic and political gains for both countries. For the Zimbabwean government, close interaction with China envisages a relationship that would be instrumental for stabilising the country’s economy.

This study assumes that it was the West’s withdrawal from Zimbabwe which prompted the Zimbabwean government to seek renewed relations with China. At the same time, it was perhaps the pulling out by the West from Zimbabwe which presented China with an opportunity to re-establish its relationship with an old ally.

1.3. Aim
The study seeks to explore and evaluate the post-2000 renewed relationship between China and Zimbabwe. It seeks to understand China’s interests to engage Zimbabwe in the wake of a highly unstable political and economic environment snubbed by the West. It is to examine the nature of the recent China-Zimbabwe relations in terms of aid, investments and diplomatic political support to the Zimbabwean government. Further, the study intends to explore the local expectations and responses by the Zimbabwean elites, the business community and the general population to escalating China’s involvement in the country. The research aims to evaluate the costs and benefits of this engagement and the impact it had on Zimbabwe’s political and economic landscape. The overall aim of this study is to establish opportunities and challenges for Zimbabwe arising from re-establishing strong relations with China in the context of a collapsing economy and deteriorating social and political environment. The study thus, seeks to evaluate the extent of China’s contribution in ameliorating Zimbabwe’s socio-economic and political problems during the crisis period.

1.4. Research Questions
The study will be guided by the following main research question:
What is the significance of China to Zimbabwe’s economic and political landscape during the crisis period (2000-2009) and the implications thereof on Zimbabwe’s future?
In addition it will be guided and informed by the following sub questions: What are the basic tenets that underline the post-2000 Chinese engagement with Zimbabwe and Africa in general? What difference did the enhanced relationship with China make to Zimbabwe’s economic and political crisis after isolation by the traditional Western partners? To what extent did China help to stabilise Zimbabwe’s economy after the withdrawal of the West. What are the local perceptions and responses to China’s increased presence in Zimbabwe? What is the likely future outcome of this relationship and what are the lessons that can be drawn?

1.5. Rationale

Contemporary China-Africa relations have attracted considerable scholarly interest. Studies of China’s foreign policy towards Africa mainly focus on its thirsty for the region’s natural resources particularly oil in Angola, Nigeria and Sudan as well as other resources endowments on the continent. While some scholars have written on China’s support on the Zimbabwean government in the face of its deteriorating human rights record, few have taken notice of the recent China’s intensive ties with the country. As one of the important centres of power in the international system, there has been concerted calls for China to adhere to and assume international responsibility with regard to cherished principles, norms and values such as good governance, human rights and the rule of law. In its interactions with other states however, China strongly adheres to principles of sovereignty and non-interference in domestic affairs of its partners. Zimbabwe is a case of collision between China’s non-intervention policy and the international normative expectations on the Chinese government. The understanding of

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19 Kweku Ampiah and Sanusha Naidu: Op cit, p. 4
22 Ilana Botha: China in Africa: Friend or Foe? China’s Contemporary Political and Economic Relations with Africa, University of Stellenbosch, 2006, p. 3
how China’s policy and these international calls played out during the Zimbabwean crisis is of particular importance to this study. The collision of these factors, juxtaposed with a persistent economic downfall and growing repression in Zimbabwe underscores why exploring the close state of affairs between the two countries is significant during the time in question.

This study helps to understand how the coalescence of external actors with different agendas and expectations can influence a country’s economic and political landscape. While there were different international actors present in Zimbabwe during the crisis period, this study focuses on China mainly because of its uncompromising stance to stand with the ZANU-PF government against the backdrop of Western isolation. China’s contribution through loans, investments, trade commitments and its unwavering diplomatic support in the United Nations and other multilateral forums will form the basis of this study. In this regard, the study will contribute to policy literature as it will shed more light on how external factors impacted the political and economic situation in Zimbabwe during the crisis period. In whole, this study significantly contributes to the existing literature on China-Africa relations, and more specifically to the literature on China’s direct engagements with Zimbabwe.

1.6. Theoretical Framework
The study aims to discuss the post-2000 China - Zimbabwe relations under the prism of the realist theory. Realism is one of the dominant theories under which international relations are studied and states’ behaviour in relation to others can be analysed. Realists, such as Hans Morgenthau, Joseph Nye, and John Mearsheimer converge on the notion that states are the main actors in the international system whose behaviour and affairs are guided by the ultimate goal of survival.24 Realists perceive the international system as anarchic.25 However, this does not mean the existence of chaos and perpetual conflict, but it depicts that there is no permanent or universal authority in the international system that

regulates states’ behaviour.\textsuperscript{26} There is also the existence of mutual suspicion in world politics, meaning that states’ intentions and expectations are never fully disclosed to their counterparts hence states neither have permanent friends nor permanent enemies. Furthermore, state action and behaviour is mostly stirred by national interests, which in many cases override certain internationally applauded values and norms such as democracy, human rights and the rule of law.\textsuperscript{27} Since international relations is dynamic, state interests also change from time to time as they modify their policies and transform their means of engagement to adjust to the changing nature of the international system.

From a closer look on the patterns and trends of the present Chinese engagement in Zimbabwe, one can understand that despite recent issues of globalization and increased interdependence amongst states, China-Zimbabwe relations are firmly grounded in the realist school of thought. The Zimbabwean crisis presented what can be described as a chaotic coalescence of international values, norms and interests, as different states and other actors sought to influence economic and political outcomes in the country. The coalescence of various diverging interests thus, represents the anarchic nature of the international system. As realists claim, there is no higher and sovereign authority in the international system to regulate states’ behaviour.\textsuperscript{28} Despite efforts by China to advance some moral values of cooperation, the rationale behind China’s actions and behaviour in its engagement with other states particularly in Africa seems to be taking the realist pattern. During the crisis period, issues of democracy, human rights and the rule of law became the main reference of Western criticism of the Zimbabwean government.\textsuperscript{29} China however, did not consider these values in its relationship with Zimbabwe. Instead, China adopted a “hands off” approach on the country’s governance issues.\textsuperscript{30}

\textsuperscript{26} Lo cit
\textsuperscript{27} Joseph S. Nye Jr: Op cit, p. 243
Although China regards itself as a growing democracy, its behaviour in contemporary world politics shows that it is not devoted to any higher international ideological interests and values such as the rule of law, democracy and human rights. Through the “Go global” policy, China espouses a system of non-alignment and non-interference in domestic affairs of its partners guided by its own national interest and unprecedented pursuit for resources. In exchange for access to oil and other raw materials to fuel its booming economy, Beijing intents to boost its bilateral relations with resource rich states, striking deals with African states that have been labelled by the West as ‘rogue states’ which include Angola, Sudan and Zimbabwe. Denis Tull put it clear when he argued that China has been able to invest and do business with these countries despite wide criticisms by the West for bad governance and gross human rights violations.

Realists also claim that states’ behaviour in the international system is guided by their national interests. At the root of this idea of national interest is the realist principle of state security and national survival. With increasing economic hardships and rising political and economic isolation by traditional partners from the West, political survival became a priority for President Mugabe’s government. In this case, the Zimbabwean government adopted a self-help approach by re-engaging its old ally for both financial and political support.

The Zimbabwean government undoubtedly employed various methods including repression for its own survival. For instance, through the clean-up campaign of “illegal” settlements and informal markets, an exercise dubbed ‘Operation Murambatsvina’ of
May 2005, a large number of urban dwellers in Zimbabwe were sacrificed for state survival as their increased activism was suspected to be a big threat to the government’s popularity, particularly in the country’s urban areas.\(^{37}\) This issue was heavily criticised by the then U.S Secretary of State, Condoleezza Rice, invoking Zimbabwe’s suspension from United Nations Security Council (UNSC) on grounds of gross human rights violations. China and Russia however, opposed any discussion of the subject in the UN Security Council on the grounds that it would amount to meddling with Zimbabwe's internal affairs.\(^{38}\) Zimbabwean prominent scholars such as Lloyd Sachikonye, John Makumbe and Eldred Masunungure agreed on the view that the clean-up campaign was motivated by the government’s quest to create space for Chinese businesses in Zimbabwe’s urban centres.\(^{39}\) This argument was raised probably because the clean-up campaign mainly targeted informal traders and small enterprises in urban areas. In this regard the United Nations which is probably the highest world authority in checking states’ behaviour in the international system could not control China’s position over Zimbabwe.

Realism however, falls short in explaining the current China-Zimbabwe relations in the sense that it fails to recognize the importance of and the role played by non-state actors during the Zimbabwean crisis. By viewing states as unitary actors in international relations, realism seem to play down the role played by inter-governmental organisations such as the United Nations, the European Union, the Commonwealth among others. Although China, with the cooperation of Russia managed to challenge other members in the UN Security Council on the Zimbabwean issue, the pressure and tension involved in handling Zimbabwe in the world’s governing body should not be undermined. Also, the pressure put by the European Union through sanctions had a huge impact in weakening

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the Zimbabwean economy. Non-governmental organisations particularly those engaged in human rights advocacy also played their part as they pillared more weight on the Zimbabwean government by constantly criticising its handling of human rights issues through the local and international media.

Realism’s over emphasis on the pursuit of national interest in terms of power negates the cooperative nature of states in situations of expected mutual gain. The theory perceives international economic cooperation as a “zero-sum game”, in which “the gain of one party necessitates a loss for the other party.”\(^{40}\) In its engagement with African states including Zimbabwe, China has not been the sole beneficiary of these relationships. Some African states, among others, Angola and Ethiopia have been benefiting to a large extent through investments and infrastructural development projects such as bridges, dams, roads supported by the Chinese government and private corporations which are expanding their business on the continent.\(^{41}\) More recently, China has been interacting with different countries despite poor record on democracy for development purposes. This is popularized through the benchmarks of “peace, cooperation and development” as outlined by President Hu Jintao at the inauguration of the Third Summit of the Forum for China-Africa Cooperation (FOCAC) in 2006.\(^{42}\)

Despite the above criticisms of realism, it however, has to be stated that realists do not say that cooperation never exists in inter-state relations. Joseph Grieco, for example asserts that cooperation between states is a way to maximise each individual state’s security and preferences.\(^{43}\) It therefore follows that, holding other factors constant, convergent state preferences beget inter-state cooperation while divergent preferences usually generate interstate conflict. For both Zimbabwe and China, principles of state

sovereignty, self determination and the protection of territorial integrity are at the core of two countries’ bilateral relations. Both states resolutely support the concept of sovereign independence and non-interference in other states’ domestic affairs. These shared principles can therefore, be regarded as the glue that kept these countries together for a long time despite international criticism on normative values of good governance and human rights. On this basis, values such as political and economic liberalisation, the rule of law, democracy and good governance are only important insofar as they are in harmony with the cherished national and international interests and goals of the state. In contrast, recent divergent interests and principles of governance have seen the deterioration of relations between Zimbabwe and the West.

Realist also support that state behaviour in the international system is strongly determined and / or limited by their power,\textsuperscript{44} perceptions\textsuperscript{45} and preferences of both their enemies (perceived or real) and their allies (both existing and prospective).\textsuperscript{46} This therefore means that what states do (their actions) is controlled by their power, what the international system is offering and what they can get from it in order to satisfy their interests. In this regard, the current behaviour of both China and Zimbabwe is determined not only by mutual interests but also by what they can get from each other as well as from other state actors in the international system. In this understanding, this study effectively adopts realism as the strongest theory in explaining the current China-Zimbabwe relations.

\textbf{1.7. Literature Review}

China’s invigorated engagement in Africa since the beginning of the 1990s attracted extensive academic and scholarly interest. Contemporary literature on China-Africa relations present different views regarding China’s increased involvement on the continent. This section therefore discusses these contemporary views on China’s

\textsuperscript{44} State power in this context is defined in terms of the material capabilities of the states and their capacity to convert their material resources into political power. Elements of power are usually identified in military, geographical and economic advantages that enable states to make other states do what they would otherwise not do. For more explanation of state power, see Lewis. W Snider: “Identifying the Elements of State Power, Where do we Begin?” \textit{Comparative Political Studies}, Volume 20, No. 3, 1987, p. 314-356

\textsuperscript{45} The way in which a state is perceived by others in the international system determines how other states will react towards it and hence affecting what it may or may not get from them.

\textsuperscript{46} Joseph Greico: \textit{Op cit}, p. 493
increased interest in the region and goes on to establish the relevance of these various perspectives to the study of the current China-Zimbabwe relations.

A large contingent of scholars share similar views with regard to the driving interests of the refreshed Chinese engagement with Africa. Ian Taylor, Garth Shelton, Philip Alves and Peter Draper among others concur that the current China-Africa relations are largely commercial.\textsuperscript{47} Both Shelton and Taylor argue that China’s policy in Africa is centred on increased economic interaction tiered on three main objectives which are China’s growing demand for energy (oil); Africa’s raw materials and natural resources; and Africa’s potential as a market for China’s finished products.\textsuperscript{48}

Others, for example Chris Alden and Stephanie Giry attributed this relationship to the increased need for diplomatic support in multilateral forums by both parties. Chris Alden asserts that most of China’s contact in Africa has been economic and diplomatic, largely targeting governments and elites in different countries.\textsuperscript{49} On the same note, Stephanie Giry puts it clearly when he presented China as “trying to buy the hearts and minds of African leaders as part of its broader strategy to acquire allies in developing countries so as to augment its soft power internationally.”\textsuperscript{50} Since most African countries have denied recognition of the Taiwan Republic, this political support is instrumental for China in its ‘One-China’ policy of integrating Taiwan administration into mainland China.\textsuperscript{51}

In the light of the above explanations of the perceived drivers of China in Africa, there exist intriguing interests and anxieties about the spreading shadow of China on the


\textsuperscript{48} Kweku Ampiah and Sanusha Naidu: \textit{Op Cit}, p. 5


\textsuperscript{50} Stephanie Giry: “China’s Africa Strategy – Out of Beijing”, \textit{The Republic}, November 5, 2004, p. 19-23

\textsuperscript{51} Ibid
continent. The rising interests of China on the African region, a country generally
considered as a non-traditional foreign power on the continent therefore generated two
polarising sets of scholarly views. While some concentrate on the positive postulations,
others, troubled by this trend, have chosen to dwell much on the perceived negative
perspectives of China’s invigorated interest on the continent.

In the light of the above, Debora Brautigam\textsuperscript{52}, Kwesi Kwaas Prah\textsuperscript{53}, David Shinn and
Joshua Eisenman\textsuperscript{54} among others view the increased China-Africa relations more
positively. These scholars collectively perceive that Africa has a lot to benefit from
China’s commercial interest in the region. In the same veil, Daniel Large regards China
as a catalyst for Africa’s development with a new level of improved livelihoods that had
not been known in the continent for decades.\textsuperscript{55} David Shinn and Joshua Eisenman, in
their study in the horn of Africa concluded that “China’s economic assistance and
investment contribute to the betterment of the Horn of Africa.”\textsuperscript{56} On the same stratum,
other scholars share the position that Africa tends to benefit from its close interaction
with China mostly in terms of small scale trading. Analysing China’s contribution on
micro-level business enterprises, Chris Alden found that there are examples of African
entrepreneurs in small and medium businesses who have benefited immensely from
Chinese investments particularly through “the growth of informal and formal linkages
with Chinese…business networks outside government sponsorship.”\textsuperscript{57}

\begin{flushleft}
\textsuperscript{52} Debora Brautigam: “Is Chinese Investment Good for Africa?” Council on Foreign Relations, Online
Debate, Last updated on 20 February 2007, Accessible at,
http://www.cfr.org/publication/12622/is_chinese_investment_good_for_africa.html
\textsuperscript{53} Kwesi Kwaas Prah: China and Africa: Defining a Relationship, Dialogue, Society for International
\textsuperscript{54} David Shinn and Joshua Eisenman: Dueling Priorities for Beijing in the horn of Africa, Association for
the Asian Research, The Jamestown Foundation Brief, October 2005
\textsuperscript{55} Daniel Large: China’s role in the mediation and Resolution of conflict in Africa, Centre for Humanitarian
Dialogue, the OSLO Forum of Mediators, OSLO 2008, Also see Garth le Pere and Garth Shelton: China,
Africa and South Africa: South-South Cooperation in a Global Era, Institute for Global Dialogue,
Engagement,” Review of African Political Economy, Volume. 35, No. 115 (Special Issue), March 2008
\textsuperscript{56} David Shinn and Joshua Eisenman: Op cit, p. 5
\textsuperscript{57} Chris Alden: “China-Africa Relations: the end of the beginning” in Peter Draper and Garth le Pere (eds):
Enter the Dragon: Towards a free trade engagement between China and the Southern African Customs
Union, Institute for Global Dialogue and the South African Institute for International Relations,
Johannesburg, 2005, p. 143
\end{flushleft}
Furthermore, Anthony Yaw Baah and Herbert Jauch argue that, ‘China’s engagement with Africa today is less motivated by ideological considerations but based on a commercial agenda that aims to sustain rapid industrialisation and economic growth rates.’ This is in agreement with Alden’s postulation that Chinese investments give Africa an opportunity to benefit especially in skills and technology transfer. Baah and Jauch share the same perspective as they argue that Africa stand to benefit more from China’s involvement in the sense that Chinese relations with the continent are coupled with aid, debt relief, scholarships, training and provision of technical specialists to African countries. China’s aid in Africa has been very crucial for development and in cushioning certain sections of the continent’s populations from abject poverty. In the same vein, it should also be noted that Chinese aid in Africa does not carry stringent conditionalities especially on governance and economic liberalisation usually demanded by the Breton Woods institutions, that is, the IMF and the World Bank lending systems. China, rather prefers the ‘no-strings attached’ approach in its engagement with African states.

Some scholars have however, adopted a more hostile stance on the recent China-Africa relations. Among others, Margaret C. Lee, Ian Taylor, and Adama Gaye analyse China’s commercial ascendency in Africa as a threat with an imperialist agenda. In Particular, Adama Gaye argues that China is “a new imperial power with a colonialist project who will pretend to be a saviour to Africa.” In relation to this, analysts such as Kweku Ampiah and Sanusha Naidu, agree with a host of other scholars who argue that Beijing’s

59 Chris Alden: China in Africa: Op Cit, p. 6
60 Anthony Yaw Baah and Herbert Jauch: Op cit
61 Debora Brautigam: Op cit.
63 Adama Gaye: Op cit
re-emergence in Africa “evokes visions of the ‘Second Scramble’, resulting in yet another impending round of the foreign plunder of Africa’s natural resources.”

In addition, scholars have also been sceptic about China’s silence on authoritarian governance in Africa. David Shinn asserts that, while concealing its predatory instincts, China has established partnerships mainly with regimes that have been linked with gross human rights abuses in Africa. In support of this view, Shinn cited Angola, the Democratic Republic of Congo (DRC), Sudan and Zimbabwe as examples in which Chinese engagement helped to promote the interests of ‘repressive’ governments.

