

https://dspace.org/

Zimbabwe’s predatory state: party, military and business complex

Shumba, Jabusile Madyazvimbishi

2016

http://hdl.handle.net/10539/21823

Shumba, Jabusile Madyazvimbishi (2016) Zimbabwe’s predatory state: party, military and business complex, University of the Witwatersrand, Johannesburg,<http://hdl.handle.net/10539/21823>

Downloaded from a DSpace repository. https://dspace.org/

Zimbabwe's Predatory State: Party, Military and Business Complex

By

Jabusile Madyazvimbishi Shumba

Submitted to the
Development Studies, School of Social Sciences
In Partial Fulfilment of
The Requirements for the Degree of
Doctor of Philosophy in
Development Studies

2016

University of Witwatersrand

Johannesburg, South Africa

Supervisors: Michelle Williams (Prof.) and Roger Southall (Prof.)

ABSTRACT

The predatory state has received considerably less attention than the developmental state in the development literature. In this thesis I probe three understudied questions on the characteristics of the predatory state and its construction. First, what are the underlying class forces and power dynamics of a predatory state and how does it function? Second, what are the modes of accumulation that characterise the predatory state? Finally, what are the implications for development outcomes*?*

This thesis answers these questions by examining Zimbabwe's power elite (state, military and business) anti-developmental accumulation patterns across key economic sectors: land and agriculture, mining, transport and energy, and banking and finance. I adopt an historical approach beginning in the colonial period to understand the key choices made to explain the changing role of the state in mediating accumulation patterns and implications for development in both pre- and post-independence periods.

Based on my empirical research, I suggest that the predatory state is a ruling class anti-developmental accumulation and reproduction project characterised by: (1) party and military dominance in the state; (2) state-business relations shaped by domination and capture; and (3) state-society relations shaped by violence and patronage. I differentiate the notion of predation from most political economy approaches on post-colonial Africa that emphasise the absence of central authority. I challenge the developmental state concept that views the predatory state as simply the opposite of a developmental state. Finally, I also show that contrary to suggestions that the predatory state is autonomous from society, the predatory state is also in fact deeply embedded with business albeit in a different way.

DECLARATION

I declare that this dissertation is my own work. All citations, references and borrowed ideas have been duly acknowledged. I confirm that an external editor was not used. It is being submitted for the degree of Doctor of Philosophy in the Development Studies Programme, University of Witwatersrand, South Africa. None of the present work has been submitted previously for any degree or examination in any other University.



Student signature

03 May 2016

TABLE OF CONTENTS

Chapter One: **1**

The Making of Zimbabwe's Predatory State **1**
- **Introduction** **1**
- **Deconstructing Zimbabwe's Predatory State** **6**
- **Study aims, research questions and methodological issues** **13**
- **Overview of the Study and Summary of Main Arguments** **15**

Chapter Two: **19**

The Predatory State in the Context of Development Theory **19**
- **Introduction** **19**
- **The Role of the State in Development** **20**
- **The Developmental State** **27**
- **The Predatory State** **31**
- **Conclusion** **40**

Chapter Three: **42**

Doing Research in Difficult Situations **42**
- **Introduction** **42**
- **The Extended Case Method** **43**
- **Qualitative Content Analysis** **54**
- **Conclusion** **55**

Chapter Four: **57**

Mapping Zimbabwe's Predatory State **57**
- **Introduction** **57**
- **The Colonial State: 1890 - 1979** **58**
- **The Politics of the National Liberation Movements** **63**
- **Post-Independence State, Military and Business Relations: 1980-1990** **64**
- **State, Military and Business Relations: 1990 – 2000** **70**
- **Post 2000: The State, Military and Business Relations** **72**
- **Conclusion** **83**

Chapter Five: **85**

Land Reform and the Rise of the Landed Elite **85**
- **Introduction** **85**
- **Colonial State and Land Politics: 1890 - 1979** **86**
- **Post-Independence State and Land Politics: 1980 - 1997** **90**
- **The Fast Track Land Reform Targets and Outcomes** **102**
- **Conclusion** **110**

Chapter Six: **112**

Mining Development, Decline and Accumulation **112**
- **Introduction** **112**
- **Post-Independence State Mining and Accumulation: 1980 to 2000** **122**
- **Post 2000 Crisis, Mining and Accumulation** **129**
- **Indigenisation and Mining Accumulation** **131**
- **Marange Diamonds and Militarised Accumulation** **136**
- **Conclusion** **138**

Chapter Seven: **139**

The Banking and Financial Services Sector **139**
Introduction **139**
The Colonial State and Banking Sector **140**
The Post –Independence State and Banking Sector: 1980 – 1990 ..... **146**
The Crisis and RBZ Quasi-fiscal Operations: 2000-2007 ..... **153**
Post 2000s State and Banking Sector Crisis **156**
Conclusion **165**

Chapter Eight: **167**

Transport and Energy Sectors **167**
Introduction **167**
The Transport Sector **167**
Energy Sector: New Sites for Accumulation **175**
Conclusion **186**

Chapter Nine: **187**

Conclusion **187**
Introduction **187**
Party-State and Military Dominance **190**
State and Business Relationship Shaped by Domination and Capture **195**
State Society Relations Shaped by Violence and Patronage **198**
Developmental Versus Predatory States **201**
Conclusion **203**

References **206**

Appendices **235**
Appendix 1: Military Officers Deployed for ZANU-PF Campaign in the 2008 Elections **235**
Appendix 2: Map of Marange Diamond Mining Area and Mining Claims Distribution **236**
Appendix 3: Special Mining Grant from Zimbabwe Mining Development Corporation to Anjin Investments **237**
Appendix 4: Application of a Diamond Mining Concession by Commissioner General of Police Augustine Chihuri **238**

ACKNOWLEDGEMENTS

This thesis is a product of a four-year journey with the University of Witwaterand, Development Studies Programme. My foremost thanks are to my supervisors Professors Michelle Williams and Roger Southall who believed in my project and tirelessly supported me from inception to completion. I will permanently owe an intellectual debt to them for their patience, constant guidance and pushing my boundaries of reflection throughout the project. I dedicate this work to them.

I also extend my profound thanks to Professors Peter Evans and Patrick Heller who availed themselves for critical discussions and reflection during my short stint attending the Brown International Advanced Research Institutes (BIARI) at Brown University in the United States. I benefitted from their insights and critique at a time when I was working on my draft thesis.

My friends and colleagues offered me collegiality and inspiration. I thank Deprose Muchena (my brother, friend and Amnesty International Regional Director), Dr. Showers Mawowa (my long-time friend) and Prof Eldred Masunungure (friend and University of Zimbabwe, Political Science Lecturer) who believed and inspired me throughout this research.

Ultimately, the project completion hinged upon my fieldwork. This was only possible because of the generosity of organisations, which hosted me and the numerous individuals who agreed to take part in the interviews most of whom we have built permanent ties. Without their support it would not have been possible.

My wife Respect Tsvanhu, daughter Tadiwa Darryl and the boys Tafara Dylan and Amani Darren Shumba bore the social cost of my absence while working on this long drawn-out project. I cannot repay this debt. I hope they take this contribution as a small reward for their support, faith and patience.

I also thank my friends and comrades: Jimmy Wilford, Washington Katema and Tamuka Chirimambowa.

Finally my family members were supportive all the way: My mother Stella Hamandishe; brothers: Hyena, Christos, Pardon, Mukasiri, Tenny; sisters: Edna and co-brother in law Joseph Museva, Christabel and co-brother in law Collen Mucheriwa and Edleena; nephews: Prosper, Nyasha and Prince Shumba; nieces: Axicillia Sumba; sisters in law: Kudzai Nyota, Shandie Tembo; uncles: Shepherd Dzvairo and my mother in law: Monica Dzvairo.