Scholars have also levelled criticism against China for the ‘sometimes shady way’ in which it conducts its affairs in Africa especially in its political interactions. The principal tenets of China’s foreign policy towards Africa are non-interference in the internal affairs of other states and the respect for state sovereignty. These principles therefore seem to justify China’s policies of not attaching any political conditionalities in its African engagements. In this regard, Meine Pieter van Dijk asserts that China does not put significant value in principles such as democracy, transparency and human rights. This is in agreement with Ian Taylor who pointed out that China’s non-interference stance allows it to engage with more ‘despotic’ regimes in Africa. In light of these arguments, Ampiah and Naidu affirm that the relationship between China and certain African governments has been deleterious to achieving good governance and democratic state building on the continent.

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64 Kweku Ampiah and Sanusha Naidu: Op Cit, p. 5; Also see The Economist articles, Africa and China: Wrong Model, Right Continent, October 28, 2006, and China in Africa: Never Too Late to Scramble, November 3, 2006
65 The Economist: Op cit
66 David Shinn: Op cit
68 Meine Pieter van Dijk: The New Presents on China in Africa, Amsterdam University Press, Amsterdam, 2009, p. 17
70 Kweku Ampiah and Sanusha Naidu: Op Cit, p. 4
It has also been argued that China’s involvement in Africa is largely self-serving. Giles Mohan and Marcus Power pointed out that China has been using investment and aid packages to secure access to natural resources in Africa for its own growing economy.\(^{71}\) Michele Chan-Fishel and Roxanne Lawson asserted that since 2000, China has been hugely investing in Africa’s extractive industry as part of its objective to source for mineral resources to feed its bourgeoning economy.\(^{72}\) Accordingly, Lloyd Sachikonye is of the view that China’s appetite for natural resources explains its increased engagement in Zimbabwe.\(^{73}\)

In addition, Peter Brookes and Ji Hye Shin argued that China’s hunger for global political and economic influence is a key driver for its more imbedded involvement in Africa especially in those countries struggling with political instability.\(^{74}\) They further emphasized that the amount of international attention given to cases such as Sudan and Zimbabwe provides China with an opportunity to flex its political power in those countries and to stamp its authority in major international decision making bodies such as the United Nations.\(^{75}\) In support of this, Faycal EL-Alami argues that “as a rising power, China is keen on gathering political influence in Africa.”\(^{76}\) Despite criticisms by the West and by organisations such as the United Nations, China continues to offer its relentless support to these countries in the multilateral arena.

In general, the above discussion portends that China’s recent engagement with Africa is, on one hand, mutually beneficial, innovative and developmental, while on the other hand it is exploitative, extractive, destructive and providing a way of perpetuating Africa’s underdevelopment.\(^{77}\) At this point, it is important to note that the foregoing

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\(^{71}\) Giles Mohan and Marcus Power: *Op Cit*, p. 29


\(^{73}\) Lloyd Sachikonye: *Op cit*, 127

\(^{74}\) Peter Brookes and Ji Hye Shin: *China’s Influence in Africa: Implications for the United States*, Backgrounder, The Heritage Foundation, February 22, 2006, p. 4

\(^{75}\) Ibid, p. 4

\(^{76}\) Lieutenant Colonel Faycal EL Alami: *Chinese Policy in Africa: Stakes, Strategy and Implications*, U.S. Army War College, Carlisle Barracks, 2008, p. 9

\(^{77}\) Kweku Ampiah and Sanusha Naidu: *Op Cit*, p. 4
arguments and postulations generally apply to China’s conduct in most of the African content in the sense that China’s principle, behaviour and interactions have been almost consistent across the whole spectrum of states that it has been dealing with. As shown by many scholars, China-Africa relations have been vast and extensive. Research on China’s engagement with Zimbabwe has however, been sparse. Although scholars such Ian Taylor; Denis Tull; Chris Alden; Raphael Kaplinsky and others have touched on the country in their studies on China’s interactions in Southern Africa, their studies do not explicitly speak of China-Zimbabwe relations in the context of the recent Zimbabwean crisis. As a result, their conclusions are based on a generally paltry overview of China’s involvement in the country over a vast period of time. This study therefore, intends to understand the nature and implications of China’s engagement with Zimbabwe during the crisis period.

1.8. Methodology
This study adopts a qualitative research methodology in both data collection and analysis. Qualitative research is about exploring issues, understanding phenomena and answering questions. In this case, the study seeks to understand the relations between China and Zimbabwe by exploring various issues of interaction between the two countries in an attempt to find answers for the above mentioned questions. The research also makes analysis of various sources of unstructured information which ranges from official public statements by representatives of the two countries’ governments, media clips, reports and trade documents. These form the basic features of qualitative research, hence it has been chosen as the best approach for this study.

The study mainly relies on the content analysis research method. This involved taking account of routine public statements (throughout the crisis period) by various government officials and other stakeholders about the nature of the relationship between the two countries. Thus the research makes a collection of various media reports released by different media outlets including newspaper articles, electronic media reports and government gazettes. From these sources, official statements from both Zimbabwean and
Chinese government authorities on the relations between the two countries are extracted. Such statements are considered to be highly reflective of basic principles and benchmarks on which China-Zimbabwe relations are founded. The research also compiles a list of various bilateral agreements reached between the two countries during the Zimbabwean crisis period. This information is coded into different but corresponding columns showing the year, type and specifics of particular agreements presented in a table format. From a critical review of the various agreements signed between the two countries, inferences can be made to ascertain the scope of China’s involvement in Zimbabwe during the crisis period.

Furthermore, the research makes use of the information on Chinese grants to Zimbabwe obtained from the Zimbabwe’s Ministry of Finance over the period under review. Again, this information is coded to indicate the values and purpose of the grants. In addition, the study records the various Chinese projects in Zimbabwe, indicating the sectors and status of each project. On this note, the research also utilised information from a previous related study by the African Forum and Network on Debt and Development (AFRODAD): A critical assessment of Chinese development assistance in Africa: The case of Zimbabwe. In this regard, the study explores variations and changes resulting from China’s engagement in the key sectors of the Zimbabwean economy. Sectors such as agriculture, mining, energy, manufacturing, transport and other important departments such as trade, export production and infrastructural development were critical in this analysis. The research also makes use of trade data from the World Trade Atlas to analyse trade interactions between China and Zimbabwe over the crisis period. The study therefore, critically reviews the information on Chinese investment projects and trade figures and how these changed with increased Chinese involvement in the country during the crisis period. This helped to answer the question on the level and nature of China’s contribution to the Zimbabwean economy in the absence of the country’s traditional Western partners. From this evaluation, one can ascertain the extent to which China influenced the political and economic landscape of Zimbabwe in the period under review.
In order to understand Zimbabwean perspectives of China’s increased engagement in the country, comments and documented opinions of government officials, opposition members, academics, civil society representatives as well as members of the community given in various settings including in a range of of media outlets are also incorporated in this study. In this regard, the study also made use of the finding or a survey conducted by Charity Manyeruke titled, “The Impacts of Chinese Products on Zimbabwean Women” which investigated the different perspectives of women in Harare on the influx of Chinese products in the city’s markets.

This study also made use of the extensive existing literature on China-Africa relations, including books, book chapters and journal articles, reports of investigative panels and groups working on China Africa relations such as Fahamu/Pambazuka, Kubatana, Cato Institute, the Jamestown Foundation, the Council on Foreign Relations and others.

The study also employed the process tracing method to draw possible casual linkages between China’s increased engagement in Zimbabwe and the outcomes and experiences in Zimbabwe’s economic and political landscape.

1.9. Research limitations
Since the study was an attempt to assess the impacts of China’s involvement in Zimbabwe, the main difficulty was to explicitly quantify such effects over a period of a decade. This was due to the complexity of the China-Zimbabwe relationship and the difficulty in accessing data on the values and the disbursement of China’s financial support to the Zimbabwean government. Moreover, information on China’s contribution to the Zimbabwean government was apparently regarded as confidential and not subject to public scrutiny. Given these difficulties, evidence was sought by assessing the different political and economic variables, identifying variations and explaining their implications to Zimbabwe’s economic and political affairs. Under the political variables, China’s influence in aspects such as the nature and levels of violence, the human rights record, regional as well as international diplomatic support to the Zimbabwean government were assessed in this study. For the economic variables, the study focused on the level of
inflation, market performances of the county, the demand and supply of local products vis-à-vis Chinese products in Zimbabwe.

1.10. Outline of Study
Chapter 2 presents the scene of the Zimbabwean crisis, discussing the causes of Zimbabwe’s economic and political downfall. The Chapter also outlines the nature of this crisis focusing on its elements. It goes on to discuss how external actors, that is, the United States of America, the European Union, China and the African Union and SADC responded to this major shift in Zimbabwe’s economic and political landscape.

Chapter 3 discusses the historical and contemporary relationship between China and Zimbabwe. The chapter traces and explains the various forms through which China has been supporting Zimbabwe. It discusses China’s aid, loans, investments and the various trade interactions with Zimbabwe during the crisis period. It also discusses the adoption of the ‘Look East’ policy by the Zimbabwean government to solicit Chinese support.

In Chapter 4 the study focuses on the economic and political effects of China’s increased engagement with Zimbabwe addressing the costs and benefits imbedded in the partnership. The chapter goes on to explain the various local stakeholder perspectives and responses to escalating Chinese presence in Zimbabwe.

Chapter 5 provides a conclusion of the study, giving a summary of the findings. It provides the lessons that can be drawn from the study and the possible future outcomes of China-Zimbabwe relations.
CHAPTER 2

EXPLAINING THE ZIMBABWEAN CRISIS

2.1. The Nature of the Zimbabwean Crisis
Since the turn of the millennium, Zimbabwe witnessed a spiral socio-economic and political decline. The cumulative implosion of the country’s socio-economic and political structures which obtained in the country since the year 2000 subjected many Zimbabweans to desperate hardships, results of which are still present today. Thus the economic and political events that occurred during the crisis period in Zimbabwe are central to this study as they help to shed more light on the interactions between China and Zimbabwe in the same period. Zimbabwe’s precipitous fall from a regional ‘bread basket’ to a malnourished ‘basket case’ became a matter of concern not only to its African neighbours but also to the international community at large.78 The use of the phrase ‘international community’ in this context refers to the diverse set of actors and coalitions globally, including among others, policy-makers, scholars, commentators, international non-governmental organisations and journalists. It should also be noted that the use of the phrase in this study is often West-centric, notably owing to the power imbalance between the Western countries and the rest of the world in terms of norm-building, control of international agencies and international policy-making practices.

Referring to Zimbabwe’s fall, Terence Mashingaidze pointed out that, “The country ceased from being a net exporter of food to regional basket case.”79 Contrary to the great hope of success showed at independence and in the 1980s, Zimbabwe experienced a tragic fall to what the Diplomats’ Handbook describes as “one of Africa’s most notable stories of post-colonial failure.”80 This chapter sets out to discuss the nature of Zimbabwe’s economic and political meltdown, outlining the causes and the indicators of

79 Terence Mashingaidze: The Zimbabwean Entrapment: An Analysis of the Nexus between Domestic and Foreign Policies in a “Co llapsing” Militant State, 1990s-2006, Turkish Journal of International Relations, Volume. 5, Number. 4 Winter 2006, p. 61
the crisis. The chapter goes on to discuss the reactions by other countries to Zimbabwe’s economic and political failure, drawing out some expected political outcomes of the situation.

During the early years of independence, Zimbabwe was one of the most promising African states. With plentiful natural resources, a bountiful and productive agricultural sector, a strong compliment of human capital, a solid and functional bureaucracy, the country was poised for success.\(^81\) Zimbabwe quickly developed socially and economically to become what Craig Richardson referred to as the ‘jewel’ of Africa.\(^82\) The new Harare government was embraced internationally,\(^83\) more so, by both sides of the Cold War bloc system despite its blatant inclination towards the communist group during the liberation struggle. The international community, including countries of the non-aligned movement placed great faith in the new Zimbabwean state. The country also became a destination for huge international aid and capital investments from various parts of the world, for example, from China, the U.S, Britain and many other countries. The IMF and the World Bank also came in with enormous amounts of aid and support for reconstruction and development. With all this support, the country was moving towards becoming one of the powerful economies of Africa.

Despite clear hopes of success and stability, Zimbabwe progressively degenerated into an economic and political crisis. The existing struggles by the inclusive government to revive the country’s economy and its administrative institutions present a clear picture of the gravity of the crisis. An important question at this point is: What exactly was the situation that is generally referred to as the ‘Zimbabwean Crisis’? It has to be acknowledged that various stakeholders interpreted the ‘Zimbabwean Crisis’ in different ways. Also, the ‘crisis’ manifested itself in a multiplicity of elements, events and experiences hence making it difficult to come up with one clear definition. Nevertheless, elements and episodes such as economic meltdown, land occupations, famine, violence,

\(^{81}\) Ibid
\(^{82}\) Craig Richardson: How the Loss of Property Rights Caused Zimbabwe’s Collapse, Economic Development Bulletin No. 4, Cato Institute, November 14, 2005
\(^{83}\) Ibid
political authoritarianism, health pandemics, basic commodity shortages, unprecedented exodus of skilled human resources, spiralling inflation, electoral disputes, and the recent political impasse can be used to explain the magnitude of this crisis. Combined, these elements created an explosive and exceptional ‘cocktail’ of tensions that the country experienced in both the domestic and international arena. In order to fully comprehend the elements of the Zimbabwean crisis however, one has to understand the background behind their causes as they resonate strongly with the problems that the country has been facing.

2.2. Understanding the Causes of the Zimbabwean Crisis
Although there are many explanations to the Zimbabwean crisis, its main causes can be classified into four closely intertwined categories. The different factors that contributed to the crisis are presented separately in the forthcoming discussion.

2.2.1. Breakdown of the Social Contract
Various scholars agree on the position that Zimbabwe’s problems started in the late 1990s with most of them marking 1997 as the year in which the grim picture about Zimbabwe’s future became more visible. It was during this time that the country witnessed the development of high levels of social and political confrontations epitomized by widespread strikes and ruthless urban social conflicts largely attributed to the legacies of the Economic Structural Adjustment Programmes (ESAP) of the early 1990s. According to Mario Zamponi, these disturbances inevitably led to the breakdown of the social contract between 1996 and 1998 and sowed the seeds for the country’s economic and political demise. The implementation of ESAP in Zimbabwe

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84 Some of these elements are extracted from contributions by Mario Zimponi: “From Social Justices, to Neo-Liberalism, to Authoritarian Nationalism: Where is the Zimbabwean State Going” in a discussion paper compiled by Henning Melber: Zimbabwe – The Political Economy of Decline, Nordiska Afrikainstitutet, Uppsala, 2005, p. 28
86 Mario Zimponi: Op cit, p. 35
87 Ibid
had caused huge cuts in labour expenditure of both private and public enterprises, leading to loss of jobs for large numbers of the urban working population. The few who remained at work places had their wages and salaries hugely reduced to the extent that they could not cope with the ever-increasing costs of living. As a result, urban strikes attracted massive support from large numbers of workers during that period, culminating to a strong labour movement. This eventually paved the way for the formation of a big coalition of opposition forces that later transformed into a vibrant political party, the Movement for Democratic Change (MDC) led by the former secretary general of the Zimbabwe Congress of Trade Unions (ZCTU), Morgan Tsvangirai. This development increased opposition political activism especially in the country’s urban areas. The rejection of government proposed constitutional reforms in the referendum of February 2000 saved as protest vote reacting to the government’s failure to address the plight of the masses. This marked a landmark victory for opposition politics and widened the gap between the government and labour force. This development marked the beginning of rigorous fighting between government on one side and business, labour and the general population on the other side, fuelling tensions and economic and political problems which continued through out the crisis period.

2.2.2. Contentious Government Policies
The Zimbabwean crisis has also been largely attributed to controversial economic policies by the government in the late 1990s. The unplanned hefty payment of gratuities to the war veterans beginning in 1997 is arguably one of the negative policies made by the Mugabe government. The government succumbed to intense political pressure and paid huge sums of money in gratuities to the country’s former freedom fighters. On this point, Brett argues that the dramatic collapse of the Zimbabwean dollar after the government made such huge payouts put a colossal drain onto the economy. On 14 November 1997, the Zimbabwean dollar lost 71.5 percent of its value against the U.S.

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89 Ibid., p. 4
dollar, a day analysts refer to as the ‘Black Friday’.\textsuperscript{90} This spectacular drop in the value of the country’s currency is vastly blamed on the war veterans’ pay-outs.\textsuperscript{91} Brett further argues that this caused a huge shock to the economy as “stock markets subsequently crashed, wiping away 46 percent from the value of shares as investors scrambled out of the Zimbabwe Dollar.”\textsuperscript{92}

Furthermore, the Zimbabwean government took a costly decision to intervene in the Democratic Republic of Congo (DRC) war at a time when the country was facing rigorous fiscal problems. In this regard, Brett notes that “in 1998, there was a ruinous expensive military expedition in the Democratic Republic of Congo at a time when…the fiscal deficit was increasingly funded by printing money and borrowing from the domestic banking system at a negative rate of interest.”\textsuperscript{93} This implies that the government’s decision to intervene in the DRC compounded the fiscal strain on the already ailing economy. On this note, Terrence Mashingaidze asserts that “At its height in 2000, the DRC military venture drained at least US$1 million per day, from the Zimbabwean fiscus.”\textsuperscript{94} Perhaps what could have annoyed the West more was the fact that Zimbabwe was struggling to pay its debts to the IMF and the World Bank while spending more money in what they generally criticised as an unnecessary expenditure. Christian Peters-Berries puts is clearly asserting that,

Western countries and funding agencies expressed concern first, about the spiralling budget deficits, then about the farm invasions, the breakdown of the rule of law, the contempt for human rights, and finally about the political violence which had engulfed the country since March 2000.\textsuperscript{95}

\textsuperscript{91} E. A. Brett: \textit{Op cit.}, p. 5
\textsuperscript{92} Lance Mambondiani: \textit{Op cit}
\textsuperscript{93} E. A Brett: \textit{Op cit.}, 4
\textsuperscript{94} Terence Mashingaidze: \textit{Op cit.}, p. 58
It is also believed that the government re-established pre-ESAP controls over the exchange rates and the grain marketing so as to generate massive rents for significant members of the political elite.\textsuperscript{96} Overvalued exchange rates fixed by the country’s Reserve Bank continually suppressed the flow of exports from Zimbabwe. The widespread printing of money by the Reserve Bank of Zimbabwe also contributed to skyrocketing inflation which scared away foreign investors.