ACRONYMS

ACR – Africa Consolidated Resources

AfDB – African Development Bank

ASSM – Artisanal and Small-Scale Mining

BBC – British Broadcasting Corporation

BEE – Black Economic Empowerment

BSAC – British South Africa Company

CCJP – Catholic Commission for Justice and Peace

CIO – Central Intelligence Organisation

CFU – Commercial Farmers Union

CRD – Centre for Research and Development

CSOs – Civil Society Organisations

CZI – Confederation of Zimbabwe Industries

DRC – Democratic Republic of Congo

EPC – Economic Planning Commission

ESAP – Economic Structural Adjustment Programme

ESC – Electoral Supervisory Commission

GAAT – General Agreement on Trade and Tariffs

GDP – Gross Domestic Product

GNP – Gross National Product

GNU – Government of National Unity

GoZ – Government of Zimbabwe

IBDC – Indigenous Business Development Corporation

IEEP – Indigenisation and Economic Empowerment Programme

IG – Inclusive Government

IMF – International Monetary Fund

ISI – Import Substitution Industrialisation

JOC – Joint Operations Command

MDC – Movement for Democratic Change

MDC T – Movement for Democratic Change Tsvangirai

MMCZ – Minerals Marketing Corporation of Zimbabwe

NICs – Newly Industrialising Countries

NIEEB – National Indigenisation and Economic Empowerment Board

NOCZIM – National Oil Company Of Zimbabwe

RBZ – Reserve Bank of Zimbabwe

PAC – Partnership Africa Canada

RCM – Rhodesian Chamber of Mines

RDCs – Rural District Councils

RNLB – Rhodesian National Labour Bureau

SADC – Southern Africa Development Community

SAPES – Southern Africa Political Economy Series

UDI – Unilateral Declaration of Independence

UNDP – United Nations Development Programme

UNECA – United Nations Economic Commission for Africa

UNIDO – United Nations Industrial Development Organisation

USSR – United Soviet Socialist Republic

WB – World Bank

WDI – World Development Indicators

ZCTU – Zimbabwe Congress of Trade Unions

ZANLA – Zimbabwe National Liberation Army

ZANU-PF – Zimbabwe African National Union Patriotic Front

ZAPU – Zimbabwe People's Union

ZDF – Zimbabwe Defence Forces

ZEC – Zimbabwe Electoral Commission

ZEPAU – Zimbabwe Economic Policy Analysis and Research Unit

ZESA – Zimbabwe Electricity Supply Authority

ZIMSTAT – Zimbabwe National Statistics Agency

ZIMRA – Zimbabwe Revenue Authority

ZIPRA – Zimbabwe People's Revolutionary Army

ZISCO – Zimbabwe Iron and Steel Company

ZMDC – Zimbabwe Mining Development Corporation

ZNA – Zimbabwe National Army

ZINARA – Zimbabwe National Roads Authority

ZPS – Zimbabwe Prison Services

ZRP – Zimbabwe Republic Police

ZUM – Zimbabwe Unity Movement

ZYC – Zimbabwe Youth Council

LIST OF TABLES

Table 1.1: Phases of inward/ outward macro-economic policy in Zimbabwe 1920s - 2013 8

Table 3.1: Breakdown of respondents 49

Table 4.1: Serving and retired military and other security personnel in government and parastatals as at 2008 74

Table 5.1: Share of agriculture contribution to GDP 1947 – 1979 89
Table 5:2: Commercial and peasant agriculture production 91
Table 5.3: List of high-ranking military and political elites who benefitted from the FTLRP in the early 2000s 103

Table 6.1: Gold mines by scale and output 1925 - 1948 115
Table 6.2: Zimbabwe mining investments in the 1990s 125

Table 7.1: New banking institutions formed 1991 - 1999 150
Table 7.2: Reserve Bank of Zimbabwe quasi-fiscal operations 2000 - 2007 154
Table 7.3: New banking institutions formed during the economic recession period 2000 - 2008 156
Table 7.4: Funding provided to TRS Mujuru 157
Table 7.5: Financial institutions closed and put under curatorship 2001 - 2008 160
Table 7.6: Zimbabwe banking institutions by total loans to deposit ratio as at 31 December 2010 162
Table 7.7: Ownership outlook of Zimbabwe financial sector as at 31 May 2013 163
Table 7.8: Foreign owned banks and corresponding shareholding in Zimbabwe as at 31 May 2013 164

Table 8.1: Regional trunk road network by distance and average years as at 2008 168
Table 8.2: Proportion of indigenous entrepreneurs in the transport sector measured by numbers of Road Service Permits granted in Rhodesia 1940 - 1964 170
Table 8.3: New regional trunk road network by distance and average years as at 2008 171
Table 8.4: Electricity distribution patterns in Zimbabwe in comparison to installed capacity 2000 - 2010 180
Table 8.5: Names and positions of senior government officials and amounts owed to ZESA as at 31 December 2011 181

Table 9 1: Developmental versus predatory state characteristics 203

LIST OF FIGURES

Figure 3.1: Trends in fear of political intimidation or violence in Zimbabwe 2009 - 2012 45
Figure 3.2: Trends in 'freeness' to express what Zimbabweans think 2009 - 2014 46
Figure 3.3: Participant observation sites 52

Figure 5 1: Agriculture output 2000 – 2011 108
Figure 5.2: Maize imports 1980 - 2011 (tonnes) 109

Figure 6.1: Mining, agriculture and manufacturing contribution to national output 1939 - 1948 118
Figure 6.2: Mining sector contribution to exports 1928 - 1953 119

Chapter One:

The Making of Zimbabwe's Predatory State

Introduction

> *In the political centres of the twenty-first century global finance, policy debates have a disturbingly anachronistic thrust. In Washington, ideological tropes from early triumphalist neoliberalism are repeated in exaggerated form, perversely combined with regressive calls for destructive austerity measures…In China, South Africa or Brazil, policy makers and politicians assume that the state has an important role to play….Global practice, especially in the South, diverges from neoliberal theory and ideology, but the divergence appears to be pragmatic and situational rather that grounded in a coherent analytical vision (Evans, 2014: 220-221).*

Evans' graphic depiction of the neoliberal crisis comes in the wake of a global financial crisis[1] attributed to series of events that started with the collapse of the speculative bubble in the United States (US) housing market in 2006. The consequent effects threatened the stability of large financial houses that spawned into the Eurozone leading to a liquidity crunch in global credit markets by mid-2007 followed by a downturn in global economic activity. In the Global South, the overstatement of the role of the state in policy, practice and academic debates was strengthened, both by the crisis as an alternative to it and inspired by the Latin American and Asian developmental state experiences. Two books published during the course of this research, *The End of the Developmental State?* edited by Michelle Williams (2014), from which I extracted the introductory quote in Peter Evans's chapter and Roger Southall (2013), *Liberation Movements in Power: Party and State in Southern Africa* have proved formative.

The End of the Developmental State? challenges policy makers and academics to rethink the role of the state in development in the twenty-first century. Beyond the wisdom of a 'Weberian bureaucracy,' 'embedded autonomy' and 'industrial policy,' the developmental state should contend with democratisation pressures, ecological

[1] The global financial crisis has been considered the most severe crisis in history since the Great Depression of the 1930s.

limits, ideological contests and epistemic shifts in development thinking beyond the supremacy of the 'growth imperative' (Williams, 2014: 8).

Yet, away from the developmental state as an alternative ideal, Roger Southall's *Liberation Movements in Power: Party and State in Southern Africa* reveals the disappointing experience of Southern Africa's liberation movements in power in terms of the character of governance and improving the quality of life for their citizens. While in the East Asian capitalist developmental states, 'late development, war time mobilisation and revolution' were instrumental in shaping a specific mode of developmental state-society and state-business relationship (Woo-Cumings, 1999: 3), in Southern Africa, despite these similarly conspiring factors,[2] liberation movements as governments[3] have shown variations of authoritarianism[4] and anti-developmental state-society tendencies[5] that have led to severe economic implosion and political crisis in Zimbabwe and gradually declining productive capacities and economic performance in South Africa and Namibia. The façade of indigenisation and empowerment policies—the Indigenisation and Economic Empowerment Programme (IEEP) in Zimbabwe, Black Economic Empowerment (BEE) in South Africa and various affirmative action programmes in Namibia—have served the 'parasitic' accumulation interests of a politically connected elite at the expense of majority of citizens (Southall, 2013: 220-230). Southall's book urges us to search beyond the 'developmental state' if we want to understand state failures, notably in Zimbabwe.

[2] It is important to acknowledge two different factors between Africa and East Asia. Firstly, the global context of the politics of the cold war accounted for massive aid injection in some East Asian countries (notably South Korea), and secondly, the impacts of the inherited colonial mode of production on Africa's development.

[3] Southall refers here to the South West African People's Organisation (SWAPO) of Namibia, the African National Congress (ANC) of South Africa and Zimbabwe National Union-Patriotic Front (ZANU-PF) of Zimbabwe.

[4] While Zimbabwe depicts outright authoritarian tendencies, South Africa and Namibia retain largely democratic politics although with intermittent features of intolerance and violent confrontation.

[5] Although South Africa and Namibia demonstrate cooperative state-business relationship, durability will depend on managing redistribution pressures and 'the extent to which the state and business manages to forge alliances that transcend racial lines' (Southall, 2013: 220).

The analysis here invokes the predatory state paradigm to understand the state-military and business relationship in Zimbabwe and its nexus with development outcomes. It contends that, rather than it being a 'developmental state,' the state, military and business accumulation patterns qualify Zimbabwe as a 'predatory state.' Suffice it to say that although the notion of the developmental state has been well established in terms of its characteristics and functioning (Johnson, 1982, 1999; Evans, 1995, 2014; Chibber, 2002, 2014; Kohli, 2004; [6] Williams, 2014), the predatory state has remained a vague concept. In this thesis I propose a conceptualisation of the predatory state as characterised by (1) party and military dominance in the state; (2) state-business relations shaped by domination and capture; and (3) state-society relations shaped by violence and patronage. The power elite in alliance with international criminal syndicates extracts high levels of rents from the state and economy and in so doing undermine development potential.

There have been few in-depth studies that focus on the characteristics of the predatory state and how it functions. In much of the literature, it has been treated as a polar opposite of the developmental state, lacking qualities of rule-based bureaucracy and a collaborative relationship with business (Evans, 1989; 1995) and civil society (Evans, 2014). Bayart, Ellis and Hibou (1999) highlight deliberate 'criminalisation of the state' in Africa as a form of predation. For Chabal and Daloz (1999), a 'new paradigm' they call the 'instrumentalisation of disorder' helps to explain the anti-developmental modes of accumulation in Africa. They argue that the African state shares general characteristics of patrimonialism and an instrumentally profitable political culture rooted in corruption, which works against institutionalisation. The ruling elite is thus able to exploit poor institutionalisation to accumulate wealth and maintain power. Bratton's (2014) *Power politics in Zimbabwe* also examines the behaviour of the dominant political elites in authoritarian settings. In political struggle with rivals, the ruling group 'rarely hesitate to unleash the full panoply of power

[6] I must highlight that Kohli (2004) prefers the concept of 'cohesive capitalist states' to the 'developmental state concept.' However, for analytical purposes both concepts demonstrate substantial similarities in terms of variations of state structures and relationship with business. Therefore in this study I apply the concept of the developmental state.

politics,[7] including manipulation of the law, economic exclusion, political intimidation, covert operations and even physical violence' (Bratton, 2014: 7).

This work goes beyond Chabal and Daloz's *Africa works: Disorder as a Political Instrument*, which uses cultural reasons for arguing that Africa is following its own unique developmental trajectory. So too, Bayart, Ellis and Hibbou, suggest that 'the criminalisation of the state in Africa is natural to the history, culture and psychology of the continent' (Abdi, 2000: 445). Lassiter (2000: 2) has summarised the problems facing this line of inquiry as follows:

> Many, in fact, consider such inquiry to be no more than unscientific stereotyping, usually with malevolent intent and effect. Some argue that group personality studies are an anathema to cultural relativism and the particularistic study of singular population and topics. Still others go as far to assert that culture and personality studies obscure the uniqueness of the individual, and divert attention and resources from the more fruitful lines of inquiry such as the dynamics of class struggle and scientific study of particular social structures and functions. At its worst, critics and social advocates say group personality studies and inquiry into broad patterns of cultural adaptation on the part of social scientists exacerbate racism and bigotry.

In addition, although both the 'criminalisation of the state' and 'Africa works' approaches emphasise positive correlation between systemic corruption and development, subsequent theoretical contributions challenge orthodox assumptions of a negative correlation between corruption and low levels of economic development (Rock and Bonnet, 2004). Finally, this thesis also advances beyond the *Criminalisation, Instrumentalisation of disorder* and *Power politics* theses, which emphasise the political behaviour of elites.[8] Such approaches have mainly been criticised for granting undue prominence to the role of individual political leaders in shaping the governance and accumulation regimes.

---

[7] The concept of 'power politics' derives from the realist school of international relations, which views states as locked in competition to achieve self-defined national interests (Bratton, 2014: 7). However, Bratton applies the same concept to study domestic politics within the state.

[8]Bratton's *Power politics* partly attempts to mitigate this dilemma by elevating elite coalitions and inherited political institutions. However, the analysis does not escape the role and dominance of individual leaders in shaping politics of ruling coalitions and configuration of politics. As Bratton's analysis will show, although the individual leaders are not the root cause, they remain key actors in the political arena (Bratton, 2014: 2, 5, 6, 55, 60, and 78).

This study seeks to contribute to understanding the predatory state, its core characteristics and how it functions. It does so by examining Zimbabwe's state, military and business relationships in pervasive anti-developmental accumulation patterns across key economic sectors: land and agriculture, mining, transport and energy, and banking and finance.

The concept of the predatory state has been associated with the Philippines during the years of dictatorship rule under President Imelda Marcos (1965 to 1986), (Quimpo, 2009). In Africa the predatory state concept has also been used to describe Nigeria under President General Ibrahim Badamasi Babangida (1985 to 1993) and the Democratic Republic of Congo (DRC), then Zaire under the rule of President Mobutu Sese Seko (1965 to 1997) (Diamond, 2008; Lewis, 1996). However, earlier studies including Quimpo (2009), Lewis (1996) and Diamond (2008) have similarly focussed on the behaviour of the ruling elite without much attention on the underlying class forces and power dynamics that help us to understand the construction of the predatory state and its generalisable core characteristics that explain the predatory state's anti-developmental trajectory.

For Zimbabwe, a number of earlier works engaged with questions of power and accumulation to explain development tragedies (Bratton, 2014; Moore, 2012; 2003; Sachikonye, 2011; Raftopolous, 1996; and Mandaza 1986). For Bratton (2014) and Sachikonye (2011), Zimbabwe demonstrates a prototype of power politics. Yet, others prefer the concept of primitive accumulation[9] to understand the nexus of violence and development (Moore 2012; 2003). Although the notions of predation as articulated by Evans (1989; 1995) and Bayart, Ellis and Hibou (1999) are well established in Africa, few have applied these concepts systematically to Zimbabwe. These concepts have been mostly applied to African countries characterised as having weak or collapsed central authority: weak states, failed states or collapsed states and also having armed opponents. Indeed, it may be argued that although the elites have been on an anti-developmental path, Zimbabwe has continued to retain some residual

[9] Primitive accumulation encompasses the transformation of pre-capitalist agrarian relations to capitalist modes of production and the formation of a capitalist class. The process is by no means spontaneous, but rather exhibits the use of both state force and other 'non-market' modalities (Moore, 2003:34).

state strength even during the years of its decline thanks to its settler colonial capitalist inheritance. Notably also, even in those treatments that have dealt with Zimbabwe's political economy, much of the literature has tended to have an agrarian bias (Herbst, 1990; Phimister, 1988). Few have looked seriously at the military and its incestuous relationship with political elites in accumulation processes (Zimbabwe Institute, 2008; Kriger, 2012). This might be because, on the one hand, the complex nature of the relationships makes it difficult to unpack and on the other hand, the difficulty in accessing data for studies involving military due to the secrecy associated with the subject.