2.2.3. Land Reform and Escalating Violence

The rise of the war veterans to the political domain in 2000 further compounded the pressure for the Zimbabwean government. The increasing power and vibrancy of the war veterans set up a new impetus for a radical land reform process. With a government slowly responding to their demands, the former freedom fighters orchestrated a nationwide occupation of commercial farms largely controlled by the white community at that time. Violence, intimidation and human rights abuses ensued, mainly targeted on farm owners, farm workers as well as any dissenting voices. Opposition members together with their supporters also became victims of violence especially in the parliamentary election campaigns of the same year.\textsuperscript{97} Commenting on these developments, Brian Raftopoulos argued that, “accompanying the physical violence, the ruling party launched a torrent of abuse on the opposition, designed to depict them as a privileged urban minority controlled by whites and foreigners, and ‘tainted’ with money from right-wing conservative racists associated with Rhodesia.”\textsuperscript{98} This branding of political dissent was used by the ZANU-PF government to legitimise the repression of opposition activists and supporters.\textsuperscript{99} In addition, violence continued in the run up to the 2002 presidential election as the government sought to subvert opposition forces in the electoral race.

\textsuperscript{96} \textit{Ibid}, p. 209
\textsuperscript{97} \textit{Loc cit}
\textsuperscript{98} Brian Raftopoulos cited in Mario Zimponi: \textit{Op cit}, p. 36
\textsuperscript{99} \textit{Loc cit}
Thus from 2000, Zimbabwe’s agricultural sector began to experience its greatest challenges since the country’s independence. In essence, agriculture, used to be the fulcrum of the economy in terms of income earning, employment and foreign currency earnings. In support of this, the Craig Richardson asserts that, “the farm sector supplied about 60 percent of inputs to the manufacturing base---so agriculture was truly the backbone of the economy.”

According to Todd Moss and Stewart Patrick, the production of maize (Zimbabwe’s staple food crop) dropped by 86 percent between 2000 and 2005. This decline was mainly due to the fact that a large number of commercial farmers, reportedly 80 percent, were forced to leave their farms during the violent land occupations. In this regard, the Diplomats’ Handbook argues that, “forcible seizures of white-owned land by ZANU-PF ‘war veterans’…began to seriously destabilise Zimbabwe’s economy.” The invasions of commercial farms thus, significantly reduced agricultural output, hence leading to persistent food shortages for the country’s population.

In 2008, during the run-up to the joint parliamentary and presidential elections, the Zimbabwean society went through a period of extreme anxiety stemming from violence, intimidation and gross violations of human rights. The security forces, intelligence services and an array of alleged government-sponsored militias, the infamous ‘green bombers’ reportedly waged a wave of terror against civilians and committed gross human rights violations particularly against suspected opposition activists and supporters. Various local and international media reports put forward that violence escalated to exceptional levels between March and June 2008 during the campaigns for the presidential run-off elections. It is also widely reported that tactics of the liberation

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100 Craig Richardson: Op cit


102 Lo cit

103 The Diplomats’ Handbook: Op Cit, p. 102


105 Craig Richardson: Op cit
struggle such as re-education camps, propaganda and all-night meetings popularly known as ‘pungwes’ were revived during the campaigns. These events led to widespread intimidation and internal displacements, conditions which extremely destabilised the Zimbabwean society. According to Todd Moss, the resultant high levels of suspicion and a steep deterioration of the country’s social capital contributed to devastating economic effects.\textsuperscript{106}

2.2.4. Western Isolation

As violence increased, Western governments and human rights advocates were increasingly concerned about Zimbabwe’s deteriorating political situation. Continual human rights violations and the defiance of the rule of law prompted the isolation of the Zimbabwean government mainly by its traditional partners from the West. In particular, the U.S, the European Union countries and Australia imposed targeted sanctions and travel bans on ZANU-PF leadership in 2001 to show their displeasure with the country’s situation. These sanctions limited the government’s capacity to travel and engage their Western counterparts. They also precluded Western countries from giving monetary assistance or aid to the Zimbabwean government as it was perceived that the money would be used to support the government’s repressive institutions and policies. In this way, the sanctions thus, aggravated the country’s economic decline as they prevented the government from engaging into economic deals with its traditional trading partners. The IMF and the World Bank also suspended financial assistance to Zimbabwe.

Moreover, traditional investors and aid partners mostly from the West began to withdraw from Zimbabwe. Scepticism and fear grew among investors as they went on to reduce their activities in the country with some relocating to neighbouring Mozambique and South Africa and other African countries. Albert Makochekanwa and Marko Kwaramba captured this succinctly when they said that, “the country’s diplomatic, political, and

\textsuperscript{106} Todd Moss: \textit{Op cit}, p. 137
commercial and trade relations, especially with strong and economically powerful
countries around the world have declined sharply over the past decade.”

2.3. Indicators of the Zimbabwean Crisis

2.3.1. Economic meltdown
Between 1999 and 2008, the Zimbabwean economy shrunk to unprecedented levels. Albert Makochekanwa and Marko Kwaramba report that “statistical figures from the IMF indicate that Zimbabwe’s economic activities cumulatively shrunk by nearly two-thirds, that is, 62.6 percent in the space of a decade covering 1999 to 2008.” Also, the purchasing power of the average Zimbabwean, as indicated by the GDP per capita, drastically fell during the course of the crisis with an estimated 80 percent of the population already living under the poverty datum line of per capita income of US$15 by the end of 2003. The figure is believed to have risen above 90 percent by the first month of 2009. In addition, the IMF noted that due to the state fragility, Zimbabwe’s expenditure declined by 83.3 percent within a space of three years from approximately US$1.5 billion in 2005 to US$251 million in 2008 resulting in almost a complete collapse in the provision of public services.

During the crisis period, economic production in Zimbabwe also took a cumulative downfall. As a result of the huge cuts in investments, critical sectors such as agriculture, mining and manufacturing suffered enormous losses in output. This saw the economy operating at only 10 percent of its normal capacity resulting in meagre export and import transactions. In terms of monetary and fiscal activities, the deteriorating economic situation during the Zimbabwean crisis saw inflation rising from a single digit in the late

109 Albert Makochekanwa and Marko Kwaramba: Op cit, p. 10
110 Ibid
111 Ibid
112 Todd Moss: Op cit, p. 135
1990s to more than a staggering 8,000 percent in 2007, becoming the highest in the world at that time.\textsuperscript{113}

In addition, during the period under review, Zimbabwe experienced the acute shortages not only of foreign currency (which resulted in a thriving black market) but also of its own local currency. The Reserve Bank of Zimbabwe (RBZ) embarked on an excessive money printing scheme which however, regularly failed to cope with the rising demand for nominal cash notes as the crisis worsened. While the RBZ controlled the flow of foreign currency through ‘unrealistic’ exchange rates, the parallel market in foreign exchange flourished at the expense of the government and the general public. This resulted in hyperinflation increasing to astronomical figures which made it even more difficult to quantify the depth and breadth of the growing crisis. At this stage, Cato Senior Fellow, Steve Hanke developed Hyperinflation Index for Zimbabwe derived from market-based data. In his illustration, Hanke presented that “as of 14 November 2008, Zimbabwe’s annual inflation rate was 89.7 Sextillion (10^{21}) percent.”\textsuperscript{114} During this hyperinflationary period, foreign currencies replaced the Zimbabwean dollar in a rapid and spontaneous manner until the economy was eventually dollarized in January 2009.\textsuperscript{115}

Table 1 presents the country’s socio-economic and political indicators since independence in 1980. Zimbabwe enjoyed positive economic growth for nearly eighteen (18) years with the exception of 1984 and 1992 due to severe drought.\textsuperscript{116} This growth trend, however, changed for the worse since 1999 and through the crisis period as economic growth rates became continuously negative.

\textsuperscript{113} Lauren Ploch: Zimbabwe, Concessional Research Service, CRS Report prepared for Members and Committees of Congress, March 52, 2008, p. 4
\textsuperscript{115} Also see Steve Hanke and Alex K. F. Kwok: “On the Measurement of the Zimbabwe’s Hyperinflation,” Cato Journal, Volume. 29 No. 2 Spring/Summer 2009
\textsuperscript{116} Albert Makochekanwa and Marko Kwaramba: Op cit, p. 8
Table 1: Zimbabwe’s economic and political performance (1999-2008)

<table>
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<th>Year</th>
<th>GDP US$ Billions</th>
<th>% Growth</th>
<th>GDP per capita US$</th>
<th>Annual Inflation %</th>
<th>CPI</th>
<th>Political Environment</th>
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<td>598.7</td>
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<td>6</td>
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<tr>
<td>2004</td>
<td>5.0</td>
<td>-3.6</td>
<td>430</td>
<td>132.7</td>
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<td>2005</td>
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<td>-4.0</td>
<td>427</td>
<td>585.8</td>
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<tr>
<td>2006</td>
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<td>-5.4</td>
<td>417</td>
<td>1,281.1</td>
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<td>403</td>
<td>108,844.1</td>
<td>2.1</td>
<td>7</td>
</tr>
<tr>
<td>2008</td>
<td>3.2</td>
<td>-14.1</td>
<td>&lt;402</td>
<td>489,000,000,000</td>
<td>1.8</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook database and IMF (2009) for 2008 figures

2.3.2. Political Repression

Rigorous restrictions on political and civil liberties characterized the Zimbabwe’s political environment during the crisis period. The government came up with various measures to restrict the people’s civic freedoms, notably, freedom of expression and association. The enactment of ‘draconian’ laws such the Public Order and Security Act (POSA) and the Access to Information and Protection of Privacy Act (AIPPA) represented a clear attempt of political repression by the Zimbabwean government. The government also passed the Zimbabwe Broadcasting Services Act mainly to control private media that was suspected of broadcasting a negative image of the country’s situation. Violence mainly targeted on suspected MDC supporters in both rural and urban areas around the country also characterized election processes since 2000. This worsened in 2008 particularly after the disputed March elections during the campaigns for the presidential run-off elections. A glimpse at the political and civil liberties indices from the Freedom House as presented in Table 1 shows that the country’s ratings since 2000
have been above six (6), indicating a repressive environment. According to Makochekanwa and Kwaramba:

The intensification of political instability and macroeconomic instability following the coming into fore of resilience opposition political party, the Movement for Democratic Change (MDC) in 1999, the controversial land reform since 1999 and most importantly, the fact that the country had been increasingly isolated from the international community, have resulted in political factors being some of the major determinants of state fragility in the country. That is, because of this dictatorial, repressive and undemocratic regime, the then government was not willing to create an environment whereby the majority citizens can endeavour to mitigate poverty, neither was the government willing and able to provide adequate basic services such as health, education and water to the majority citizens.117

2.3.3. Poverty
The Zimbabwean crisis was also depicted by massive decline in the buying power of the country’s general population. Both the unemployed and the gainfully employed struggled to afford basic commodities as inflation continued soaring. The Oxford Analytica Report revealed that the estimated cost of living for a family of six was above 10 times higher than the salary of an average nurse and more than 20 times the salary of a low-ranking soldier.118 As a result of this, many people in the country were left with few but difficult options for survival. Most Zimbabweans resorted to informal trading, selling different types products including groceries as commodity availability became limited on the formal market. Some entered into cross-border trading, bringing various goods including clothes, groceries and electrical appliances from neighbouring countries as a survival strategy. A significant number left the country for greener pastures in the diaspora. Todd Moss affirmed this point when he said, “the most outward sign of the Zimbabwean crisis

117 Albert Makochekanwa and Marko Kwaramba: Op cit, p. 11
is the mass flight of people.” On the same point, Moss reports that by 2002, there were already about 3.4 million Zimbabweans living outside the country resulting from the difficult living conditions in the country.

During the crisis period, the people of Zimbabwe continued to suffer in the face of severe shortages of basic commodities particularly food products and fuel. Without sufficient foreign currency, the government could not import valuable supplies from abroad. Petrol and diesel, mostly unavailable at official prices could only be accessible on the black market, at prices far much higher than the government gazetted rates. The shortage of food in the country however posed a huge crisis to large sections of the population particularly in rural areas. Shortages were seen in basic commodities such as bread, mealie-meal, rice, sugar, flour, cooking oil, products that were mostly unavailable from the formal stores and supermarkets. Such commodities were however, readily available at exorbitant prices from the black market. This was exacerbated by the fact that non-governmental organisations involved in food distribution were either periodically banned or strictly controlled, restraining their role in alleviating the peoples’ suffering.

2.3.4. Health, Sanitation and Infrastructure

The depth of the Zimbabwean crisis was also epitomised by the deterioration of infrastructure around the country. This was become largely conspicuous in government and other public buildings in cities and rural districts as local authorities lacked funds to maintain and repair the infrastructure. This was also shown by unrepai red roads, schools and hospitals around the country. The country also experienced erratic supply of water and other sanitation facilities. This was exposed by a collapse of the sewage reticulation in most urban areas around the country, especially in high density suburbs. Lack of foreign currency reduced the government’s capacity to procure water treating chemicals and to maintain or buy equipment for refuse collection. The persistent power cuts

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119 Todd Moss: Op cit, p.136
120 Ibid, p. 137
experienced during the crisis period and still a common feature to date also help to shed more light on the gravity of the Zimbabwean crisis. In addition, the shocks of the economic decline left the government without financial capacity to import electricity. This caused unprecedented disruptions in power supply and distribution still noticeable today as the inclusive government struggles to put sanity in this sector.

The crisis period in Zimbabwe also witnessed the gradual deterioration of the country’s healthcare system. The worst case scenarios in this sector were recorded in 2008 when major government controlled and the biggest referral hospitals (Parirenyatwa Hospital in Harare and Mpilo Hospital in Bulawayo) were closed as their appalling conditions did not only fail to save patients but also exposed them to other health infections due to poor maintenance, servicing and lack of sanitary supplies. The country’s only medical school at Parirenyatwa Hospital in Harare was also closed in 2008 for the same reasons. The massive exodus of medical personnel to the private and the diaspora also presented a huge blow on Zimbabwe’s healthcare system during the crisis. The Zimbabwe Association of Doctors for Human Rights reported that by December 2008 the doctor/patient ration in Zimbabwe was one doctor to eight thousand patients (1: 8 000). This saw the country suffering the second-worst maternal mortality rate in the world after Sierra Leone, with an estimate of 130 out of every 1,000 babies dying shortly after birth.

Zimbabwe’s healthcare sector came under a huge test with the cholera outbreak of August 2008. The deadly cholera outbreak pushed an already overstretched healthcare system to a breaking point. By May 2009, the World Health Organisation (WHO) had recorded 97,965 cases of cholera in the country, with 4 273 cholera-related deaths. The poor water and sanitation system in the country’s urban areas exacerbated the rapid spread of the cholera epidemic to several parts of the country. As this problem rose

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123 Ibid, p. 2
beyond the government’s capacity, other countries together with some national and international organisations came to the rescue of the suffering Zimbabwean population. A special report by Doctors Without Borders linked this cholera outbreak to the broader economic and political crisis saying, “The political crisis and the resultant economic collapse led to the implosion of the health system and basic infrastructure which has given rise to a massive cholera outbreak.”

The gravity of the political situation during the crisis can also be shown by the surge in political refugees in the country’s neighbours. Fearing for their lives, a significant number of Zimbabweans crossed into neighbouring Botswana and South Africa with some seeking political asylum in the United Kingdom where they also expected to be economically well off than at home. For most Zimbabweans who found refuge in South Africa, the situation turned even more sour when a devastating xenophobic violence erupted in May 2008 as native South Africans protested against strained public services and unemployment largely blamed on increasing numbers of foreigners in their country.

2.4. The Zimbabwean Crisis and External Actors
The deteriorating Zimbabwean economic and political situation presented above attracted immense international attention. As mentioned earlier, various countries and international institutions responded to the situation differently. Lauren Ploch puts it clearly when he said that “the international community appears divided on how to respond to Zimbabwe’s persistent political and economic crisis.”

The following discussion presents the various responses by different members of the international community.

2.4.1. The United States of America
Since the beginning of the crisis, the United States maintained a critical stance against President Mugabe and his ZANU-PF party. The deteriorating political situation provoked huge criticism from the U.S government which went on to lead other Western countries to come up with ways of isolating the Zimbabwean government. The U.S government

\[125\] Ibid
\[126\] Lauren Ploch: Op.cit, p. 29

36
opted for punitive measures against the ZANU PF leadership after failing to persuade the Mugabe government to adopt political and economic reforms. The Bush Administration instituted targeted sanctions (travel bans) on high-ranking ZANU-PF officials and their affiliates while at the same time putting pressure on South Africa to lead an African brokered solution to restore order and sanity in the country. In 2001, the U.S Senate passed the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) citing economic mismanagement and undemocratic practices in Zimbabwe. This legislation called for consultations with U.S allies on economic sanctions and travel bans for Zimbabwe’s top government officials. The proposed sanctions would preclude ZANU-PF leadership from going to the U.S for business trips and even for negotiating government to government non-humanitarian deals with the United States. The sanctions were made to stand until such a time when the Zimbabwean government would have implemented economic and political reforms to ensure processes of democratic governance and economic accountability.

Tensions between Zimbabwe and the United States were further aggravated in 2005 after the U.S Secretary of State, Condoleezza Rice issued out a damaging report of severe human rights violations during ‘Operation Murambatsvina’. Following her evaluation of the situation, Rice labelled Zimbabwe as one of six ‘outposts of tyranny.’ Responding to this the U.S government led a motion on UN sanctions against Zimbabwe and for the country to be suspended from the world’s governing body. This motion was however vetoed by China and Russia in the UN Security Council. The U.S government however, extended its existing targeted sanctions on ZANU-PF government officials. In 2007, President Bush announced the renewal of these sanctions, reporting that the government of Zimbabwe had not done any improvements to its human rights and governance record to support democratic processes. In March 2009, the Obama

\[\text{127 Ibid. p. 28} \]
\[\text{128 Lo cit} \]
\[\text{129 The Washington times: Rice Targets 6 ‘Outposts of Tyranny’, Washington Times, January 19, 2005. The others were Cuba, Burma, North Korea, Iran, and Belarus} \]
administration extended U.S sanctions on Zimbabwe for another year suggesting that challenges to democracy under President Mugabe were continuing and the crisis had not been addressed.\textsuperscript{132}

Despite its condemnation of Zimbabwe in the last decade, the U.S government did not entirely turn its back on the country. The American government continued to support African diplomatic processes aimed at resolving Zimbabwe’s problems. This was shown in President Bush’s statements during his visit to South Africa in 2003, when he praised the work of then President Thabo Mbeki as the “point man seeking a Zimbabwe solution.”\textsuperscript{133} While acknowledging that more work needed to be done on the Zimbabwean issue, the U.S government applauded the efforts made by South Africa through SADC and the African Union in facilitating negotiations on solutions to Zimbabwe’s problems. The United States government also continued to help the people of Zimbabwe through humanitarian aid assistance channelled through various programmes and projects run by American based international organisations, particularly the United States Agency in International Development (USAID). USAID was mainly active for ameliorating the crisis by distributing food and health supplies in various parts of the country. The organisation also participated in supporting local democratic agencies in Zimbabwe through a variety of programs aimed at ensuring media freedom and strengthening civil society and legislative processes.\textsuperscript{134}

\subsection*{2.4.2. The United Kingdom and the European Union}

The contemporary British response to the Zimbabwean crisis has to be understood in the context of Britain’s traditional protection of white commercial farmers since Zimbabwe’s independence. This was guaranteed in the 1979, Lancaster House constitution adopted by

\begin{itemize}
\item \textsuperscript{133} President Bush described Mbeki as the point man in his speech whilst in South Africa when he said “Mbeki is the point man in this subject, he is working very hard and is in touch with the parties involved, and the US supports him in his efforts” in “Mbeki, Bush cement relations,” Available online at http://www.southafrica.info/what_happening/news/news_international/bush-savisit.htm
\item \textsuperscript{134} USAID/Zimbabwe: “History of USAID in Zimbabwe,” Available Online at http://www.usaid.gov/zw/history.html
\end{itemize}
the Zimbabwean government at independence. The constitution conferred property rights to the commercial farmers through which they would only give back land by selling it to the government through the ‘willing buyer willing seller’ arrangement. The arrangement lost credibility when the Tony Blair administration backtracked on the British government’s promise to provide funds to the Zimbabwean government to purchase land for resettlement. Faced with a growing number of landless citizens in the country, the Zimbabwean government was under pressure to provide land which had been promised for a long time since the days of the liberation struggle.