Deconstructing Zimbabwe's Predatory State

By the dawn of independence in 1980 Zimbabwe had one of the most structurally developed economies and state systems in Africa (Hazlewood, 1967: 284) and was classified as a middle-income country. In 1980, Zimbabwe's Gross Domestic Product (GDP) per capita stood at US$1,105.39 as almost equal that to China at US$1,551.9. [10] The country's diversified economy was anchored on extensive agricultural production and an advanced manufacturing sector contributing almost 25 per cent of GDP and 17 per cent employment by 1981 (Sachikonye, 2003:5). 'Zimbabwe came to life with everything; a good climate, well-educated elite, a balanced, mixed economy with abundant mineral resources and the full support of a global community that wanted us to succeed in every way' (Cross, 2014). However, more than 30 years later, Zimbabwe had regressed to a low-income country with a GDP per capita among the lowest in the world, at US$770.40[11] in 2013. The country had abandoned its own currency in the wake of severe hyper-inflation between 2000 and 2008 until the introduction of a multi-currency regime in 2009. Unemployment rose to 80 per cent as the country's manufacturing capacity utilisation declined to 57 per cent by the turn of the first decade of the twenty-first century (Shumba and Jahed, 2012:155). Zimbabwe's once stellar agricultural sector had plummeted from net exporter prior to the controversial land reform in 2000 to a perennial net importer of staple foods thereafter – wheat and maize. The World Food Programme estimated that

[10] World Bank, IBRD-IDA data.
[11] World Development Indicators (WDI), July 2014.

at least 2.2 million Zimbabweans needed food assistance in 2013 (*Zimbabwe Situation*, 27 November 2013). With these dark economic conditions, discussions concerning structural problems of a country once cited as Africa's best potential are reignited. If Zimbabwe was the golden darling after independence, why did this happen? Was it inevitable? What were the crucial choices made that led to it? Did the ruling elite know that their choices would lead to Zimbabwe's developmental decline?

The settler colonial state, notably before the Unilateral Declaration on Independence[12] (UDI) in 1965, enjoyed close collaboration with mining, agriculture and manufacturing capital which had substantial input in policy making and received selective incentives from the state (Southall, 2013: 217). The emerging bureaucratisation together with state intervention measures to boost local production through various incentives including repression of black labour and Import Substitution Industrialisation Policy (ISIP) were largely successful and appear to defy both the modernisation and dependency theory postulations. The economy recorded the world's fastest growth rates averaging 9.5 per cent annually from 1966-74 (Bond, 1998:6).

Bond and Manyanya (2002: 3) trace the origins of the statist development strategy to the failure by the colonial regime to discover large quantities of anticipated gold reserves at the initial settlement in 1890 against large sunk investments in land and telegraph development. This shifted the strategy from more speculative intent towards a more permanent, inward-oriented economic approach. This economic approach was reinforced by the transition to 'Self-Governing Status' chosen in 1923 in a mainly white-voter referendum and cemented by the UDI in 1965 in response to international sanctions. Bond and Manyanya (2002: 2) summarise Zimbabwe's development policy below, table 1.1.

[12] The UDI was a decision taken by the settler colonial government on 11 November 1965, announcing that Rhodesia now regarded itself as an independent sovereign state from the United Kingdom (UK).

Table 1.1: Phases of inward/ outward macro-economic policy in Zimbabwe 1920s - 2013

Period	Relevant policy	Economic conditions
1920s	Protection for local manufacturers	Beginning of industrial development
1930s-40s	Relative isolation	High growth and inward maturation of secondary industry
1950s	Increasing financial and trade regulation	Large inflows of foreign investment, but overproduction problems and unsustainable financial and trade relations
1960s-70s	Heightened financial/trade regulation coincident with sanctions	Initial dramatic recovery, followed by a crisis of overproduction and civil war
1980s	Gradual loosening of financial/trade restrictions and strong export drive	Enhancement of developmental state's human capital functions, yet uneven economic record
1990s	Rapid liberalisation of finance and trade	Dramatic volatility and vulnerability in many markets, deindustrialisation, underdevelopment
1997-2008	Uneven return to *dirigiste* policies--e.g., exchange controls, a currency peg, luxury import tariffs (but followed by a regional free-trade agreement), foreign debt default, uncontrolled budgetary growth, negative real interest rates--under conditions of desperation and capital flight	Deepening crisis across all sectors of the economy
2009-2013	Abandonment of the Zimbabwean dollar and adoption of multi-currency regime under the Inclusive Government era, indigenisation and empowerment populist rhetoric	Economic stabilisation, although indigenisation policies negatively impact on investment climate
Post 2013	Termination of the Inclusive Government, restoration of ZANU-PF dominance and continued indigenisation rhetoric	Economic decline, increasing trade deficit and loss of competitiveness owing to the depreciation of the South African Rand against the US dollar.

Adapted from Bond and Manyanya (2002: 2), with additions on the period 2009 to 2013.

The contradictions of the colonial mode of development were to impose structural limitations and inexorable political pressures on the colonial state. For its part, the colonial capitalist mode of development relied heavily on indigenous 'black cheap labour as a key asset in development' (Wolf, 1974: 91), as this constrained growth of essential domestic demand and 'generated stark inequalities necessarily resulting in pressures for social change' (Good, 1976: 607). Stagnation eventually set in until independence under, *inter-alia*, constraints of civil war, international oil price hikes, foreign currency shortages and constrained domestic demand characteristic of the colonial state political economy.

Following the attainment of independence, the ruling elite dispensed with its alliances with erstwhile partners during the liberation struggle, peasants and labour. Instead, the ruling elite, lacking the competencies to manage the economy, forged a new pact with white capital. As predicted by Rukudzo Murapa as early as 1977:

> After national liberation, the petit-bourgeois leadership can abandon its alliance with the workers and peasants and emerge as the new ruling class by gaining certain concessions from both foreign and local capital and, in fact, forming a new alliance with these forces which they will need to stay in power. Of course, lip service commitment, a la Kenya, to the masses, will be made (Murapa cited in Bond and Manyanya, 2002).

The alliance with white capital proved vital to stabilising the economic environment and developing a path of industrially based accumulation, anchored on agricultural production and manufacturing. Meanwhile, the readmission of Zimbabwe by the international community provided gateways to productive investment and aid that saw the country achieving phenomenal rates of economic growth in the first two years after independence. However, the alliance was not to last. By 1997, the state came under pressure over poor economic performance, abuse of the war victims' compensation fund [13] and labour protests against effects of the adjustment programmes adopted in the 1990s. In turn the state increasingly assumed predatory characteristics, 'economic policies turned increasingly capricious and the state fostered relationship with briefcase businessmen with political connections to the

[13] A compensation fund set up to benefit those who were disabled following war service, with the amount paid determined by the degree of disability.

ruling elite' (Taylor 2007: 132). The state abandoned its waning commitment to neo-liberal reforms and instead embraced an authoritarian populist approach (Southall, 2013). The relationship with white capital eventually collapsed in 2000 at the height of the land take-overs.[14] Moore concludes:

> 'In general, it would appear that a bourgeoisie which might have been on the road to a productive and industrially-based accumulation in the early to mid-1980s has been turned by neo-liberal policies and authoritarianism into one based on financial speculation, war economies, and the plundering of historically alienated agricultural spaces, but it will take much more investigation to determine its exact contours' (Moore, 2003:39).