From 1997 however, tensions between the two countries were intensified by growing differences in principle and ideology between the Labour Party and the ZANU-PF government. As Hasu Patel and Stephen Chan argue, leaders from both Zimbabwe and the United Kingdom became entranced in conviction politics, deeply committed to their different principles concerning governance and economic management. The Labour Party undertook to promote adherence to accepted tenets of the contemporary development discourse, that is, good governance, human rights and viable (essentially neo-liberal) economic policies while in contrast, the ZANU PF government of Zimbabwe did not give precedents to any of these convictions. As a result the Labour Party was not hesitant on using the Zimbabwean crisis to score political goals, heavily blaming it on the government’s economic mismanagement to justify its demands for economic and political reforms on the country. Perhaps the Labour Party saw itself as making new history mainly by differentiating its approach from the Thatcher government of the 1980s which allegedly did not give particular attention to human rights violations in Zimbabwe as it failed to criticise or take action against the Matabeleland massacres.

In the same way, ZANU-PF also created its own history, defying the odds by publicly turning against its traditional aid and trading partners, for example by withdrawing its

135 Hasu Patel and Stephen Chan: “Zimbabwe’s Foreign Policy: A conversation”, Round Table, Volume. 95, No. 384, p. 175-190
136 For more details about the Labour Party’s “third way” policy towards Africa, see Rita Abrahamsen and Paul Williams, “Ethics and Foreign Policy: The Antinomies of New Labour’s “third way” in sub-Saharan Africa, Political Studies, Volume 49, No. 2, 2001, p 249-64
137 Ibid
membership from the Commonwealth. Hasu Patel captured this succinctly when he said that, “ZANU-PF sees itself as the revolutionary vanguard maker and continuing guardian of the ‘earlier’ history [of the armed struggle for independence], which is also current history.” As a result, this clash of interests, personalities and principles increased tensions between the United Kingdom and Zimbabwe. This further worsened the fractured Zimbabwe-West relations, increasingly denting Zimbabwe’s image in the eyes of other Western countries. As the situation continued to deteriorate, Britain championed efforts in multilateral forums particularly in the European Union to impose targeted sanctions on leading ZANU-PF members as well as freezing their assets in the Western countries.

Ian Taylor and Paul Williams argue that, the acrimony between Zimbabwe and the British government erupted over the issue of land. The land issue however, had been a major stumbling block between the two governments since Zimbabwe’s independence. Until 2000, approximately 4,500 white Zimbabwean farmers, most of them with British origins owned 70 per cent or 11 million hectares of Zimbabwe’s prime agricultural land. The resettlement programs that followed after independence in the 1980s had failed to reverse this huge discrepancy in land ownership. This was further complicated by the failure of the British government to honour the promise to provide funds to the Zimbabwean government for buying land from commercial farmers for resettling the black populations. Terrence Mashingaidze noted that “the majority of the white farmers who lost land are of British stock hence the west’s attitude towards Zimbabwe is a matter of fighting a kith and kin war”. As a result, leaders within the Zimbabwean government strongly maintain that the land question is only mentioned to highlight the plight of the former white land owners and to attribute the country’s food shortages and

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138 Hasu Patel and Stephen Chan: Op cit, p. 186
139 Lauren Plock: Op cit, p. 32
140 Ian Taylor and Paul Williams: “The Limits of Engagement: British Foreign Policy and the Crisis in Zimbabwe” International Affairs, Volume 78, No. 3 July 2002, p. 549
141 Ibid
142 For more details about tension between Zimbabwe and Britain over the land issue see the discussion article by Hasu Patel and Stephen Chan: Op Cit, p. 175-190
the economic hardships to the land reform programme.\textsuperscript{144} It is therefore the land issue which became the main point of friction between the Mugabe government and the British authorities during the crisis period. As Britain’s frustration with Mugabe’s intransigence grew, the Blair administration together with the Bush administration in the U.S led a campaign to sway global opinion against Zimbabwe.

\subsection*{2.4.3. The African Union, SADC and the Third World}
Contrary to the Western position of isolation, most Africa governments (with the exception of Botswana and Senegal) and much of the Third World decisively stood behind the Zimbabwean government.\textsuperscript{145} Much to the frustration of many countries in the West, the African Union, Southern African Development Community (SADC) and African, Caribbean and Pacific (ACP) countries endorsed the presidential election of 2002 as free and fair.\textsuperscript{146} This was a huge blow to the Western expectations particularly Britain and the United States which had refused to accept the election outcome complaining of irregularities. The African Union together with SADC however, continued to push for dialogue between Zimbabwe’s political rivals as a solution to the country’s problems. In a demonstration of support to the Zimbabwean government, ACP members opposed the banning of the Zimbabwean delegation of deputy ministers from attending the ACP-EU Joint Assembly scheduled for November 25-28, 2002.\textsuperscript{147} On this point, Mashingaidze asserts that, for the first time since the creation of the partnership in 1975, the Joint Assembly failed to take place as the ACP members boycotted the session in solidarity with Zimbabwe.\textsuperscript{148} This situation sent a strong message to the Western countries that had teamed up against Zimbabwe and partly showed the Third World strength and solidarity against Western unilateralism.

\begin{itemize}
\item \textsuperscript{144} Ibid, p. 67
\item \textsuperscript{145} Loc cit
\item \textsuperscript{146} Terence Mashingaidze: \textit{Youths and Contested Political Space: A Critique of Post-Colonial Zimbabwean Governance}, Conference Paper Presented at The African Studies Association of Australia and the Pacific (AFSAAP) Annual Conference, University of Western Australia, 26-28 November 2004, p. 2
\item \textsuperscript{147} Terence Mashingaidze: The Zimbabwean Entrapment: An Analysis of the Nexus between Domestic and Foreign Policies in a “Collapsing” Militant State, \textit{Op. cit}, p. 66
\item \textsuperscript{148} Lo cit
\end{itemize}
Although the costs of the Zimbabwean crisis were much higher for the SADC region as compared to the wider international community, isolating the country in any way was not on their agenda. SADC countries had to deal with most of the ripple effects of the crisis, for example, the influx of illegal immigrants fleeing from either political repression or the country’s deplorable economic conditions. This problem mainly affected South Africa and Botswana. In SADC, Zimbabwe was not only the second strongest economy (after South Africa) but also a central link in the transport network of the region. In addition, Zimbabwe was also the region’s electricity grid, and a food security fulcrum.\textsuperscript{149} As a result of its importance therefore, any negative publicity on Zimbabwe by her neighbours would present detrimental repercussions to the whole region especially in terms of Foreign Direct Investment (FDI). Although the direct consequences of the country’s instability on its neighbours were less visible at the beginning, the effects of the crisis became clearer as Zimbabwean political and economic refugees flocked into the neighbouring countries as the situation deteriorated. Much of these effects were epitomised in the xenophobic violence that engulfed South Africa in the winter season of 2008. The AU and SADC’s response to the Zimbabwean crisis since its beginning has rather been more diplomatic than confrontational as the regional bodies sought to find a dialogue solution. With the leadership of former South African President, Thabo Mbeki, SADC continued to engage Zimbabwe’s rival parties through the much criticised so-called “quite diplomacy” until the signing of the Global Political Agreement at the ‘peak’ of the crisis in September 2008.

\textbf{2.4.4. China}

China remains one of the dominant forces in contemporary international relations. Recently, China appeared to be a major force, keen to limit the range of action of other powerful countries in multi-lateral relations. China does not put emphasis on the ‘western’ applauded values of democracy, good governance and human rights. Owing to this, China’s actions and behaviour in the international system is usually at odds with those of Western countries. For example, China demonstrated its divergent approach to these norms when she partnered with Russia in 2005 to block Western backed UN

\textsuperscript{149} Christian Peters-Berries: \textit{Op. cit.}, p. 201
Security Council sanctions against President Mugabe’s government. Most recently, following the flawed June 2008 presidential run-off election in Zimbabwe, China again joined with Russia to veto UN targeted sanctions that would have imposed more travel bans and financial restrictions on ZANU-PF’s top officials. In response to the political crisis in Zimbabwe, China consistently preferred a dialogue solution, suggesting that any interference would constitute meddling with the domestic politics of the country. Thus, China has been continually supporting the efforts of the regional formations, that is, mechanisms by the African Union and SADC in trying to come up with a negotiated settlement to the Zimbabwean political stalemate. Lui Guijin, China’s top envoy to Africa was quoted in several news outlets on China’s position towards the Zimbabwean situation saying, “We think the issues concerning Zimbabwe should only be resolved by the Zimbabwean people and the international community could play a constructive role by promoting dialogue and reconciliation.” Again, to the frustration of the West, China also joined the Third World solidarity in support of the Zimbabwean government. China’s response to the Zimbabwean crisis was much similar to most of the Third World countries. Perhaps China saw the gap left by Western disengagement as an opportunity to spread its influence in the country. In this endeavour, China came in with loans and credit lines coupled with investment interests in the Zimbabwean economy. At this stage it is important to indicate that much of China’s interventions in during the ‘Zimbabwean crisis’ will feature in the following chapters.

2.5 Conclusion

In general, as has been outlined in the foregoing discussion, Zimbabwe had its own structural problems after independence. The main and most urgent among these were

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151 Ibid, p. 4
152 This was reiterated by the Chinese Foreign Ministry Spokesperson, Liu Jianchao in one of his regular Press Conferences on December 9 2008 when he said that “…China believes that dialogue and negotiation are the only correct paths to the settlement of the issue of Zimbabwe.”
institutions inherited from the colonial government and the tribal rivalry between the Shona and the Ndebele. However, the difficult situation that the country has been experiencing started in the late 1990s owing to several reasons that have been explained in the discussion. The economic and political problems came about in various forms throughout the crisis. This however, triggered diverging responses among countries and other members of the international community. In short, Western countries and institutions preferred to put pressure on the Zimbabwean government through punitive measures and isolation while most of the Third World opted to stand firmly in support of a dialogue settlement to the Zimbabwean crisis. Thus, China stood out as a major source of support to Zimbabwe during this period. Accordingly, China’s backing and close engagement with Zimbabwe will be discussed in the following chapter which traces the historical and the current nature of China-Zimbabwe relations.
CHAPTER 3

HISTORICAL AND CONTEMPORARY CHINA’S ENGAGEMENT WITH ZIMBABWE

3.1. The Foundations of China-Zimbabwe Relations

China’s interaction with Zimbabwe stretches back to its support of Zimbabwe’s liberation struggle against colonialism and racial oppression. The current relations between China and President Mugabe’s government are grounded on China’s support of Zimbabwe African National Union (ZANU), one of the movements which fought for the liberation of Zimbabwe. ZANU was formed in 1963 as a rival organisation to Joshua Nkomo’s Zimbabwe African People’s Union (ZAPU) which was under the support of the Soviet Union. Upon its formation, ZANU sought military support from the Soviet Union just like many other liberation movements in Southern Africa. However, after failing to get Soviet military support, ZANU turned to the People’s Republic of China where it got military and strategic assistance to prosecute the liberation struggle. China thus, through supporting ZANU, found a method to propagate its anti-Soviet campaign in Southern Africa. China facilitated the training of guerrillas from ZANU’s military wing, the Zimbabwe African National Liberation Army (ZANLA). It was under the Chinese tutoring that ZANLA’s military tactics underwent fundamental transformation from conventional military tactics adopting the Maoist model which entailed mass mobilisation to revolutionalise the then Rhodesian black population. It is important to note that the then ZANU leadership (which includes President Robert Mugabe and some members of his current ZANU-PF government who took over power at independence) continued to admire and therefore adopt Chinese principles and tactics into their own systems. Elements of Chinese impulses and influences still continue to be incorporated in the

155 Loc cit
157 Loc cit
present governance and economic interactions between the two countries. This is mainly because of the Chinese socialisation embraced during these early years of the Chinese engagement with most leaders of the now ZANU-PF who still control the reins of power in Zimbabwe.

On Independence Day, 18 April 1980, ZANU took over power after convincingly winning the elections and formed government, with Robert Mugabe as the Prime Minister. Immediately, the new government formalised its diplomatic relations with China. After independence, formal relations continued between the two countries, strengthened by high level visits of government officials in the years that followed.

Post colonial relations between China and Zimbabwe were also cemented during the Tiananmen Square massacre of 1989. The Chinese government’s brutal crackdown on demonstrators at Tiananmen Square in 1989 which reportedly left roughly 3,000 protesters dead, evoked heavy international criticism especially from Western states. Although the crisis was damaging on China’s image, it saved to reinforce China’s relations not only with Zimbabwe but also with other Third World countries which stood firmly as China’s strong constituency to defend its sovereignty and right to self governance. During this incident, Mugabe in particular, strongly supported the Chinese government asserting that, “any reforms in China can only take place on the basis of its own tradition and its own characteristics.” Furthermore, Mugabe also took that opportunity to extrapolate events from Africa’s colonial past to construct a justification of the Chinese repression of its own people when he reiterated that:

There must not be any dictating to China by anybody. Let the Chinese evolve their system…it is dishonest of [the West] and hypocritical to try and preach democracy to China when they themselves have been guilty

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159 Ian Taylor: Op cit, p. 118
160 Loc cit
of not practicing democracy for so long a time in our own areas of Africa and elsewhere.\textsuperscript{164}

In this regard, Zimbabwe firmly refused to join the anti-China campaign, declaring that it was Beijing’s right to stabilise its domestic situation on its own.\textsuperscript{165} Perhaps Zimbabwe could not have criticised China at this time because it continued to get Chinese support despite its heavy military crackdown on dissenting voices during the Matabeleland disturbances of the early 1980s.

The above explanation is important as it guides one to the principles on which the two countries’ relations are grounded. From the onset one can notice that there has been mutual respect for each other’s self governance systems between China and Zimbabwe for a long time. Consequently, early ties between China and Zimbabwe remain important today as they continue to direct the form and scope of interactions between the two countries. The two countries continued supporting each other even during times when the international community is critical on them. During the Zimbabwean crisis Chinese officials vowed not to interference in the domestic affairs of Zimbabwe.

3.2. China-Zimbabwe relations during the crisis

Since the beginning of Zimbabwe’s economic and political turmoil, relations with China turned more pragmatic and commercial however still grounded on the basic principles of sovereignty and non-intervention in one another’s internal affairs.\textsuperscript{166} At the turn of the century, China organised the Forum on China-Africa Cooperation (FOCAC) summit to cement and expand political and economic ties between Beijing and African countries. Clearly the establishment of the FOCAC in 2000 became the instrumental vehicle which institutionalized Chinese symbolic diplomacy towards Africa.\textsuperscript{167} Within this framework,

\textsuperscript{164} Ibid, p. 122
\textsuperscript{165} Ibid
\textsuperscript{166} Lloyd Sachikonye: Op cit, p. 126
\textsuperscript{167} Sanusha Naidu and Daisy Mbazima: China-Africa relations: A new impulse in a new continental landscape, Centre for Chinese Studies, Stellenbosch University, Cape Town, South Africa, February 2008, p. 757
relations between China and Zimbabwe were further consolidated through China’s credit facilities and loans to the Zimbabwean government as well as through investment projects in different sectors of the Zimbabwean economy as will be discussed later in this chapter. Meanwhile the current China-Zimbabwe will be discussed in the context of Zimbabwe’s ‘Look East’ policy which further strengthened relations between the two countries.

3.3. The ‘Look East’ Policy and China’s Involvement in Zimbabwe

From the backdrop of a rapidly falling economy and a dented political image, the Zimbabwean government was compelled to look for alternative sources of financial and diplomatic support, hence the formulation and adoption of the ‘Look East’ policy in 2003. The policy was formulated to curtail the effects of international isolation by courting investors and political allies from South-East Asia, the Far East and the Pacific countries. In this endeavour, Zimbabwe was able to develop cordial relations with countries such as China, Malaysia, India, Singapore, Indonesia, Iran, and Pakistan. In response to this, Iran made efforts to underwrite Zimbabwe’s land reform in 2004 by providing agro-industrial equipment to the government. In addition to that, Iran also provided modern communication technology to the Zimbabwe Broadcasting Holdings, the government run and only broadcasting agency in the country. As a result of the ongoing stalemate between Zimbabwe and the West, the ‘Look East’ policy acquired high profile publicity in the Zimbabwean as well as the international media. The West however, became suspicious of the intentions of the Zimbabwean government in this venture as its promulgation raised the alarm about the return of a somewhat ideological standoff that existed during the Cold War. This probably resulted from the fact that the Zimbabwean government managed to strike deals with countries cast as “rogue states” by

169 Loc cit
170 Loc cit
171 Terence Mashingaidze: Op cit, p. 70
172 Ibid, p. 70
the U.S and generally regarded as authoritarian in international circles. The main countries in this category are Libya, Sudan, North Korea and Iran.\textsuperscript{173}

While the ‘Look East’ policy was initially scheduled to engage the Asian and other Pacific countries in broad sense, its implementation however saw the focus shifting to China.\textsuperscript{174} This was facilitated by China’s flexibility to provide a platform which allowed the two countries to pursue their own national interests whilst helping each other to curb the effects of Western supremacy. Hasu Patel labelled this as the “pursuit of the dispersal of dependence” by a small and weak state.\textsuperscript{175} While applauding the policy as a viable option for Zimbabwe at that time, Patel also doubted its adequacy in addressing the problems that the country was facing and felt that it would be more appropriate to regard the policy as complementary rather than an alternative to engaging the West.\textsuperscript{176} The Zimbabwean government however, anticipated more benefits from pursuing the policy than any potential costs. Thus, engaging an ‘old friend’ became a viable option as the two countries shared a long history of close ties tested during the difficult times of Zimbabwe’s independence struggle and the Tiananmen Square massacre.