The new accumulation patterns from the land reform and the business deals associated with the state's intervention in the Democratic Republic of Congo (DRC) marked the ascendancy of the military evolving into a far more potent political and economic force. According to Campbell (2003: 231), 'the war in the DRC and the land invasions to seize property of white farmers represented two poles of military strategy by an aspiring capitalist class willing to use warfare, coercion and violence for its growth and consolidation.' Senior military officers were rewarded with multiple farms and business ventures in the DRC at the height of the war between 1998 and 2001. The military and ruling party in cahoots with former Rhodesian white business elites[15] were involved in transport, gold and diamond mining and timber logging operations, which provided lucrative sources of accumulation (UN, 2002). With deepening authoritarianism, the military gained prominence in both domestic politics and business, described by Sachikonye (2012) as the 'state military complex.' Other analysts including Ndlovu (2006) have argued that the 'state military complex' can be traced back to the liberation struggle. During the struggle for independence, the military enjoyed much influence over the civilian leadership.

Bratton (2014), analysing authoritarian rule in Zimbabwe through the lense of power politics and political settlements shows how a narrow ruling coalition

[14] Although there are still a number of whites with business interests that have strong links to ZANU-PF.

[15] Notably, Billy Rautenbach and John Bredenkamp with vast business interests in Southern Africa, dating back from the period of sanctions busting businesses established by white Rhodesians to assist the war against African liberation movements.

systematically deployed violence and patronage to regenerate political power. For instance, when the party came under threat from the opposition, Movement for Democratic Change (MDC) in the 2000s, the military took charge of ZANU-PF's campaign machinery, maiming and torturing opposition supporters to cow them into submission. In return the military elites were granted wide ranging lucrative business deals through state access to guarantee their loyalty and continued support. In the civil service, the party ensured control over key institutions by appointing loyalists from the nationalist struggle to top positions in Cabinet and the state security apparatus. Further, when many competent senior officials, including experienced permanent secretaries, opted for generous early retirement schemes offered under the Economic Structural Adjustment Programme (ESAP) in the 1990s, ZANU-PF chose to fill these and other vacant civil service posts with individuals whose qualifications leaned more toward party loyalty than technical skills (Bratton and Masunungure, 2011: 5).

Kriger (2012), analysing the dynamics of power characterising the political transition in Zimbabwe under the Global Political Agreement[16] (GPA), observed blurred divisions between the state and non-state institutions, coercive and non-coercive institutions, and the public and private organisations in the use of violence and patronage to sustain power by the ruling elites. She argues that the informalisation of politics cemented opportunities for accumulation by individuals linked to 'informal networks.' For instance, only companies with close connections to the ZANU-PF political and security elite obtained diamond mining concessions in Marange. These included two Chinese companies – Anjin Investments and Sino Zimbabwe Development (Pvt) Ltd and two South African companies – Mbada and Canadile (Veritas, 2011). An interlocutor who spoke to a foreign journalist quoted in Kriger (2012: 21) cited that 'ZANU-PF party and security officials were running illegal trade in diamonds mined at Chiadzwa, and the armed forces also worked for the political heavy weights in ZANU-PF'. In May 2013, the Minister of Finance (Tendai Biti), told a Centre for Research and Development (CRD) workshop in Harare that the military was involved in a partnership with Anjin Investments, one of the diamond mining companies. Yet both the Ministry of Mines and the Zimbabwe

[16] Agreement signed on 11 September 2008 by ZANU-PF and the two Movement for Democratic Change (MDC) parties – MDC-M and MDC-N to form an Inclusive Government (IG) following the disputed 2008 elections.

Mining Development Cooperation (ZMDC) have remained reluctant to confirm the speculated joint venture. Until today, the government has neither confirmed nor formally communicated a contrary position on this matter.

In *Zimbabwe's lost decade: Politics, development and society*, Lloyd Sachikonye (2012: 34) observes the ascendancy of the Joint Operations Command as the supreme policy decision-making body. Some analysts, according to Sachikonye, characterise the Joint Operations Command as a 'kitchen cabinet' due to its central role on the policy setting. The apex of the Joint Operation Command is constituted by the Zimbabwe Republic Police Commissioner General, the Commander of the Zimbabwe Defence Forces, the Commissioner General of the Zimbabwe Prison Services and head of the Central Intelligence Organisation. Further, in response to the deepening crisis post-2000 which led to poor remuneration and mass exodus of senior level bureaucrats, the government deployed serving and retired army officials and national youth service graduates to the public service. A number of military and former military officers were deployed to key government ministries and departments, parastatals, commissions and spearheaded several predatory policy initiatives such as 'Operation Reduce Prices'[17] which harmed private capital. Indeed, it can be argued post-2000 that the military assumed an omnipotent role in Zimbabwe's policy setting while at the same time competing with private capital with the risk of squeezing out the latter.

The case of diamond mining in Zimbabwe's eastern highlands is all too familiar by now. The mining sector is expected to boost constrained revenues and stimulate economic growth and development. However, Saunders (2008: 67) observes three paradoxes: (i) despite buoyant markets for minerals, with few exceptions local production fell off sharply, (ii) despite the production downturn and disinvestment by several major mining houses, foreign investment into the minerals sector actually increased over the course of the 2000s, and (iii) while government claimed to have enabled greater black empowerment (or 'indigenisation') in the sector, in practice this was rarely achieved in the larger documented deals. If true,

[17] In July 2007, the state, through the military launched 'Operation Reduce Prices' compelling businesses and manufacturers to slash the prices of goods by more than 50 per cent in response to the hyperinflation.

these striking observations raise more questions than answers. For instance, who are the driving forces behind Zimbabwe's empowerment regulations? Who are the beneficiaries and why? (Evidence presented by Saunders, seems to suggest that only a few Zimbabwean elites benefitted while more regional actors benefitted.) The Chamber of Mines, quoted in Magure (2012: 79), is not in favour of the indigenisation initiative arguing that the programme scares away potential investors in a minerals sector already struggling to recapitalise.

The indigenisation programme has equally aroused suspicions against historical controversies in the implementation of redistributive reforms, notably the 'Fast Track Land Reform Programme.' The latter has substantially benefitted top ZANU-PF elites and senior military officials who appropriated for themselves several farms including 'inheriting' crops and farming equipment without any compensation (although Scoones et al. (2010) argue that the programme benefited more than simply ZANU-PF supporters). The debate on this issue cannot be fully resolved in this study. Rather, the study will pursue the extent to which the political and military elites have benefited and with what consequences for development.

Study aims, research questions and methodological issues

This study investigates characteristics of the predatory state and how it functions. In this case, the study examines relationships between the party-state, military and business across the key sectors of the economy from 1980 to 2014. Specifically the study investigates the following questions:

i) What are the underlying class forces and power dynamics of a predatory state and how does it function?
ii) What are the modes of accumulation that characterise the 'party, military and business complex' in a predatory setting?
iii) What are the implications for development outcomes?

In order to answer the research questions, the study uses a combination of primary and secondary material, observations and in-depth interviews. An intensive document analysis included data from the Ministries of Economic Planning and Investment Promotion and Finance on economic performance issues; Manpower Development reports on the civil service; economic policy documents (macro-economic and monetary) on economic planning; regulatory instruments, *inter-alia*, from the Reserve Bank of Zimbabwe and the Zimbabwe Revenue Authority, socio-economic data from the Zimbabwe's Central Statistics Office; company shareholding documents from the Registrar of Companies; local and international press and other relevant contemporary and archival material from the National Archives. The local press was particularly useful in providing pointers on key deals such as preferential granting of incentives.

I followed up document reviews with participant observation and thirty-six in-depth interviews to gain a deeper understanding of the issues, the actors involved and their interests as this kind of information often failed to make its way to the press. In-depth interviews included managers from relevant companies or state organisations, accessed through personal and professional networks, including Mbada Diamonds, Zimplats, government department employees and former employees, ministers, war veterans, military officials, business association leaders from the Commercial Farmers Union and the Zimbabwe Chamber of Mines, former private bank managers and experts to gain insights on the nature of business and state relationships. Workshops and conferences covering themes related to the topic of inquiry also provided insights from presentations and discussions. Such meetings and workshops included civil society think-tank meetings and joint civil society and government conferences. I made use of extensive social and professional networks acquired during my tenure in civil society to gain access to key state respondents and civil society platforms.