On the other hand, the ‘Look East’ policy is believed to be primarily calculated to shift economic and political dependence from the West to China.\textsuperscript{177} Stephen Marks notes that the policy was designed so that China could fill the gap left by Western disengagement from Zimbabwe as an alternative source of unconditional assistance and investments.\textsuperscript{178} On the same note, Jeremy Youde argues that, “Mugabe uses the ‘Look East’ policy to

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\textsuperscript{173} Percyslage Chigora and Taderera Hebert Chisi: \textit{Op cit}, p. 8
\textsuperscript{175} Hasu Patel and Stephen Chan: \textit{Op cit}, p. 176
\textsuperscript{176} \textit{Loc cit}
\textsuperscript{177} Jeremy Youde: “Why Look East? Zimbabwean Foreign Policy and China,” \textit{Africa Today}, Volume 53, Number 3, Spring. 2007, p. 6
\end{flushright}
reassert Zimbabwe’s role on the international stage to gain greater prestige and legitimacy at home and abroad.\textsuperscript{179} In support of this point Ibbo Mandaza explains that,

Zimbabwe’s ‘Look East’ policy is not an ideological assertion, the pursuit of an alternative ideology or rejection of the capitalist road. It is based essentially on the need to survive when the West has apparently turned its back on the former British colony, a country which if the entire story were told has been so historically and economically tied and compromised into an intricate web of dependence on the northern hemisphere.\textsuperscript{180}

In light of the above contributions, the ‘Look East’ policy is referred to as a method used by the Zimbabwean government to extend its sources of aid. Since Zimbabwe had for a long time depended on loans and support from the IMF, the World Bank and Western countries to fund its development projects, one can strongly agree with the sentiments that the ‘Look East’ policy was a strategy to construct a new dependency patron by engaging China. Complementing the ‘Look East’ policy, China and Zimbabwe entered into various cooperation agreements during the crisis period. China also made important strides in supporting Zimbabwe through loans, grants and by investing in the country’s key economic sectors.

\section*{3.4. Cooperation arrangements between China and Zimbabwe}

Declining Foreign Direct Investment (FDI) inflows in light of isolation from traditional investors and decreasing donor assistance naturally led to the Zimbabwean government’s quest for alternative partners. This accelerated its engagement with emerging Asian economies through the ‘Look East’ policy as discussed above. In this venture, Zimbabwe determined to revive close interactions with China. This saw the signing of several

\begin{flushleft}
\textsuperscript{180} Ibbo Mandaza: Zimbabwe’s “Look East” Policy. The Daily Mirror, Harare, May 18, 2005
\end{flushleft}
bilateral cooperation agreements between the Harare and Beijing governments during the crisis period. An overview of recent bilateral agreements between Zimbabwe and China is presented in Table 2, a number of these agreements will be explored in further sections.

**Table 2: Recent Bilateral Agreements between China and Zimbabwe**

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of Agreement</th>
<th>Specifics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2002</td>
<td>Economic &amp; Technical Cooperation</td>
<td>Grant to secure irrigation equipment for agricultural purposes</td>
<td>US$ 5 million</td>
</tr>
<tr>
<td>July 2003</td>
<td>Technological Cooperation</td>
<td>Grant to assist developmental programs in economic and technical areas</td>
<td>US$ 4.5 million</td>
</tr>
<tr>
<td>February 2004</td>
<td>Economic &amp; Technical Cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2004</td>
<td>Tourism agreement</td>
<td>Granting of approved tourism destination status</td>
<td></td>
</tr>
<tr>
<td>November 2004</td>
<td>Six agreements and contracts including an economic and technical cooperation agreement; Exploration rights on minerals; JV with China North Industries Cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2005</td>
<td>Agreement signed</td>
<td>Rehabilitation of the National power grid in return for chrome resources</td>
<td>US$ 1.3 billion</td>
</tr>
<tr>
<td>July 2005</td>
<td>Agreement on Economic &amp; Technical Cooperation</td>
<td>China National Aero-Technology Import &amp; Export Corporation with Zimbabwean Ministry of Communication</td>
<td>Export of another MA60 on top of two delivered in May 2005</td>
</tr>
<tr>
<td>July 2005</td>
<td>Memorandum of Understanding for Loan financing</td>
<td>Expansion of Zimbabwe’s Hwange Power Station AND Agreement on Aircraft Spares Bonded Warehouse</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Grant</td>
<td>39 military trucks and education and medical equipment</td>
<td>US$ 3 million</td>
</tr>
<tr>
<td>May 2006</td>
<td>Grant</td>
<td>Military machines and construction equipment to Zimbabwean Defense Forces</td>
<td>US$ 1.5 million</td>
</tr>
<tr>
<td>2006</td>
<td>Technical Cooperation</td>
<td>Training of 55 military officers</td>
<td></td>
</tr>
</tbody>
</table>
April 2007 | Four bilateral cooperation documents including one economic & technical cooperation agreement | Includes a credit facility to be paid off in tobacco over 2 years | US$ 58 million

*Source: Various public media reports*\(^{181}\)

### 3.5. Zimbabwe as a recipient of Chinese aid

China undertook to support the Zimbabwean government by injecting huge amounts of aid and grants, export credits and concessional loans, as well as technical and economic assistance. Grants in this case are defined as non-repayable financial facilities provided to Zimbabwe by China based on Economic and Technical Cooperation between the governments of the two countries (see Table 2). Extended usually in-kind rather than cash, grants have included food aid, agricultural equipment and equipment for rural development projects. The Chinese Government’s aid around the world has been estimated to a total of approximately US$ 2 billion.\(^ {182}\) However, statistics on China’s development assistance to Zimbabwe do not exist and are believed to be relatively small. An overview of Chinese assistance in form of grants is provided in Table 3 below.

**Table 3: Chinese grants to Zimbabwe**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Chinese RMB)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1 million</td>
<td>Purchase of office equipment</td>
</tr>
<tr>
<td>2002</td>
<td>40 million</td>
<td>Purchase of irrigation equipment</td>
</tr>
<tr>
<td>18.3 million</td>
<td>Procurement of agricultural inputs and animal vaccines</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^{181}\) The table is formed from information extracted from various media outlets such as Bloomberg.com, Xinhua Newsnet.com, China Digital Times, BBC News

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>31.7 million</td>
<td>Transport</td>
</tr>
<tr>
<td>2002</td>
<td>30 million</td>
<td>Refurbishment and maintenance of the Zimbabwe National Sports Stadium</td>
</tr>
<tr>
<td>2004</td>
<td>15 million</td>
<td>Transport</td>
</tr>
<tr>
<td>2004</td>
<td>25 million</td>
<td>Purchase of aircraft from China as agreed</td>
</tr>
<tr>
<td>2005</td>
<td>50 million</td>
<td>Purchase of maize</td>
</tr>
<tr>
<td>2006</td>
<td>US$ 1.5 million</td>
<td>Funds are earmarked for the purchase of agricultural inputs</td>
</tr>
</tbody>
</table>

*Source: AFRODAD Fact Sheet* \(^{183}\)

Although China’s recent engagements in African countries has been mainly aimed at striking strategic deals for its growth interests, it has also been involved in scant humanitarian intervention in others. For example, the provision of non-refundable grants to the Zimbabwean government as presented above represent an important part of this commitment. China has also been giving grants for the maintenance of the Harare National Sports Stadium, one of the major construction projects given to the Chinese by the Zimbabwean authorities after independence. The latest grant for this purpose was a 30 million yuan given in 2002 for the refurbishment of the facility. \(^{184}\) Other grants awarded were used for the purchase of office equipment for various government ministries as well as buying agricultural and irrigation equipment. \(^{185}\) The 2005 grant awarded for the buying for maize corresponded with a humanitarian emergency in Zimbabwe after the country had received low agricultural output due to the contentious land reform process, compounded by a drought that struck most parts of the Southern African region in that year.

\(^{183}\) Taken from AFRODAD Fact Sheet: A Critical Assessment of Chinese Development Assistance in Zimbabwe, Harare, 2007


\(^{185}\) Loc cit
3.6. China’s Loans to Zimbabwe

During the crisis period, China also extended a number of loan facilities to the Zimbabwean government. The most common were the low interest loan agreements with a long maturity awarded by China’s Export and Import Bank (EXIM Bank) solely owned by the Chinese government.\(^\text{186}\) As the only provider of the Chinese government concessional loans, EXIM Bank offers package deals structured specifically to address the needs of African governments. The Exim Bank’s loans are mainly applied in the sectors of infrastructure development, such as power stations, transport, telecommunication and housing projects. In 2001, China EXIM Bank provided a concessional loan to Zimbabwe’s Ministry of Water for Infrastructural Development.\(^\text{187}\) Through this loan the District Development Fund (DDF) acquired equipment worth US$ 8 million for the development, maintenance and upgrading of road infrastructure.\(^\text{188}\) Similarly in 2006, the Zimbabwe Farmers Development Company benefited from an EXIM Bank concessional loan to obtain agricultural equipment and tools worth US$ 25 million.\(^\text{189}\)

The China EXIM Bank also extends export credits used to facilitate the export of Chinese capital goods (mainly mechanic and electronic products) and new high-tech products to overseas construction and investment projects.\(^\text{190}\) The Government of Zimbabwe was awarded with a Buyer’s Credit loan facility by EXIM Bank valued at US$200 million in August 2006 to purchase necessary inputs into the country’s underperforming agriculture sector.\(^\text{191}\) These included fertilizers, pesticides, agricultural tools as well as irrigation equipment which Harare had been unable to purchase due to the shortage of foreign currency. The necessary equipment and agricultural inputs were envisaged to increase productivity in the agricultural sector. In July 2007, at the opening of the 3\(^{\text{rd}}\) session of

\(^{186}\) Todd Moss and Sarah Rose: China Exim Bank and Africa: New Lending, New Challenges, Centre for Global Development, November 2006, p. 2  
\(^{187}\) Hannah Edinger and Christopher Burke: Op cit, p. 9  
\(^{188}\) Loc cit  
\(^{190}\) Hannah Edinger and Christopher Burke: Op cit, p. 9  
\(^{191}\) AFRODAD Fact Sheet: Op cit, p. 1
the Sixth Parliament of Zimbabwe, President Mugabe suggested that the buyer’s credit loan agreement helped in improving stability in the supply of agricultural inputs such as fertilizers and chemicals.\textsuperscript{192} The terms and conditions of China’s interest free and concessional loans are however, rarely made public and it is therefore difficult to distinguish between these and commercial loans. Also, the differences are further confused by the regular use of ‘barter trade’ systems in which part of Zimbabwe’s exports to China are used to repay loans provided as part of these kind exchange arrangements. One of the largest deals of this nature was the US$ 58 million for agricultural equipment in exchange for tobacco.\textsuperscript{193}

3.7. China’s Investment Projects in Zimbabwe

Although China had long been involved in Zimbabwe’s development projects, the last decade saw a significant rise in Chinese investments in the country. In the beginning, China’s investments were mainly concentrated in the extractive sectors, responding to the exponential growth in the demand for raw materials and mineral ores for its burgeoning industry. Chinese based companies also entered Zimbabwe’s manufacturing, agriculture, retail, transport and infrastructural development. As in other African countries, China is moving beyond merely securing essential inputs to acquiring stakes in potentially productive enterprises in Zimbabwe. Commenting on China’s ventures in the country, Chris Melville and Olly Owen argued that, “… Chinese state-owned enterprises have assembled a portfolio of shares in some of Zimbabwe’s prize assets.”\textsuperscript{194} In light of this statement, it is vital to look closely into China’s involvement in these different sectors of the Zimbabwe’s economy.

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\textsuperscript{193} Obert Matahwa: “China and Zimbabwe: Is There a Future?” AfricaFiles, Volume. 6,November 2007, p.3
\end{flushleft}

\begin{flushleft}
\end{flushleft}
3.7.1. Mining

Zimbabwe is wealthily endowed with different mineral ores particularly along the Great Dyke on the central part of the country. These mineral resources are of particular interest not only to China but also to other countries in the developed world including private investors from Britain and the United States. Referring to these mineral endowments, Hilton Mumba, a Zimbabwean commentator said that, “Zimbabwe’s Great Dyke contains inexhaustible deposits of chrome, copper, platinum (the second largest in the world estimated at over US$500 billion) and nickel among others. Washington and London are well aware of these untapped minerals and riches.”\textsuperscript{195} On the same note Sachikonye points out that, “Zimbabwe has the second largest reserves of platinum in the world, and substantial reserves of chrome.”\textsuperscript{196} These minerals therefore attracted great interest from Chinese investors who saw the withdrawal of Western capital as an opportunity for them to step in the country’s rich resources. In November 2004, China and Zimbabwe signed several co-operation agreements in this sector.\textsuperscript{197} It is reported that most of the agreements signed during this time gave exploration rights to a group of Chinese experts to study mineral resources in Zimbabwe.\textsuperscript{198} Of particular significance was the joint venture with China North Industries Corporation (Norinco). Chinese investments proved to be critical when Norinco granted reprieve to the Hwange Colliery Company (HCC) after US$6.3 million debt had accrued and threaten to ruin production in one of Zimbabwe’s strategic mines relied upon by most industries for coal supplies.\textsuperscript{199}

In addition to their great interest in Zimbabwe’s platinum ores, the Chinese also explored other minerals in the country such as nickel and copper. In 2008, the Mineral Marketing Corporation of Zimbabwe (MMCZ) signed a memorandum of understanding with the

\textsuperscript{195} Hilton Mumba: “Whither Now: To ‘Continue East’ Or Not?” Published by the ZimEye.org, May 20, 2009 Available online at http://www.zimeye.org/?p=4960
\textsuperscript{197} Ibid., p. 189
\textsuperscript{198} Daily Mirror, 03 November 2004 in Sven Schwersensky: Op cit, p. 189
Chinese Nickel Company, Jinchuan Nickel Mining Company of China.\textsuperscript{200} Jinchuan is the biggest producer of nickel and cobalt in China with annual production capacity of 130,000 tonnes of nickel, 200,000 of copper and 6,000 tonnes of cobalt.\textsuperscript{201} It is reported that the deal required Zimbabwe to sell these minerals to China. Presenting the report in the Parliament, MMCZ Chief Executive Officer, Onesimo Moyo described the deal as strategic adding that it could be a catalyst for the accelerated marketing of Zimbabwe’s mineral in China. This mining deal with a Chinese company seems to be strategically established to attract more Chinese investments in Zimbabwe’s resources in line with the government’s ‘Look East’ policy.

Large Chinese investments have also been noticeable in the metals and minerals processing industries of Zimbabwe. In 2003 by the Chinese Shanghai Baosteel Group invested US$300 million in this sector. This investment is reported to have created 2000 jobs.\textsuperscript{202} Part of the investment was used to buy equipment for boosting iron steel production in the Zimbabwe Iron and Steel Corporation (ZISCO). Moreover, as part of its investment efforts in this industry, Sinosteel, China’s second largest iron and steel dealer signed an investment agreement with the Zimbabwe Mining and Smelting Company (ZIMASCO) in September 2007.\textsuperscript{203} This investment was expected to boost the company which at that time was in deep financial problems resulting from the withdrawal of Western sources.

3.7.2. Agriculture
Zimbabwe’s agricultural sector was also heavily affected by the withdrawal of Western support from the country. With the hastily implemented land reform between 2000 and 2003, the sector experienced a steep decline in productivity. Among other problems, the agricultural sector suffered critical shortages of fertilizers, agro-chemicals and erratic supply of other inputs. The deterioration of the country’s fertilizer plants also

\begin{itemize}
\item \textsuperscript{200} Zimbabwe: “MMCZ, Chinese Nickel Company Sign MOU”, Chinamining.org, 20, August 2009, Available at http://www.chinamining.org/Investment/2009-08-10/1249886895d27818.html
\item \textsuperscript{201} Ibid
\item \textsuperscript{202} Lloyd Sachikonye: Op cit, p. 128
\item \textsuperscript{203} The Financial Gazette: “Zimbabwe: Look East or Look Chinese?”, The Financial Gazette, Harare, October 25, 2007
\end{itemize}
compounded the situation. In order to show its support of Zimbabwe’s land reform programme, the Chinese government donated US$241 worth of agricultural equipment to Zimbabwe in 2001 and continued to make subsequent credit lines to the sector during the crisis period.\textsuperscript{204}

More visible Chinese investments in Zimbabwe’s agriculture were made in tobacco production. The crop has generally been regarded as Zimbabwe’s ‘golden leaf’ because of its historical status as the country’s highest foreign currency earner. In 2005, the two countries signed an agreement that would see the expanded tobacco fields for China to 2500 hectares of land and 10 000 more hectares were offered in a separate agreement the following year.\textsuperscript{205} With these agreements, China has become Zimbabwe’s largest tobacco consumer with the crop attracting huge Chinese investments into the agricultural sector. Some Zimbabwean analysts however, have raised huge concerns about the implications of these tobacco deals. Obert Matahwa laments that the crop has been put as collateral to open doors for more credit facilities from China.\textsuperscript{206}

In 2007, the Chinese government extended a credit facility of US$200 million in support of Zimbabwe’s agriculture. The facility was mainly used to acquire farming equipments from China which included 1000 tractors, and an assortment of combine harvesters, irrigation pumps, disc harrows and planters among others.\textsuperscript{207} This also saw the extension of land given for tobacco production in the country. In August 2007, as noted by Matahwa “Approximately 110 000 hectares in the areas surrounding Harare are committed to growing tobacco.”\textsuperscript{208} Although China has vastly invested in the Zimbabwe’s agriculture, the emphasis on tobacco certainly shifted attention and resources from other crops particularly grain and other food crops whose production suffered in the process. Shortages of fuel, electricity and seeds, fertilisers and farming

\textsuperscript{204} Lloyd Sachikonye: \textit{Op cit}, p. 129  
\textsuperscript{205} Sven Schwersensky: \textit{Op Cit}, p. 192  
\textsuperscript{206} Obert Matahwa: “China and Zimbabwe: Is There a Future?” \textit{Africa Files}, Volume 6, November 2007, p. 8, Available online at \url{http://www.africafiles.org/atissueezine.asp?issue=issue6}  
\textsuperscript{207} The Zimbabwe Herald: “Zimbabwe: 1000 More Tractors Expected From China,” Available Online at \url{http://allafrica.com/stories/200711020023.html}  
\textsuperscript{208} Obert Matahwa: \textit{Op cit}, p. 8
chemicals, all linked to the wider crisis situation continued to hinder the success of agriculture in Zimbabwe over the last decade.