In analysing data, I used qualitative content analysis with data being coded after collection in line with themes developed during document research. The codes were developed in line with the research questions. Given the volume of data collected, I had to be 'ruthlessly selective in focusing on what is relevant' (Wisker, 2001: 245). Basic statistical tools were also applied to construct graphs depicting sector performance and comparative analysis between the different periods. Finally,

prior knowledge, underlying personal bias and preconceived ideas can render disadvantages to this intimate type of insider research. I took extensive precautions in adherence with research ethics to ensure balance between personal networks used in the study to gain access to various data sources and my role as an insider.[18]

Overview of the Study and Summary of Main Arguments

Chapter two reviews the development literature to examine the role of the state in development. It builds on the developmental state literature, earlier studies of the notion of predatory state as well as relevant post-colonial state literatures and evidence presented in this study to develop the characteristics of a predatory state. Notwithstanding criticism, the 'criminalisation of the state' (Bayart, Elis and Hibbou, 1999) and 'Africa works' (Chabal and Daloz, 1999) studies make a vital contribution to our understanding of the post-colonial state and its nexus with development outcomes in Africa. The predatory state shares in part, a lack of 'Weberian bureaucracy' and informalisation with these contributions amongst other characteristics notably: party and military dominance in the state; state-business relations characterised by domination and capture; and state-society relations shaped by violence and patronage. I argue that these characteristics mutually reinforce each other to undermine development.

Chapter three discusses the methodology applied in the study focussing on qualitative methodology, sampling and research instruments and research ethics. The study combined use of primary and secondary material, in-depth interviews, and observations. It was often difficult to gain trust with respondents at the first interview conversations and often I had to go back to the respondents more than twice as part of the confidence building measures until the respondents were more comfortable to share their views freely. Understandably, due to the sensitivity involved, some respondents requested confidentiality and anonymity. In the case of informal and

[18] I sit on the board of the Zimbabwe Youth Council (ZYC), which falls under the Ministry of Youth, Indigenisation and Economic Empowerment, and I am active in civil society in various capacities as an advisor, volunteer, and consultant. I am also involved with a number of entrepreneurial initiatives.

Artisanal and Small-Scale Mining (ASSM), I used participant observations to gain access into the operations of highly guarded political networks. Participatory and non-participatory observations and site visits were also useful to complement desk research on the graphical consequences of the land reform in the newly resettled farms.

Chapter four maps the history of Zimbabwe's predatory state. It looks at the colonial and post-colonial state and relationship with business, underlying power dynamics and development outcomes. It is argued that the settler colonial state displayed many, albeit racialised developmental features characterised by nascent bureaucratisation and collaborative state-business relationships. Contrary to its predecessor, both bureaucratic quality and state-business relations appear to deteriorate significantly further away from independence. Failure by the ruling elite to redress economic inequalities and declining economic performance instigated by civil war, corruption scandals and failure of the economic structural adjustment programmes followed increasing popular dissatisfaction and in response the state increasingly assumed authoritarian militarisation and predatory tendencies.

Chapter five analyses anti-developmental accumulation patterns in the land and agriculture sector. It examines the role played by the military in mediating accumulation outcomes in post-independence Zimbabwe. Because the early post-independence ZANU-PF government worked collaboratively with white agrarian capital, the state was reluctant to expedite equitable land redistribution until the late 1990s when the ruling elites came under political pressure. In order to appease restive constituencies and regain political support base, the state hastily implemented a chaotic and violent land reform programme that destroyed a secure land tenure system and agricultural finance. Notably, the military has been an instrumental force in driving the land reform process and thus far its members (at high levels) have been prominent beneficiaries.

Chapter six explores mining development during the colonial era and post-independence state and mining accumulation. The chapter shows how the Zimbabwean minerals sector transitioned from a relatively developed although racially controlled industry at independence to one which now displays strong

informalised and militarised elite accumulation characteristics. With deepening crisis and facing a strong opposition, the state was ambivalent towards development of informal and small-scale mining. It allowed its growth initially as a survivalist strategy and later opened up avenues for rent seeking and patronage at the highest levels. Similarly to the land 'reforms,' the degeneration into criminalised, informalised and often-violent modes of wealth accretion spread to the mining sectors. Indigenisation and empowerment policies in the 2000s opened new opportunities for accumulation for the politically connected elite accumulation. In the diamond sector, the military is engaged in opaque deals with international capital, mostly Chinese interests through fronting companies.

Chapter seven analyses accumulation patterns in the banking and finance sectors. The economic sectors are far more sophisticated business operations, which require great diligence to manage. Evidently, the post-independence state shareholding strategy in the banking sector soon fell prey to predatory accumulation tendencies. The liberalisation of the banking sector in 1990s and indigenisation in the 2000s opened important accumulation avenues with devastating consequences for the economy. Although state policies inevitably instigated the banking sector crisis in the 2000s, a number of indigenous banks shared practices of poor governance characterised by non-performing insider loans, implicating bank owners and powerful political and military elites. The harm to the country's banking and finance and other economic sectors would be very deep and long lasting. Public confidence in the banking sector was eroded while international lines of credit dried up as investor confidence sunk to its lowest.

Chapter eight looks at colonial state capitalism projects that saw nationalisation and heavy investments in the transport and energy sectors. The colonial state sought to promote the interests of a white class coalition, which included agricultural, manufacturing and mining business classes. By 1980, the new government inherited a developed transport and energy infrastructure that supported the best performing economy south of the Sahara, outside South Africa. However, the ruling elite gradually extended its predatory tentacles into transport and energy sectors with drastic consequences for the economy. Retired and serving military officials were rewarded with appointments to head key strategic parastatals. By the 2000s,

infrastructure in these strategic sectors had gravely deteriorated. The railway service collapsed, the national airliner failed to regularly service its major routes, while in the energy sectors the country failed to meet the electricity and fuel demands to support economic activities.

Chapter nine examines the characteristics of the predatory state in the light of the Zimbabwean example. It does so by synthesising the nature of the state, military and business relations and accumulation patterns across key economic sectors, drawing conclusions as well as posing questions for further research. The predatory state is characterised by (1) party and military dominance in the state; (2) state-business relations shaped by domination and capture; and (3) state-society relations shaped by violence and patronage. It is argued that the notion of the predatory state is central in understanding Zimbabwe's development outcomes, logics of accumulation, underlying power dynamics and implications for the future.

Chapter Two:

The Predatory State in the Context of Development Theory

Introduction

The vital role that the state plays in development has generated a vast literature to add to our understanding of the nature, scope and function of the state in Africa. Development theories have changed considerably from the early 1950s, when the role of the state was conceived of as ensuring correct policies to stimulate growth, to the rise of neo-liberal development thinking in the 1980s and 1990s. Subsequently, studies on emergent 'developmental states' have revitalised the role of the state in driving economic transformation and development (Wade, 1998; Woo-Cummings; 1999; Evans, 1989; 1995; Kohli, 2004). More recently, the global financial crises in parts of Europe and the US have challenged the dominance of neo-liberal orthodoxy. It is argued that the role and capacity of the state in defining development priorities and close collaboration with private elites is essential in pursuing development goals. The chapter begins by reviewing theories of the role of the state in development. After examining the changing role of the state and shifting development thinking, I review the developmental state paradigm to understand state, business and society relations in shaping development outcomes. The review of the role of the state and the developmental state paradigm serve as a prelude to the conceptualisation of the predatory state.