Furthermore, despite China’s huge investments in Zimbabwe’s agricultural sector, general output, including tobacco production fundamentally dropped during the crisis period. Obert Matahwa reports that by 2007, Zimbabwe had dropped out of the six tobacco exporting countries owing to reduced productivity. Much of this downward trend is mainly attributed to the inconveniences and inadequacies of the land reform programme. In the face of growing difficulties, the Zimbabwean government is believed to have mortgaged the bigger stake of tobacco production to the Chinese for financial support. For example, in 2007, China promised loan of US$58 million to the Zimbabwean government intended to purchase farming inputs and tools on condition that Zimbabwe will deliver 110 000 tonnes of tobacco to China in two years. Commenting on this arrangement, Matahwa notes that Zimbabwe stands to lose control of one of its principal exports in the long run. On the same point, Anthony Hawkins declares that “Zimbabwe stands a better chance to pull itself from the economic abyss if it addresses its woes without mortgaging future production of its major export resources to the Chinese.” The major setback in this deal was that it would mean that Zimbabwe would have to close its auction flows (at least for two years) if its tobacco output fails to rise to a level that would leave a surplus to trade locally after giving the Chinese their share. This would potentially deny the Zimbabwean government large sums of money usually gained from the auction flows.

3.7.3. Energy Sector

Chinese capital investments have also been directed to Zimbabwe’s energy sector. The cordial relations between the two countries paved arrangements that saw Zimbabwe buying electrical equipment on reasonable terms from China. In November 2004, Zimbabwe Electricity Supply Authority (ZESA), the country’s biggest power utility

209 Ibid, p. 9
210 Obert Matahwa: Op cit, p. 3
211 Ibid, p. 4
212 Anthony Hawkins quoted in Obert Matahwa: Op cit, p. 3
entered a cooperation deal with a Chinese company, China Aviation Technology Import-
Export Corporation (CATIC) which saw the Zimbabwean power utility receiving
equipment worth US$110 million\textsuperscript{213} Furthermore, ZESA also signed a deal worth Z$2, 4
billion for more equipment from CATIC. In 2006, ZESA acquired electrical equipment
from China to replace its obsolete infrastructure in the city of Harare.\textsuperscript{214} Sven
Schwersensky reports that the deal was made possible through Zimbabwe’s exports of
tobacco to China.\textsuperscript{215} The chairman of the Zimbabwe Electricity Distribution Company
(ZEDC), Sydney Gata, was quoted in a local newspaper saying, “We have done very well
in the area of non-resource finance for the purchase of power supplies. We already have
purchased new equipment from China and this was made possible through the tobacco
exports venture by ZESA enterprises.”\textsuperscript{216}

The largest energy deal was with China Machine Building International Corporation in
June 2006 estimated at US$1.3 Billion to mine coal and build two new thermal power
units at the Hwange thermal plant.\textsuperscript{217} This was seen as a solution to cut the dependence
on electricity from neighbouring Mozambique and South Africa. The deal was also
poised to reduce the country’s power outages. Cooperation on rural electrification was
also agreed in principle between the two countries.

Despite the various Chinese investments in Zimbabwe’s energy sector, electricity
shortages persisted throughout the crisis period. The supply of power remains a problem
to date as the state continues to struggle to meet its electricity consumption demands.
With the persistent shortages of power in the country, it appears that little has been done
to honour the promises and to implement the agreements reached with Chinese
companies to assist in the country’s power production. The failure to change the situation
of electricity blackouts since the beginning of the crisis in Zimbabwe has raised huge
concerns on the commitment and the credibility of China’s interests in the sector. This

\textsuperscript{213} Sven Schwersensky: Op Cit, p. 191
\textsuperscript{214} Forum on China Africa Cooperation: “Zimbabwe receives new electrical equipment from China,”
\textsuperscript{215} Ibid
\textsuperscript{216} Sydney Gata quoted in The People’s Daily: Zimbabwe acquires new electoral equipment from China,
\textsuperscript{217} Ibid
situation is disheartening to the most Zimbabweans who are constantly told about expected positive changes in newspapers, news on radio and television without real results on the ground.\textsuperscript{218}

\textbf{3.7.4. Construction and Infrastructural Utilities}

For a long time since independence, China’s construction operators have been very active in Zimbabwe’s construction industry. The Chinese were applauded for the construction of the National Sports Stadium in the mid-eighties. In 1995, China and the Industrial Development Corporation of Zimbabwe launched Sino-Zimbabwe Cement joint company in Gweru.\textsuperscript{219} This marked the joint production of cement for construction projects within the country as well as for export to China and in the Southern African region. In order to consolidate its role in Zimbabwe’s construction industry, China opened a tile and brick factory in 2004.\textsuperscript{220} Contrary to other sectors that suffered in the deepening crisis, private construction in Zimbabwe did not stop. This was apparently due to the fact that the industry was largely supported by the diaspora population of Zimbabwe through remittances that were partly invested in securing real estates in the home country. In this regard, housing construction boomed as the Chinese factories continued supplying inputs.

Construction of public utilities however, came to a halt during the crisis period due to the lack of foreign currency in the government treasury. The period under review saw a fundamental deterioration of the country’s road networks as tar marks in the cities and some highways were often littered with pot-holes due to lack of maintenance. There was apparently less cooperation between China and Zimbabwe in this sector. This is can be attributed to the less attractive nature of the road construction business in Zimbabwe as it often takes long bureaucratic negotiations with several government departments before a comprehensive deal can be reached. In October 2008 however, the Zimbabwe National Road Authority purchased road construction equipment worth US$2.6 million from

\textsuperscript{218} Sven Schwersensky: 	extit{Op cit}, p. 188
\textsuperscript{219} Loc cit
\textsuperscript{220} Ibid
China for use in repairing and maintaining roads throughout the country.\textsuperscript{221} The equipment, which comprised six graders, six tippers and two water dowser, were expected in the country in March 2009.\textsuperscript{222}

In May 2005, a Chinese company, China Jiangxi Corporation for International Economic and Technology Cooperation (CJCIETC) secured a US$145 million tender for the construction of the Kunzvi Dam amid allegations that normal tender procedures were not followed.\textsuperscript{223} Grace Kombora and Augustine Mukaro reported that the deal became “the second high-profile project to be awarded under a special – and opaque – tendering process after the Zupco tender was given to China’s Javesh Shah’s Gift Investments.”\textsuperscript{224} After securing the tender, the Chinese allegedly moved quickly with machinery and equipment to the site, demonstrating their readiness to undertake the work before other competitors had been replied about the results of their applications.\textsuperscript{225} Despite these developments, it is reported that almost four years on, this investment still has not been finalised while irregular water supplies continue in Harare where the dam was earmarked for water supply.

Under infrastructural utilities, one can argue that the Chinese managed some strides of difference in Zimbabwe. Through bilateral agreements with China, the government controlled Zimbabwe United Passenger Company (ZUPCO) received fleets of buses on several occasions from China. This served to lessen transport problems in the country’s urban areas, at least in the short run. In 2005, China delivered about 100 buses for urban public transport.\textsuperscript{226} According to Schwersensky, the timing of this consignment was a political move by the government as it coincided with the final weeks of parliamentary election campaign.\textsuperscript{227} The general users of these Chinese imported buses however,

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{221} Xinhua News: Zimbabwe imports roads equipment from China, Available online at http://english.peopledaily.com.cn/90001/90776/90883/6622477.html
\item \textsuperscript{222} Ibid
\item \textsuperscript{223} Grace Kombora and Augustine Mukaro: “Chinese given Kuzvi Dam Tender,” The Zimbabwe Independent Newspaper, 12 October 2007
\item \textsuperscript{224} Ibid
\item \textsuperscript{225} Ibid
\item \textsuperscript{226} Sven Schwersensky: Op cit, p. 191
\item \textsuperscript{227} Loc cit
\end{itemize}
\end{footnotesize}
complain that the buses often breakdown at alarming regularity with some indicating that the buses cannot be relied on for long distance travelling. Several commuters in Harare complain that the inefficiency from these buses often cause delays and disruptions costing them time and money in various ways.

Still under the transport sector, Chinese companies demonstrated interest to acquire some stakes in one of Zimbabwe’s major parastatals, the National Railways of Zimbabwe (NRZ). China’s China Northern Locomotive and Rolling Stock Industry (NORINCO Group) signed an agreement in 2004 to supply and improve rolling stock with NRZ. More recently Xinhua News reported that Chinese companies have expressed interest in two important transport projects in Zimbabwe. The first is concerned with dualising the A1 highway from Harare to Zambezi and the second involving rehabilitating the railway along the same route from Harare to Chinhoyi and extending it for about 235 kilometres to Zambezi to link Zimbabwe and Zambia. It will be interesting to see these ambitions coming to implementation and if they do, it will probably represent one of the huge Chinese investment projects in Zimbabwe in recent years. The project will also stand to benefit the whole Southern African region as road and railway networks are useful in the transportation of goods particularly from the ports of South Africa through Zimbabwe and to the rest of the region.

Furthermore, Chinese investments were also directed to Zimbabwe’s tourism industry. The tourism industry however, suffered a significant overall decline during the crisis period as the country grappled with a dented image in its traditionally reliable Western markets. In contrast however, Zimbabwe and China signed a tourism agreement on 15 June 2004 that would facilitate better travelling conditions for Chinese tourists coming to

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228 Daily Mirror: The ‘Look East’ policy set to benefit three major parastatals, 03 November 2004
Zimbabwe. Despite this deal the tourism industry suffered as the much expected Chinese visitors were reported to be small-spenders.

A summary of the above mentioned Chinese projects and investments made in different sectors of the Zimbabwean economy is presented in Table 4 below.

**Table 4: Chinese projects in Zimbabwe**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Projects</th>
<th>Repayment option</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture</strong></td>
<td>US$ 58 million facility for provision of agricultural equipment (tractors, combine harvesters, disc ploughs, harrows, etc). Business to business agreement signed between Farmers world and a Chinese company though guaranteed by the Reserve Bank of Zimbabwe</td>
<td>Tobacco exports to China</td>
<td>Equipment has since been delivered</td>
</tr>
<tr>
<td><strong>Agricultural</strong></td>
<td>Setting up an Agricultural Demonstration Centre just outside Harare</td>
<td>Improved exports to China</td>
<td>Project commissioned in late May 2007</td>
</tr>
<tr>
<td><strong>Technological</strong></td>
<td>Supply of fertilizer (200000-400000 tons). Business to Business agreement signed between ZFC and a Chinese company though with a Government guarantee</td>
<td>Improved exports to China</td>
<td>Consignment delivered though part of it was condemned as unfit for Zimbabwean soils</td>
</tr>
<tr>
<td><strong>Mining &amp; Electricity</strong></td>
<td>Construction of 3 thermal power stations at Hwange Colliery company</td>
<td>Loan</td>
<td>Project commissioned</td>
</tr>
<tr>
<td><strong>Mining</strong></td>
<td>Revival of Mhangura Copper mine. Business to Business agreement between Zimbabwe Mining Development</td>
<td></td>
<td>Project still on paper</td>
</tr>
</tbody>
</table>

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230 Ibid
| Corporation(ZMDC) and Chinese Aeronautical Technology Import and Export Company (CATIC) |
|---|---|---|
| **Railways** | Supply of rail equipment | Loan | Project commissioned |
| **Communication** | Supply of telephone equipment to Tel-One (Business to business agreement) | Loan | Equipment delivered |
| **Transport** | Supply of FAW buses to ZUPCO (business to business agreement with Reserve Bank guarantee) | | The buses were delivered but the majority of which have since are no longer operating due to technical faults. |
| **Energy** | Construction of thermal power station in Dande | Exchange | Agreement signed |

*Source: AFRODAD, 2007*231

### 3.8. China-Zimbabwe Trading Relationship

During the crisis period, Zimbabwe and China also augmented their trading relationship. Trade relations between the two countries have been strengthened through high level visits by government officials, sharing each other’s experiences in different sectors. China has now been variously referred to as Zimbabwe’s second largest trading partner after South Africa.232 Despite the repeated plummeting in the value of the country’s local currency since 2000, China has continued trading with Zimbabwe in a variety of commodities. The recent trading relations between the two countries are reportedly

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underwritten by China’s appetite for mineral resources and raw materials in Zimbabwe.\textsuperscript{233} In February 2004, trade between China and Zimbabwe was further deepened by the signing of an Economic and Technical agreement.\textsuperscript{234} Part of this agreement was the commitment by China to help Zimbabwe improve its tobacco production by providing the necessary resources. This agreement was expected to present mutual benefits for both countries. The then Zimbabwean Minister of Finance and Economic Development, Chris Kuruneri was quoted saying, “We have the land and the man power and you (China) have the resources. It’s not a one-way street. We expect to mutually benefit.”\textsuperscript{235} During the same meeting, Minister Kuruneri also reiterated that Zimbabwe is endowed with vast amounts of underexploited minerals and encouraged the two countries to further their relations in that sector.

Data from the World Trade Atlas indicate that Zimbabwe’s trading relationship with China has been on the increase since the mid-1990s. It is reported that bilateral trade between the two countries increased from US$52.2 million in 1996 up to US$275.25 million in 2006 with the peak of US$283.30 million recorded in 2005.\textsuperscript{236} Figure 1 below presents the trade trends between China and Zimbabwe since the late 1990s.

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\textsuperscript{233} Hannah Edinger and Christopher Burke: Op cit, p. 18
\textsuperscript{234} Xinhua News Agency: Zimbabwe, China Sign Agreement to Strengthen Trade Relations, 21 February 2004
\textsuperscript{235} Ibid
\textsuperscript{236} World Trade Atlas, Data collected from the Chinese Ministry of Commerce (MOFCOM), 2007
\end{center}
Much like the trading patterns of China with other African states, bilateral trade between China and Zimbabwe has been characterised by the export of raw materials in return for manufactured goods (including clothing, textiles and footwear), transport (automobiles, busses, tractors and aircraft vehicles), electrical machinery and other equipment. However, contrary to many other countries’ trade profiles with China, the two-way trade pattern with Zimbabwe shown in Figure 1 above indicates that trade between the two countries has been skewed towards Zimbabwe. This is however, generally unusual that a non-oil exporting developing country can export more products to China than it is importing. This trend is an indication that Zimbabwe managed to secure a valuable market in China for its resources after the withdrawal of the West.

Source: World Trade Atlas (MOFCOM)
Exports from Zimbabwe to China have been dominated by cash crops (tobacco, cotton) and minerals particularly nickel and ferroalloys. Tobacco is however the main export product to China. Nevertheless, there was a general decline in exports from Zimbabwe to China during the crisis due to the broad deteriorating economic situation in the country. A further decline in agricultural production also resulted to a fall of the main export crop from Zimbabwe to China. Tobacco production was also made less attractive due to the unfavourable exchange rates and higher input costs during the crisis period. Formerly one of Africa’s top producers of flue-cured tobacco, Zimbabwe’s total tobacco production declined to 58 million kg in 2006, down from 200 million kilograms in 2001. This was expected to improve in 2008 after China extended a credit facility of US$58 million to help boosting Zimbabwe’s agricultural sector particularly tobacco production. In 2006, nickel was the second largest export to China at US$ 16.72 million, constituting 12% of total exports to Beijing. Both these exports were ranked top in Zimbabwe’s trade account with China. Cotton exports stood at US$ 13.93 million in 2006, contributing the third largest (10.1%) of the export value to China despite dropping from the US$18.1 million mark of 2004. Ferroalloys which mainly included alloys of iron was the fourth largest export standing at US$9.4 and comprising 6.7% of Zimbabwe’s exports to China. Below (Figure 2) is a diagrammatic illustration of these major exports flows from Zimbabwe to China during the crisis period.

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238 Ibid, p. 20  
240 World Trade Atlas, 2007  
241 Ibid  
242 Ibid
During the crisis period, Zimbabwe also imported huge amounts of finished products from China. The period since the late 1990s saw a gradual increase in Chinese imports. It is reported that imports from China were generally moderate and tripled in 1997 and again in 2004 from previous import levels. This comes as a result of a number of loans extended to Zimbabwe from China to purchase agricultural equipment and military supplies. The diagram below shows the general trend of Zimbabwean imports from China for 1996 to 2006. In 2004, Zimbabwe signed a military trade deal which saw the country purchasing a number planes, trainer jets and commuter buses from China. This greatly contributed to a steep rise in the percentage growth of imports from China as shown in the graph.

Source: World Trade Atlas

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In 2006, Zimbabwe also received a line of major imports from China which comprised of transmission equipment for radiotelephony and other electrical apparatus for telephony communication. Chemical products including insecticides, pest and fertilizers also form part of the major imports from China. Throughout the crisis period, Zimbabwe also became a destination of huge amounts of Chinese fabric and textile exports. In 2006, woven fabric imports from China amounted to US$5.27 million. It is reported that by 2006, clothing, textiles and footwear imports products had already doubled the 2000 amounts. A total of US$12.04 million worth of clothing, textile and footwear merchandise was imported from China in 2006 although this may potentially underestimates the actual amount of Chinese exports to Zimbabwe in this industry due to a lot of black market trade involved between the two countries. Also, some of the Chinese products flooding the Zimbabwean markets have been imported from other

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245 Hannah Edinger and Christopher Burke: Op cit., p. 23
247 Hannah Edinger and Christopher Burke: Op cit., p. 22
248 Loc cit
countries particularly South Africa and Botswana whose markets that have been highly exploited by a large number of Zimbabwean cross-border traders.

3.9. Defence and Military Relations

Apart from the more acceptable levels of co-operation, Beijing also used military engagement as a form of deepening co-operation with Zimbabwe. Through the crisis period, China continued to supply arms and military hardware to the Zimbabwean government. It is reported that in 2004, the Zimbabwean government purchased US$1 million worth of AK-47s from China which were allegedly exchanged with ivory.\(^{249}\) While the precise details of the acquisition are difficult to ascertain, Permanent Secretary of the Zimbabwean Ministry of Defence, Trust Maphosa accompanied by army commander, General Constantine Chiwenga and Air Force of Zimbabwe Chief, Air Marshall Perence Shiri, stated during a hearing of the joint Senate and House of Assembly Parliamentary Portfolio Committee on Defence and Home Affairs that six K-8 training jets had already arrived in the country by March 2006 and that the remainder were to be delivered by the end of the year.\(^{250}\) Though details were not disclosed, the military officials declared that a payment of US$4.6 million had been made to the Chinese manufacturers of the aircraft.\(^{251}\) China is also reported to have supplied the Zimbabwean military with radar equipment in the same deal.\(^{252}\) In this regard, China has become an increasingly vital source of military equipment to Zimbabwe since the implementation of Western military embargoes.

The military continues to play a prominent role in Zimbabwe’s politics. This has been seen over time when the military is deployed by the state to deal with suspected opposition political activism since the Matabeleland disturbances. For this reason, the


\(^{251}\) Ibid

high level of cooperation and exchange between the militaries of the two countries during the crisis period raised great suspicions about China’s intentions in Zimbabwe.