The chapter revisits literature on the nature of the state and the failure of development in Africa. The failure of development has been attributed, *inter-alia*, to neopatrimonialism (van De Walle and Bratton, 1997, Medard, 1991; Chabal and Daloz, 1999), criminalisation (Barat, Elis and Hibou, 1999) and predation (Evans, 1989, 1995) often without distinction between these concepts. The concept of the predatory state has not been sufficiently interrogated. This thesis differs with other advocates of the term who have appropriated it to mean the opposite of a developmental state (Evans, 1989; 1995), special variant of criminalisation (Bayart, Elis and Hibou, 1999) or a form of neopatrimonialism (Medard, 1991: 391). Consensus from these contributions view the predatory state as characterised by weak bureaucratic capacity and poor institutionalisation, which allows the ruling elite

unconstrained access to and abuse of state resources. Yet ironically the natural logic of the term predatory inherently denotes strength, that is, it implies the capacity of predators to prey on their targets, this requiring the strength to subordinate their victims.[19] The thesis departs from contributions that over emphasise the behaviour of the ruling elite and instead focuses on state organisation and relations with business and society to explain variations in development outcomes. Looking at state structures is more likely to be fruitful theoretically and practically in explaining different development trajectories across states (Evans, 1989, 1995; Kohli, 2004).

The Role of the State in Development

The term 'development' is contested in academic discourse. However, notwithstanding differing notions, each historical context is characterised by a dominant development discourse with differing state market configurations. Put differently, development thinking has varied over time in terms of the means of achieving development according to different conceptions of the nature and extent of state involvement in the market. I explore below the trajectory of development thinking in order to situate the role of the state within the broader historical context and current debates. The discussion starts with the post-World War II period. This is linked to the reconstruction of Europe and 'decolonisation as new independent states joined the world community and the rush towards development' (McMichael, 1996: 9). In this context, development emerged as a deliberate 'project' of national economic transformation to improve standards of living measured through economic statistics such as per capita income and average consumption levels.

In the post-World War II period, the United States of America (USA), eager to imprint a new liberal world order, convened the 1944 Bretton Woods conference in New Hampshire, US. Three institutions were founded out of the conference. Firstly, the International Monetary Fund (IMF), which was to be concerned with promoting the stability of the international monetary system. All countries' currencies were fixed at a certain value to the US dollar redeemable at $35 per ounce of gold (Woods, 2001: 3). Secondly, the World Bank (WB) was established, initially to facilitate the

[19] For states, such strength arguably rests on bureaucratic capacity and institutionalisation through which the state is able to exercise control and ruthlessly prey and exploit society and business.

reconstruction of Europe and stimulate long-term economic growth through provision of aid and credit. In the minds of western economists, development required a kind of jump-start that could be provided through aid and credit. And finally, the General Agreement on Trade and Tariffs (GATT) was to be concerned with promoting international trade through tariff reductions. The prevailing thrust of development thinking, combining liberal world trade with buffering welfare states has been later referred to as embedded liberalism (Knutsson, 2009: 10).

In the 1960s, the decolonisation process brought about the recognition of the state as a unit of political organisation through which state building and development efforts would be achieved. The main perception of development during this period was captured in the concept of backwardness (Hettne, 1995: 35). Hence development was seen as synonymous with economic growth (Thorbecke, 2006). Development economists during this period widely held that a large injection of capital generated through savings or international aid was necessary to achieve economic growth. The backbone of these theories drew from Keynesian economics and the Harrod-Domar model, which held that Gross National Product (GNP) depends directly on the investment rate and inversely on the capital output ratio. However, an interventionist state as emulated by the national elite in industrialised countries, mainly the US, was seen as a central agent and guarantor of the development process (Knuttson, 2009: 11).

Meanwhile, modernisation theorists (e.g. Rostow, 1960) depicted development as a linear process through which all states in the world would pass. Modernisation was viewed as a process of modern transformations of social, economic and political systems. In this case, modern industrialised countries were viewed as a blueprint for development. Each state in this respect has a common path to follow and late-comers would eventually emulate and catch up with the developed west. Fangjun (2009: 8) summarised the interpretation of a modern society as follows. First, in the economy, improvements in science and technology stand out as notable features whose achievements are quickly and substantially transformed into direct productive forces leading to rapid industrialisation and automation. Second, in terms of state structure and organisation, modernisation exhibits high levels of institutionalisation and a rational decision making process. It is argued that as societies modernise, their

political systems become more open, leading to an increase in democratic consciousness amongst citizens. Thirdly, as the criteria that regulate interpersonal relationships are standardised and upheld, a bureaucratic system is developed. Modernisation scholars held that these three interrelated transformations would eventually lead to development similar to the advanced industrialised countries.

The end of the 1960s saw the emergence of critiques that challenged the economic growth imperative and modernisation theories for their overemphasis on the role of values while ignoring institutional changes in development (Williams, 2014: 4). The 'dependency and world systems paradigms,' which are generally viewed as a reaction to the modernisation school, gained traction, inter-alia, against the backdrop of increasing awareness of vulnerability to and dependence upon international events following the economic crisis precipitated by Europe having to confront sharp increases in oil prices. Evans, (1979: 27) defined dependency 'as a situation in which the rate and direction of [capital] accumulation are externally conditioned…' For Cardoso and Faletto, (1979: XX), 'a system is dependent when accumulation and expansion of capital cannot find its essential component dynamic inside the system.' In other words, the economic development of the periphery was viewed as both dependent and constrained by the advanced countries at the core. The theory holds that imperialism influences the specific structural features (such as the character of capital formation and sectoral form of industrialisation) and institutions that impact on development at the periphery.

Dependency theory has been criticised for its lack of appreciation of the agency of domestic political forces in the countries at the periphery in changing the course of their development (Smith, 1979: 758). In order to industrialise and develop, post structural determinism dependency scholars held the view that the developing world would need a strong interventionist state working in collaboration with capital (both domestic and international) and pursue more inward oriented development strategies.

During the 1970s mainstream modernisation thinking and the dependency school suffered criticism for their emphasis on capital accumulation without regard to environmental problems and inclusion of diverse interests in the development

process. [20] Political ecology [21] questioned approaches to development without consideration for environmental sustainability (Peet and Watts, 2004). Other scholars argued that modern industrial development was unsustainable due to long-term environmental consequences (Hettne, 1995: 160). Development was increasingly redefined to include ecological sustainability, needs satisfaction, cultural diversity as opposed to homogenisation. The critique called for development to be contextualised and understood in relation to the needs of the local community. According to Hettne (1995), a set of perspectives could be identified within this emerging critique as follows: basic needs, self-reliance, ecodevelopment, women's development and ethnodevelopment. The basic needs approach emphasised the importance of direct poverty alleviation and addressing inequality. Although these perspectives differed with modernisation and dependency theorists in terms of defining development, the state remained the main agent in guaranteeing development during the 1970s.[22]

Towards the mid 1970s most of non-oil producing developing countries faced declining export revenues, deteriorating terms of trade and increased expenditure due to sharp increases in oil price hikes. The response in the developing world was to increase borrowing to finance deficits leading to skyrocketing domestic and foreign debts, debt defaults, economic stagnation and growing unemployment. In turn, these provided entry points for the IMF and WB sponsored Structural Adjustment Programmes (SAPs). The IMF and WB imposed conditionality in exchange for balance of payment support ostensibly to assist developing countries out of the debt crisis and provision for development assistance. The conditionality implied limiting

[20] The departure of this critique was its emphasis on environmental problems and its breakthrough in connection to the report *What now: Another Development*, prepared, as an independent contribution to the Seventh Special Session of the UNs General Assembly, and it was further elaborated in the volume *Another Development: Approaches and Strategies* (Nerfin, 1977). Another Development would be interpreted to mean: *ecologically sound*; *need-oriented*; *endogenous*; *self- reliant*; and *based on structural transformation* (Knutsson, 2009: 19).

[21] Political ecology engages questions of access and control over resources (political economy), and their indispensable link for understanding both the forms and geography of environmental disturbance and degradation, as well as prospects for green and sustainable alternatives (Peet and Watts, 2004: 6).

[22] Knutsson (2009: 21) argues that although the state remained central, its position gradually weakened to the market.

the role of state and expanding the market through *inter-alia*, reduction in public expenditures, deregulation of financial markets and privatisation.