In essence this level of collaboration rendered the relationship controversial leading to suspicions that China was intensifying conflict within the heavily polarized Zimbabwean society by cushioning the power base of the ‘undemocratic’ ZANU-PF government.\textsuperscript{253} The supply of military hard and software like fighter jets and the technology for jamming radio signals and filtering the internet to the Mugabe government became clear examples of these feared Chinese intentions in the country.\textsuperscript{254} Politically controversial interactions as with Zimbabwe enabled the Chinese leadership to further entrench state to state relations for long-term strategic influence, especially at a time when the West’s attitude to develop co-operation was aligned to political conditionalities. Also, close ties with the Zimbabwean government facilitated the entry of Chinese corporations into positions which rooted them in the Zimbabwean market which had long been dominated by the West.

3.10. Conclusion

In conclusion, it has been noted that the relations between China and Zimbabwe can be traced back to Zimbabwe’s liberation struggle. Government relations during that time were pitched in military and ideological terms. Since Zimbabwe’s independence, interaction between the two countries shifted to take a commercial path as has been shown in the foregoing discussion. Despite involving some strides of political and military exchanges with the Zimbabwean government, the current China-Zimbabwe interactions have been centred on economic and technological exchanges. Faced by a raging economic and political crisis in the midst of Western isolation, it became imperative for the Zimbabwean government to look for other sources of aid and investments. This culminated into the adoption of the ‘Look East’ policy to attract allies from Asia and the Pacific regions. The implantation of the policy however, eventually shifted its focus to China as Beijing presented itself as the best option for both political

\textsuperscript{253} Sanusha Naidu and Daisy Mbazima: \textit{Op.cit}, p. 756
\textsuperscript{254} Ibid
and economic support to the Harare government. In this background, Zimbabwe’s crisis period witnessed the growing of aid, investments from and trade interactions with China. The deepening Chinese engagement in Zimbabwe’s various sectors during this time however came with varied economic and political impacts on Zimbabwe as will be discussed in the following chapter.
CHAPTER 4

EFFECTS OF CHINA’S INCREASED ENGAGEMENT IN ZIMBABWE

4.1. Economic Effects

The invigorated China’s involvement in Zimbabwe in the last decade can be linked to a variety of economic events and situations of the crisis period. In 2006, Zimbabwe’s Ministry of Industry and International Trade expressed government’s intention to review the country’s customs and immigration formalities to facilitate the flow of Asian (mainly Chinese) capital into a number of key sectors of its economy.\textsuperscript{255} Minister Obert Mpofu was quoted in a local newspaper saying, "We are working on measures to facilitate investment flows into Zimbabwe, especially from China and other developing countries."\textsuperscript{256} These measures involved removing certain bureaucratic formalities to give investors convenience and confidence in the country. This was potentially targeted on facilitating the smooth flow Chinese capital in Zimbabwe after the realization that China had a major role to play in the country’s economy. In the same year, the Zimbabwe Investment Centre (ZIC) reported that the total value of Chinese projects in the country reached US$530-600 million. China’s approved investments for the first half of the year amounted to US$ 8.5 million with a total of 68 projects approved by August 2006.\textsuperscript{257} In April 2007 it was reported that 35 Chinese companies are active in the Zimbabwean economy. The huge contributions made by China in this regard therefore, became vital in sustaining the country’s economy in the absence of Western support.

In another economic development, China and Zimbabwe agreed to further strengthen cooperation though a Joint Commission which currently meets on biannual basis to discuss and deliberate trade relations between the two governments. The Joint Commission has been functional in promoting joint venture agreements and FDI inflow.

\textsuperscript{255} Frontier Advisory: China Business Frontier, November 2008, p. 4
into a number of Zimbabwe’s key economic sectors. In this regard, Chinese investment moved in to fill the gaps which other investors regarded as too risky to pursue.\textsuperscript{258} Despite the overwhelming economic situation, the Zimbabwean government was able to carry on with business throughout the crisis period. On this basis, it can be noted that China threw a lifeline into the disintegrating Zimbabwean economy, preventing its complete collapse and helped the ZANU-PF government to survive conditions which highly threatened its existence.

Sino-Zimbabwe relations grew apace with Zimbabwe’s isolation by its traditional aid and trading partners from the West. The withdrawal of the West inevitably drove the Mugabe administration to seek strong economic partnerships with Asian countries. This brought forth the adoption of the ‘Look East” policy mainly to attract Asian investors. In the process, Zimbabwe established strong ties with China and attracted significant financial support as well as aid and investments which became vital in sustaining the economy in the face of Western sanctions. In this relationship, China behaved in a purely realist manner by defying international calls on Zimbabwe’s isolation for its human rights record. While it was pragmatic for the Zimbabwean government to snub the West and pursue new economic spheres and to strengthen its ties with countries of the east, some observers believed that the ‘Look East’ policy was just a political slogan stemming from Mugabe’s troubles with the West.\textsuperscript{259} Former Information and Publicity Minister, Jonathan Moyo, discredited the policy when he said: “There is no such policy. It’s a political slogan. It’s typical of the ZANU PF leadership to parade slogan as policies.”\textsuperscript{260} Whether the policy was a viable strategy or a slogan is largely subjective however, it is important to note that its implementation greatly helped to solicit economic support from Asian countries particularly China. The changes in trade volumes between China and Zimbabwe during the crisis period are evidence to this effect.

\textsuperscript{259} Percy Chigora and Hebert Chisi: Op cit., p. 159
\textsuperscript{260} Dumisani Muleya/ Shakem Mutari: Look East’ not policy but slogan, The Zimbabwe Independent, 10 December 2004 Available Online at http://theindependent.co.za/opinion/17536.html
Furthermore, Zimbabwe’s trade profile with China displays that Beijing’s interest in the country is not limited to resources, but it also regards Zimbabwe as a potential market for its manufactured and industrial goods. Like many other African countries, Zimbabwe has been infested with enormous quantities of Chinese manufactured products such as clothing, shoes, textiles, toys, plastics, television and radio sets, and other electrical appliances. These goods are significantly cheaper compared to the locally produced goods. The continual penetration of cheap Chinese products in the local market received numerous criticisms from both consumers and competing industries in Zimbabwe. For instance, Zimbabweans complain bitterly that Chinese products sold in their markets are generally shoddy and cannot be trusted for safety.  

In a way to express their displeasure, Zimbabweans coined the pejorative term ‘zing-zhongs’ in reference to various Chinese products in the local market. According to Eldred Masunungure, such goods, referred to by locals as “zing-zhongs” are generally considered to be of lower quality and sub-standard, apparently not acceptable in high income Western markets. In Zimbabwe, the derogatory term “zing-zhong” however, has not only been limited to the Chinese products, but also to Chinese nationals staying and working in the country. This is reportedly affecting other Asian people often mistaken as Chinese particularly the Japanese and the Koreans staying in Zimbabwe. Where there is difficulty in distinguishing Chinese nationals from Asians of other countries looking closely as the Chinese, they are often all lumped as “zing-zhongs” in the Zimbabwean circles. This can be seen as a subtle form of xenophobia. This concurs with Michael Wines’ remarks that, “the resentment of the Chinese is not only widespread, it’s deeply rooted…” in the Zimbabwean population.

262 Eldred Masunugure is Zimbabwean Political Scientist and a lecturer in the Department of Politics and Administrative Studies, University of Zimbabwe. His statement about the Zimbabweans’ reactions to Chinese products is quoted by several scholars such as Terence Mashingaidze, Sven Schwersensky, Ian Taylor and others including newspaper articles.
264 Ibid
Before the crisis, Zimbabwe used to pride itself with an active manufacturing sector, contributing a significant share of the country’s GDP and supplying manufactured goods such as textiles, clothing and light electrical appliances to its sub-Saharan neighbours. However, in light of the political and economic crisis the manufacturing sector deteriorated as most of its workforce was lost to the diaspora. Industrial collapse was spurred by a shortage of inputs, raw material imports and a lack of foreign exchange. Chinese competition further undercut these industries, most significantly in the clothing and footwear industries, aggravating unemployment and poverty. An increasing number of Chinese small entrepreneurs infiltrating the trading community since the implementation of the “Look East” policy have subjected local retailers to stiff competition in the country’s markets. For instance, Tendayi Mugiyo, who runs a clothing retail in Harare put forward his frustration when he said that: “We really have a problem with the Chinese, they bring in cheap and yet poor quality goods thereby putting our local companies out of business.”

4.2. China’s Diplomatic Support

Throughout the crisis period, China provided diplomatic support to the Zimbabwean government, refusing to join international chastisement based on its human rights record. China’s diplomatic support was vital in preventing United Nations sanctions against Zimbabwe in 2005 after the government embarked on ‘Operation Murambatsvina” in the country’s cities. In addition, in July 2008, after the disputed presidential elections, the British and the U.S governments sort the support of the UN Security Council members for punitive measures on Zimbabwe to apply pressure on Robert Mugabe’s government for political and economic reforms. Again, China and Russia vetoed the resolution and backed Zimbabwe against suspension from the United Nations. Explaining China’s position on the resolution, China’s ambassador to the UN, Wang Guangya said, “The

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development of the situation in Zimbabwe until now has not exceeded the context of
domestic affairs...It will unavoidably interfere with the negotiation process." 268 This
political support indeed boosted the Mugabe administration against widespread criticism
for the violence witnessed in the country during the campaigns for the presidential run-
of elections. China’s support could have also bolstered ZANU-PF’s position in the
negotiations for the unity government.

4.3. The military relationship and Zimbabwe’s political situation
Military trading is one of the most contentious areas in China’s recent relations with
Zimbabwe. China’s behaviour with military technology especially among developing
countries generates controversial concerns over its commitment to internationally
acclaimed values of peace and security. China’s military alliance with Zimbabwe in the
face Western arms embargoes features prominently in this controversy, notably at a time
when the country has earned ‘pariah’ status from its Western critics. 269

While it was financially costly for Zimbabwe, the trade in weapons posed major concerns
to the country’s political stability. For instance, Zimbabwe’s imports of military hardware
in 2004 raised immense suspicion about their intended use in a country neither at war nor
facing any imminent military threat. 270 During that time, Zimbabwe was faced by
challenges of a highly fragile domestic political environment and a polarised society in
the run-up to the 2005 parliamentary elections. 271 Such a situation raised calls by the
international community for China to promote processes free and fair elections and to
ensure political stability in the country. Hence, the supply of weapons to Zimbabwe
effectively undermined this process in that the state increasingly became authoritarian,
threatening to use various means at its disposal (including military) to suppress

http://chinadigitaltimes.net/china/zimbabwe/
269 David A. Robinson: “Hearts, Minds and Wallets: Lessons from China’s Growing Relationship with
270 Human Rights First: “China’s Arms sales to Zimbabwe,” Human Rights First, Fact Sheet, Available
271 Abraham McLaughlin: “A rising China counters U.S clout in Africa,” The Christian Science Monitor,
Commenting on China’s influence on Zimbabwe’s 2005 parliamentary elections, an undisclosed Western diplomat was quoted in the local media saying, “I find it hard to believe the Chinese would push hard for free and fair elections - it's not the standard they're known for.” Much of the criticism on Chinese weapons was largely premised on the belief that the military acquisitions were used to intimidate the Zimbabwean population hence postponing the quest for democratic transition in the country.

Furthermore, controversy and tension about military exchanges between the two countries increased in 2008 when a Chinese ship was denied access to deliver a consignment of arms destined for Zimbabwe through South African. This happened at the height of the political crisis after the March 29 disputed presidential election results which evoked key interests from human rights groups, civic unions as well as many other stakeholders around the globe. Human rights advocates demonstrated their resistance to the weapons transfer in diverse ways. The most remarkably was the demonstration by a union of South African dockers who refused to offload the arms shipment at the Durban port. Again, China’s intentions and commitment to political stability in Zimbabwe came to question in this incident. Contemplating the authoritarian predisposition obtaining in the country since 2000 epitomized by escalating violence, intimidation, political repression and human rights violations, many commentators believed that the Chinese weapons imports were certainly going be used by the ruling party for pressurizing voters in the presidential run-off elections. Also, controversy largely emerged on the intention of importing military hardware at a critical time when the country’s population was living under various insecurities which did not require military intervention.

Much to the surprise of human rights advocates and the international community, the above mentioned arms shipment issue appeared less important to both the Chinese and

273 Undisclosed Western Diplomat quoted in Abraham McLaughlin: Op cit
the Zimbabwean governments. Instead, the Chinese government portrayed its arms sale as a prudent and responsible transaction in line with the principle of state sovereignty, hence not violating any rights, peace or the stability of Zimbabwe. In order to demonstrate China’s influence on Zimbabwe’s volatile political situation at that time, most media reports, particularly in the West juxtaposed presentations about China’s involvements in the country with coverage of violence and political instability. For example, writing about the spread of violence in the aftermath of the 2008 joint election, Celia Dugger reported in the New York Times that, “… that 10,000 children had been displaced by violence, scores had been beaten and some schools had been taken over by pro-government forces and turned into centres of torture.” Such reports were damaging to China’s reputation and evoked further international scrutiny on its involvement in Zimbabwe. In response to this and other media reports criticising China’s arms supply in Zimbabwe, Chinese Foreign Ministry spokesperson Jiang Yu, at a press briefing in Beijing reiterated that the shipment was part of ‘normal military trade contract’ between Zimbabwe and China that had been signed in the previous year (2007), therefore, had no relevance to Zimbabwe’s 2008 political situation. At the same time, China also called on the international community to refrain from politicising the issue.

Linked to the above discussion of China’s military exports to Zimbabwe is the issue of financing a culture of political authoritarianism in the country. Writing about China’s conduct in Africa in general, Joshua Kurlantizick and Perry Link put forward that China seems to be perpetrating resilient and sophisticated authoritarianism in the region. Despite the military equipment, the authoritarian nature of the Zimbabwean government was also aided by the radio jamming devices obtained from China. The equipment was useful for preventing independent stations from counter-balancing state controlled media particularly during elections. In this regard, Orbert Matahwa notes that, “Chinese radio-

276 *Loc cit*
jamming equipment helped to silence anti-government radio stations during the 2005 elections.”

During that time, independent stations such as Short Wave Radio Africa and International Broadcasting Bureau were blocked from Zimbabwe’s air waves for spreading anti-government news and commentary to the world. Considering these developments, one can strongly argue that China’s support to the Zimbabwean government helped to frustrate processes of democratic transition in the country in the crisis period.

During the Zimbabwean crisis, key elements to China’s stance regarding the human rights in general were also exposed. In China’s perspective, human rights are construed as an element of economic development that can be sacrificed in certain circumstances when they are seen as blocking the broader economic and political objectives of the state. On this point, He Wenping – then director of the African Studies Section at the Chinese Academy of Social Sciences in Beijing reiterated China’s practical approach in international affairs saying that, “We [China] don’t believe that human rights should stand above sovereignty… We have a different view on this and African countries share our view.” Indeed, this corresponds with China’s realist approach in its interactions with African countries. Despite the widespread complains about political violence and human rights violations in Zimbabwe, China continued to relate with the state on pragmatic commercial basis. Liu Guijin, China’s Special Envoy on African Affairs underscored Beijing’s resistance to imposing international sanctions in response to Zimbabwe’s alleged violations of human rights when he said that, “We don’t attach political conditions [to aid]. We have to realise the political and economic environments are not ideal. But we don’t have to wait for everything to be satisfactory or human rights to be perfect.” Consequently, the democratic deficiency in the country widened as China continued with its non-interference policy in Zimbabwe’s domestic affairs.

280 Obert Matabwa: Op cit
281 Abraham McLaughlin: Op cit
283 Ibid, p. 2
4.4. The China Model in Zimbabwe
Rowan Callick argues that leaders of developing counties particularly in Africa are “admiring and emulating what might be called the China Model.” Callick explains that the ‘China Model’ has got two components that are particularly attractive to African states:

The first is to copy successful elements of liberal economic policy by opening up much of the economy to foreign and domestic investment, allowing labour flexibility, keeping the tax and regulatory burden low, and creating a first-class infrastructure through a combination of private sector and state spending. The second part is to permit the ruling party to retain a firm grip on government, the courts, the army, the internal security apparatus, and the free flow of information. A shorthand way to describe the model is: economic freedom plus political repression.

While the first set of components may not be entirely applicable to Zimbabwe, it has some elements that were adopted during the crisis period. In light of Western isolation, the Zimbabwean government opened up much of its economy to Asian investors attracting huge amounts of aid and capital from China. The second set of elements according to Callick’s model appeared to be mostly attractive to the Zimbabwean government in the time under review. The crisis period in Zimbabwe saw the centralisation of power in the ruling government which exercised maximum control on almost all the state institutions including the judiciary, the army, civil service, police and other security services. The Zimbabwean media was also highly censored as the state sort to control public media criticism on its activities. While this model might have worked in Zimbabwe, at least by augmenting the means used by the Mugabe administration to retain power, it proved difficult to sustain over time as the political and economic situation in the country worsened. As the crisis deepened in 2008, China’s support proved to be insufficient to keep the Zimbabwean economy afloat. Hence, it became imperative for the state officials to seek assistance from other global partners from the West. Certainly, this

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286 Loc cit
might have also contributed to the pressure which pushed the ZANU-PF government to enter into a unity government with the MDC, surrendering a degree of its political authority which had been regarded as inconceivable for a long time.

While the talk of democracy has been sweeping over the African continent in recent years, some experts believe that China is implanting its blend of ‘free-market dictatorship’, particularly by supporting African leaders reluctant to turn over power through democratic processes. This system closely relates to the political environment that prevailed in Zimbabwe during the crisis period. On this trend, Chris Maroleng said, “We might see the Chinese political system appealing to a lot of states whose elites and regimes are more in line with that sort of thinking.”

For Zimbabwe, Maroleng maintained that, “It’s really a conflict of two systems, one based on regime security and the other, almost Western, which talks of human security - good governance and human rights.” During the crisis period, Zimbabwe turned out to have adopted certain traits of this system. Zimbabwe’s friendship with China turned to grants, loan and investments that the Harare government was unable to find elsewhere. In the process, China entrenched its policies (both political and economic) in the Zimbabwean system. While strengthening its influence on Zimbabwe, China continually refrained from commenting on its partner’s human rights practices. On this point, it became clear that China-Zimbabwe relations continued to follow a pragmatic approach, disregarding international calls to promote human rights in their activities. In this regard, one can strongly argue that China’s support enabled the Zimbabwean government to snub Western demands for democratic political and economic reforms during the period under review.

From the foregoing discussion, it came out that some of Chinese support given to Zimbabwe was often attached to indirect conditionalities. This fulfils one of the realists’ perceptions of states’ interactions which say that the world of international relations

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288 Ibid
The Chinese aid was secured mainly by pledging some of the country’s resource exports to the Beijing government. In this regard, Obert Matahwa supports that China’s loans were given on commodity-based security transactions in which the repayment was done through giving a certain amount of goods or resources to China. For example, Zimbabwe’s tobacco, ivory and mineral resources played a crucial role in securing military acquisitions from China. Consequently, Matahwa noted that, “the Zimbabwean government unreservedly accepted assistance from China … in return for ceding control of certain minerals or agricultural crops to the Chinese.” For this reason, Matahwa went on to argue that Zimbabwe certainly paid a high price for its government’s desire for cheap foreign loans from the so-called ‘friendly’ countries like China. In support of this view, University of Zimbabwe economist Anthony Hawkins commented that, “Zimbabwe is ultimately the loser in this case because the country has to forgo future foreign currency earnings because of this barter system.”

4.5. Zimbabwean perspectives on China’s involvement in the country

It has been reported that the Chinese population has been rapidly increasing in recent years. By July 2009, it was reported that there were approximately ten thousand Chinese nationals living in Zimbabwe with half of this number owning businesses in Harare and other cities in the country. Owing to this, Zimbabweans complain about lost business opportunities given to the Chinese. A report by Michael Wines suggests that the Chinese have allegedly been given special treatment by the Zimbabwean government in business transactions. Michael Wiles reports that the Chinese flocked into Zimbabwe in 2005 to occupy stores and flea markets in places where local traders had been evicted during ‘Operation Murambatsvina.’ This phenomenon also attracted criticism from various stakeholders in Zimbabwe. Morgan Tsvangirai, was quoted in the media complaining about the lost opportunities for locals when he said: “The country has been mortgaged to

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290 Obert Matahwa: Op cit, p. 5
291 Obert Gutu: Op cit
292 Ibid
293 Anthony Hawkins quoted in Obert Matahwa: Op cit.
294 Ibid
295 Michael Wiles: Op cit
the Chinese, How can we violently remove Zimbabweans from our flea markets to make way for the Chinese? The majority of Zimbabweans depend on informal trade to feed, clothe and educate their families.\textsuperscript{296} In addition to this, traders in Zimbabwe complain about China’s supply of comparatively cheap and low-quality Chinese goods to an extent where some believe that China is using the country as one of its dumping grounds for its poor manufactures.\textsuperscript{297}

Although the effects from the flooding of Chinese products were almost uniform to all consumers, some analysts argue that profound consequences are realized by women who form the majority of consumers for such goods in Zimbabwe.\textsuperscript{298} A survey carried out by Charity Manyeruke on the impacts of Chinese products on Zimbabwean Women in Harare revealed that most women had deep reservations in almost all the products sold in Chinese shops.\textsuperscript{299} While some women expressed their appreciation of Chinese products because of their affordability, the majority complained of poor quality stating that they fade and depreciate at a quicker rate than local products. This concern was expressed on women’s clothing of all types including, footwear and hair products.

In Manyeruke’s survey, women in the high density areas of the city also expressed differing views about Chinese products. Many have alluded to the fact that while Chinese goods are comparatively cheap at face value, they become expensive in the long run since one has to get more of the same product for cover because of their poor quality. In the up-market suburbs such as Borrowdale in Harare, Manyeruke noted that “Well-to-do women expressed their total displeasure at the Chinese products because of their poor quality.”\textsuperscript{300} These women also voiced their concern that there was a possibility of China dumping its poor quality goods into the country citing that goods exported to other countries such as neighbouring South Africa were of better quality than the once shipped directly into Zimbabwe.\textsuperscript{301}

\textsuperscript{296}Ibid
\textsuperscript{297}Charity Manyeruke: Op cit, p. 87
\textsuperscript{298}Ibid, p. 85
\textsuperscript{299}Loc cit
\textsuperscript{300}Ibid, p. 86
\textsuperscript{301}Michael Wiles: Op cit
Looking at the involvements of China in Zimbabwe during the crisis, one can argue that China’s increased interests in the country are not focused exclusively on the acquisition of natural resources. While many Zimbabweans complained of China dumping cheap and substandard commodities in local markets, the low prices for these goods certainly bailed out poor locals against skyrocketing inflation that would have subjected them to more suffering. Nevertheless, the opportunity costs of having such imported commodities on the market seem to be higher than the benefits. At micro-level, the Chinese enterprises quickly supplanted small scale retailers and local manufacturers in the country as they were subjected to stiff competition, effectively pushing them out of business. Moreover, local operators also faced strict price controls from the government, restrictions that were not economically viable in that they had to sell their products at prices far below the production cost. Faced with these difficulties most local operators opted to close down their businesses or downsize operations. This contributed to the retrenchment of large numbers of workers in various industries, hence aggravating unemployment in the country.

On another note, Zimbabwe’s business community was generally wary of opportunistic exploitation of the country by China. Specifically, small entrepreneurs perceive China as chasing the country’s resources and taking over their business opportunities.\(^{302}\) There is concern that the current relationship between the two governments is more convenient to China and skewed against Zimbabwe.\(^{303}\) Given that the current Chinese engagement in Zimbabwe is predominantly commercial, it appears that the Mugabe administration downplayed the risks of China’s policy on the country’s small enterprise businesses. On this point Zimbabwe’s exiled businessman, Mutumwa Mawere noted that,

\begin{quote}
The Chinese maybe a different breed of capitalists with the backing of their government …and yet they are no different from any Western capitalists. Their advantage is that their former communist government
\end{quote}

\(^{302}\) Blessing Karumbidza: Op cit, p. 95
\(^{303}\) Ibid, p. 86
helped in financing the liberation project of Africa but the China of today may not have anything to do with the China that African leaders seem to want to embrace. 304

On a more positive note, China has also been involved in some social responsibility initiatives to help certain sections of the Zimbabwean communities. In August 2008, seven Chinese firms launched a multi-million dollar Care Action programme to help more than 3 000 physically-challenged people and those infected and affected by HIV and Aids in Zimbabwe. 305 Speaking at the launch of the programme, Chinese Ambassador to Zimbabwe Mr Yuan Nansheng said, 'The Care Action programme is designed as a long-term project to assist Zimbabwe. A total of seven companies have pledged to assist in orphanage homes as well as schools in the country as a way of giving back to the community.' 306 At that time, the Chinese companies involved were - Sinosteel Zimbabwe, Tianze Tobacco, Sino-Africa Nickels, China Jiangxi Corporation, Huawei Technologies, Zimbabwe International Travel and Tourism and Connick Investments. 307 However, more companies were expected to join as the programme was attractive to Chinese companies willing to give back to the Zimbabwean society. Mr Yuan explained that the programme was a further step by the Chinese government in implementing its China-Africa co-operation policy where Chinese companies undertake to respond to the urgent need of assistance as part of their social responsibility. On the occasion, the ambassador further promised that the implementation of the programme would be complemented by official financial assistance from the Chinese Government. 308

In addition, China also responded positively to the urgent need for medical assistance during the cholera outbreak in Zimbabwe. China pledged $500,000 worth of vaccines to assist Zimbabwe in controlling the cholera epidemic. These are some of the clear

304 Mutumwa Mawere quoted in Obert Matahwa: Op cit. p. 4
306 Ibid
307 Ibid
308 Ibid
demonstrations of China’s contributions in ameliorating the effects of the Zimbabwean crisis.

Although China’s support was instrumental in lessening the stresses of the crisis especially for the government, it also came out in the research that China’s involvement could not rescue the state and the people from poverty, hunger, disease and a ravaging economic meltdown. Despite increased China’s engagement, macro-economic indicators revealed that the economy plummeted to shocking levels during the crisis. By July 2008, the GDP growth rate had fallen to negative (-) 6.1 percent, with external debt reaching an estimated US$4.876 billion.\(^{309}\) Moreover, inflation reached 2.79 quintillion in October 2008 as the exchange rate came to US$1: Z$1 trillion, which means 1 trillion Zimbabwean dollars were required to buy US$1.\(^{310}\) Around the same time, unemployment in Zimbabwe reached 95 percent of the total population, with 85 percent of the population living below the Poverty Datum Line.\(^{311}\) Moreover, diseases increased with rising cases of malaria, HIV/AIDS and other infirmities. The cholera epidemic also took its toll on the country’s tragic health sector as public clinics and hospitals were either closed or non-functioning. Resultantly, Zimbabwe was ranked 151 out of 177 in the UNDP Human Development Index.\(^{312}\) Zimbabwe’s education system also came to the verge of collapsing during the crisis period despite touted Chinese investments in the sector. About 95 percent of all teachers in the public sector were reported to have aborted their duties by September 2008 as some went to take menial jobs in South Africa and Botswana.\(^{313}\)

\(^{309}\) Martin Davies: Op cit, p. 1  
\(^{310}\) Loc cit  
\(^{312}\) Martin Davies: Op cit, p. 4  
\(^{313}\) Loc cit
4.6. Conclusion

In conclusion, the foregoing discussion reveals the economic and political effects of China’s deepening involvement in Zimbabwe. It came out that closed interactions between the two countries during the crisis period presented various challenges and controversies in different sections of the Zimbabwean society. Different reactions emanating from the influx of Chinese products in the Zimbabwean markets have been discussed showing deep resentments among the country’s consumers. Serious complains stemmed from the quality of Chinese products in the Zimbabwean markets which are reportedly shoddy and poor as compared to local products. Cheap Chinese imports are also blamed for supplanting small and emerging industries in Zimbabwe. The inflow of Chinese nationals in the country also caused huge complains notably, of preferential treatment by the Zimbabwean government in business deals and opportunities at the expense of local citizens.

Fundamental and perhaps most controversial concerns about China’s involvement in Zimbabwe was its unwillingness to comment on the worsening political situation in the country. China’s unwavering support to the Zimbabwean government during the crisis was variously presented as propagating and sustaining authoritarian governance in Zimbabwe. In particular, China’s continual supply of arms to the Mugabe government in the midst of Western arms embargos, and at time when Zimbabwe’s political landscape was deteriorating compounded these fears. As a result, China’s close engagement with the Mugabe administration has been ostensibly blamed for delaying democratic development in Zimbabwe. Despite the different perspectives by the Zimbabwean society on China’s involvement in the country, the Mugabe government however, praised the Chinese for providing aid, loans and diplomatic support which was important to a greater extent in evading the wrath of Western sanctions during the crisis period.
CHAPTER 5

CONCLUSION

This study set out to explore the economic and political impacts of the increased Chinese engagements in the Zimbabwean crisis. The main intention was to understand China’s effects on Zimbabwe’s economic and political landscape since the year 2000, and assessing the extent of the challenges and opportunities of this close engagement for Zimbabwe. China’s interactions with Zimbabwe were examined, including China’s investments in various sectors of the Zimbabwean economy during the crisis period.

The research provided a background of the ‘crisis’, outlining the elements and causes which explain the situation. It showed that since the late 1990s, Zimbabwe underwent major economic and political challenges as a result of a combination of different factors. Among others, the breakdown of the social contract, bad government policies, the land reform and escalating violence collectively contributed to the situation presented as the Zimbabwean crisis. The coalescence of these factors led to the deep implosion of Zimbabwe’s economic and political landscape as discussed in the different manifestations of the crisis situation. The deteriorating Zimbabwean situation triggered widespread criticism from states and various organisations from the West. The United States and Britain led a campaign in the Western governments to isolate and impose targeted sanctions on the Mugabe administration. These sanctions precluded ZANU-PF’s top officials from travelling and conducting official business with their Western counterparts. This culminated to the withdrawal of credit facilities, aid and investment interests from Zimbabwe’s traditional partners, compounding the problems that the country was facing. Nevertheless, China fervently stood by the Zimbabwean government and refused to put pressure for political and economic reforms on the basis of non-interferences in its partners’ domestic affairs. Much to the frustration of the West, China increased its interests in Zimbabwe with numerous economic and political engagements as well as multilateral diplomatic support particularly in the United Nations.
The study indicated that China’s engagement in Zimbabwe has a long history which goes back to the Beijing’s support of ZANU during the liberation struggle. The early interactions between the two countries were largely ideological, based on the aim to challenge Western imperialism and the quest by the Chinese Communist Party to propagate communism in Africa and to undermine Soviet influence in Zimbabwe. Although relations between the two countries shifted to an economic partnership after Zimbabwe’s dependence, a more embedded pragmatic interaction took place at the turn of the century. The relationship grew tremendously in the last decade as China increased its stakes in Zimbabwe after the Western withdrawal from the country.

In addition, an examination of China’s relations with Zimbabwe during the crisis period revealed growing tensions between China’s national economic interests and its increasing responsibilities and obligations in the international system. However, China did not allow normative issues such as good governance and human rights violations to affect its relationship with Zimbabwe. In both governments’ policies, the pursuit of national interest prevailed over the acclaimed international obligations. In this relationship, China was guided by its quest for natural resources and markets to augment its economic clout while the Zimbabwean government was guided by the need for political survival and economic support after Western disengagement from the country.\(^{314}\) Put in other words, China saw Zimbabwe as a rich source of minerals and other natural resources as well as a suitable destination of its manufactured exports while Zimbabwe regarded China as an alternative source of political and economic support in the face of Western isolation.

Nevertheless, China’s close relations with President Mugabe’s administration remained contradictory to international expectations of promoting good governance, democracy and human rights. In the research it came out that China’s relations with Zimbabwe are laden with serious ethical and moral irregularities that expose China to be shrewd, selfish and greedy state as it seems to prioritise its economic interests over peoples’ rights in its

deals with the Zimbabwean government.\textsuperscript{315} China’s transactions with the Zimbabwean government particularly the supply of arms and radio jamming equipment was widely blamed for precipitating authoritarian governance in the country. Moreover, the relationship between the two countries during the Zimbabwean crisis presents China’s imperial tenacity however, with limited moral responsibility. China’s reluctance to speak out on Zimbabwe’s human rights record solely on the basis of sovereignty and non-interference raises significant reservations on its commitment to the respected values of contemporary international relations.

In a continual demonstration of its realist approach towards Zimbabwe, China continues to support the country despite the uncertainty emanating from inclusive government which now includes the MDC - formers critics of China’s involvement in the crisis. China aims to maintain its pragmatic partnership with Zimbabwe despite fundamental changes in its political and administrative structures. After the formation of the unity government, China extended a credit line of US$950 million to Zimbabwe for economic recovery.\textsuperscript{316} In this venture however, China’s contribution almost double the US$500 million provided by the United States and the European Union.\textsuperscript{317} The Chinese loan is however, believed to be a scheme to reinforce strategic partnerships with the inclusive administration to protect Chinese investments in the country from rigorous government regulation.\textsuperscript{318}

Despite China’s continued support to the inclusive government, there still remains scepticism about its capitalist tendencies in the country. In December 2009, Obert Gutu, an MDC Senator was quoted saying, “Modern-day China is a capitalist nation. The majority of its corporations may be state-owned, but they are fiercely capitalistic in both

\textsuperscript{315} Last Moyo: “From Sudan to Zimbabwe, China is part of the problem,” New Zimbabwe.com, Available Online at http://www.newzimbabwe.com/pages/opinion335.18494.html
\textsuperscript{317} Ibid
\textsuperscript{318} Ibid
their mode of production and marketing. They are first and foremost, profit-driven."\(^{319}\) In this regard, it therefore means that there is need for Zimbabwe to enter into well-coordinated interactions with China in order to realised greater benefits from the partnership. On this note, Gutu recommends that, “The clarion call for Zimbabwe and the rest of Africa should be to seek to develop and sustain a win-win economic relationship with China by having a regional master plan.”\(^{320}\)

This study also showed that China was able to use its close ties with Zimbabwe as a milestone for its own political and economic objectives. Politically, the Zimbabwean case presented China with a great opportunity to demonstrate its political muscle especially in the United Nations Security Council. China’s capacity to veto proposed UN sanctions on Zimbabwe was a clear demonstration of its power in influencing major policy decision in the international system. Economically China stepped in to fill the void left by the West in Zimbabwe. In this regard, China has been able to tap into the Zimbabwe’s resources on its own terms and to enter into the country’s markets which had long been dominated by the West.

As revealed in the study, the gains of China’s embedded involvement for Zimbabwe, though limited and countable, still explain why China has been widely received especially by the country’s authorities. As revealed in the foregoing discussion, China increased its stakes in Zimbabwe’s agriculture, energy, mining, construction and infrastructural sectors during the crisis period. With regard to its various forms of economic and diplomatic support to Zimbabwe, one can strongly argue that China bailed out President Mugabe’s government to resist Western sanctions. It is on this basis that Political Scientist and University of Zimbabwe lecturer, Simon Badza referring to the Mugabe administration in December 2008 argued that, “Had there not been a power like


\(^{320}\) Ibid
China which threatens to be the next superpower to parallel with the United States … Zimbabwe by now would have been part of history.”

The study also demonstrated that China’s support to Zimbabwe during the crisis was insufficient to address the challenges faced by the country’s population. In general, the ordinary Zimbabwean citizenry became poor as the crisis continued despite China’s invigorated support to the country. The influx of Chinese commodities supplanted locally produced products in the market, hence putting both local manufactures and traders out of business. Most businesses were effectively forced to either close or scale down operations. This aggravated the peoples’ suffering as most lost their jobs and their sources of income in the face of a crumbling economy. In addition, China’s investments and support in Zimbabwe’s agricultural sector was not enough to boost food production. Rather, food shortages continued as investments were channelled towards tobacco and cotton which were on high demand in the Chinese markets. This subjected the greater population of Zimbabwe to food shortages with relatively 5.5 million Zimbabweans reportedly in need of emergency food assistance in December 2008.

Overall, the events and experiences of Zimbabwe in the last decade presented a lucid test of Africa’s commitment to the recent internationally avowed norms and values, that is, human rights and good governance. They also provided a test of the sensitivity of China, the Western countries as well as the wider international community to humanitarian issues. The decline of Zimbabwe’s socio-economic sectors and the deterioration of the country’s political landscape happened in full view of China, SADC, the African Union, and more critically the wider international community. It was clear that all these parties were fully aware of the detrimental consequences of the deepening crisis on the country’s general population. Zimbabwe’s socio-economic and political crisis persisted as stakeholders adopted policies that proved inadequate to rescue the situation. Apparently, the ‘‘Look East’ policy’ by the Zimbabwean government, ‘increased pragmatic

322 Martin Davies: Op. cit, p. 4
engagement with non-interference in domestic affairs by the Chinese government, ‘non-interference and dialogue’ by SADC and the African Union as well as ‘isolation and sanctions’ by the West could not save Zimbabwe from a political and economic downfall. It therefore, follows that China’s invigorated involvement did not make fundamental positive changes in the country’s economic and political landscape during the crisis period.

In the light of the above discussion, an important observation for this study is that China’s engagement with Zimbabwe is purely on commercial basis. China seeks to secure a constant supply of resources while at the same time creating a reliable market for its products in the country. In order to maintain its commercial interests in the country, China offered diplomatic support to the Zimbabwean government by opposing UN proposed sanctions on the country. The study also indicates that China’s investment interests in Zimbabwe can be important in boosting the rebuilding of the country’s economy. However, it requires great commitment for the Zimbabwean authorities to strategically channel the Chinese financial resources into projects that will increase productivity in different sectors of the country’s economy. Meanwhile, the rebuilding of Zimbabwe’s economy goes beyond China’s support. It is therefore, vital for the inclusive government to restore the country’s international image so as to attract other partners for aid, trade and investments.
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