The 1980s saw major policy shifts towards the right that would instigate the triumph of neoliberalism and monetarism as the new international economic paradigm following the election of conservative governments in the western world: those of Margaret Thatcher in Great Britain (1979), Ronald Reagan in the United States of America (1981), and Helmut Kohl in West Germany (1982). The state was now viewed as the problem rather than the solution. This neoliberal counterrevolution reversed the role of the state from being an interventionist agent of development to a *laissez-faire* facilitator of market actors. Another key feature of the neoliberal menu was the far-reaching trade liberalisation with the long-term objective of creating a single global market. The approach viewed deeper integration and macro-economic balance as the best way to bring modernisation and economic growth.

However, the neoliberal shift in development thinking received widespread criticism due to the aggravated poverty and social deprivation related to severe budget cuts in education, healthcare and social welfare (Ewald, 1997, Bond and Manyanya, 2002). At the same time, the sustainable development discourse offered an alternative focus on addressing social, economic and ecological problems. The objective of sustainable development was defined as, 'to meet the need of the present without compromising the ability of future generations to meet their needs' (World Commission on Environment and Development, 1987: 8). This discourse shared in part the importance of the global perspective and economic and social concerns with the mainstream critique of the neo-liberal development thinking. However, the sustainable development approach has often been criticised for its 'lack of defining the needs of the present as well as those of the future' that are contained in its widely popularised definition (Rist, 1997: 183).

Meanwhile, economists, social scientists and development policy makers took on tremendous interest in the 'developmental state' of East Asian economies (initially associated with the Japanese development model and the successes of Newly Industrialising Countries (NICs) – South Korea, Singapore, Hong Kong and Taiwan) (Williams, 2014: 1). Defying the postulations of modernisation, dependency, world

systems development theories and market fundamentalism, this model was distinguished by the role and capacity of the state to intervene and direct companies acting in the market to drive social and economic transformation processes. However, with the once-emulated Japanese example thrown into disarray by economic crisis triggered by the real estate bubble and later the 1997-8 Asian financial crisis, the 'developmental state' was eclipsed by neoliberal triumphalism. The latter consolidated its dominant position in development thinking in the 1990s with the disintegration of the United Soviet Social Republic (USSR), the opening up of China and the appearance of a huge amount of surplus labour on to the global labour market. Scholars such as Francis Fukuyama proclaimed 'the end of history,' i.e. that humanity had reached the end point of ideological evolution whereby Western liberal democracy and market economy had prevailed and would soon be successfully embraced by the entire planet bringing about peace and prosperity (Fukuyama, 1992).

However, the devastating consequences of the structural adjustment programmes spawned vociferous critique from global social and economic justice movements. In academia, too, alternative development theories emerged such as North's new growth theory and Sen's human capabilities approach, which emphasised the centrality of human development in achieving development. Other approaches such as the basic needs approach, were also reinvigorated. Contrary to Fukuyama, although the 1990s saw remarkable progress in economic globalisation and democratisation, the crises in Mexico (1994), East Asia (1997), Argentina (2001) and more recently the recession in Europe and America cast doubt on neoliberal dominance. As the West scrambled for government solutions to salvage their economies from depression, Peter Steinbruck, a disgruntled German Finance Minister remarked:

> The same people who would never touch deficit spending are now tossing around billions. The switch from decades of supply side politics all the way to a crass Keynesianism is breath-taking (Farrel and Quiggin, 2011).

As the debate for solutions[23] in both the global North and South moves beyond the confines of neoliberalism, Williams (2014: 1) contends that the once eclipsed concept of the 'developmental state' has in-fact retooled and 'is still a viable and necessary institutional strategy to achieve development in the twenty-first century.' The role of the state is once again brought back at the centre stage albeit within a more complex set of new conditions in line with changing development theory – democratisation pressures, shifting commanding heights of the economy from manufacturing to knowledge sectors, ecological considerations, new development thinking beyond economic growth to include social and human development and greater calls for renewable energy (Williams, 2014: 8).

To conclude this section, development thinking has been shaped by historical, political and economic contexts with enduring contestations over means i.e. the role of the state versus the market and outcomes. Modernisation development thinking, which rose to prominence with the rising influence of the US in post-WWII, was challenged by the radical dependency school on its economic growth emphasis. Both approaches have been equally challenged for ignoring the ecological and cultural dimensions in the development process. In addition, the experiences of East Asian developmental states and late industrialising countries (including some countries in the Global South) have also defied the limitations of the structural determinism of the dependency school. By 1990, the debt crisis crippling the developing world opened gateways for neoliberalism's ascendency and consolidation with the collapse of USSR. However, by the turn of the first decade of the 21st century, the devastating consequences of the neoliberal prescriptions and the continued search of development have reinvigorated debate in favour of greater role of the state in the economy and investment in human capabilities rather than capital as a source of sustained growth.

The next two sections interrogate the developmental and predatory state concepts to understand how state organisation, state-business and state-society relations may explain different development trajectories. However, as Kohli (2004: 12) reminds

[23] Williams 2014:1 brings to the fore discussion on state capitalism engineered by authoritarian states such as China, Russia and some Arab monarchies and the resurgence of political capitalism from Max Weber to underscore some perspectives on this debate.

us real historical records of actual countries seldom reveal ideal types in their ideal typical form; states instead tend more toward one set of characteristics than another at a given time.

The Developmental State

The developmental state is associated with comparative studies in the development of East Asian countries such as Japan, South Korea and Taiwan; Latin American countries such as Brazil and South Asia, India (Johnson, 1982; Evans 1989, 1995; Wade, 1990, Kohli, 2004); and some African countries notably, South Africa, Mauritius and Botswana (Williams, 2014; Sandbrook 2005; Mkandawire, 2001). These states, successfully pursued their commitment to industrialisation with consistent and meticulously executed state interventionism. The rationale for state interventionism to support the development and protection of domestic industry and exports stemmed from realisation that, left alone, local industry in developing and emerging economies would not easily compete with established multinational enterprises. The state therefore intervened to provide resources such as cheap capital, policy incentives and restrictions against foreign competitors to protect domestic industries from international competition. Evans (1995: 44) notes that such states are able to 'foster long-term entrepreneurial perspectives among private elites by increasing incentives to engage in transformative investments and lowering the risk involved in such investments.' Specific policy measures aimed at easing supply and demand constraints faced by private entrepreneurs. On the supply side, the state helped to facilitate availability of capital, labour and technology and even entrepreneurship, while demand side interventions include expansionary monetary and fiscal policies, and tariffs and exchange rate policies aimed at boosting domestic demand (Kohli, 2004: 15).

In terms of state organisation and relationship with society and business, such states share a considerable degree of 'embedded autonomy' defined to mean bureaucratic autonomy working in strong collaboration with broad society and business albeit insulated from the dynamics of social pressures. Embedded autonomy is ensured by the presence of interrelated characteristics including: internal

cohesiveness – effective bureaucracy and well-coordinated state apparatuses; and democratic, representational and accountable forms of governance. In the next sections I discuss synergies amongst key actors of the developmental state such as (1) bureaucratic state; (2) business; (3) society and (4) the ruling political party.

Bureaucratic state and ruling party

Although some can be made directly at political level, bureaucratic appointments tend towards 'Weberian' rationality that is, meritocratic-based recruitment and promotion, impersonal and rational decision-making processes. The bureaucratic state is therefore autonomous and shares a degree of embeddedness with the party. However there are fairly large zones of autonomy between the bureaucratic state and the party that enable the bureaucratic state to pursue separate and even sometimes conflictual goals with the party. The bureaucratic state is therefore meritocratic, rule-based and relatively unconstrained to enable it pursue coherent developmental goals.

However, Chibber (2002: 951) cautions that while bureaucratic quality and rule following are important to build developmental state capacity, they are not sufficient and may work against internal coherence altogether. By its nature the state is an amalgamation of agencies charged with distinct functions, having domains that frequently overlap and often compete for resources and therefore inter-agency relations can easily degenerate into contestation and conflict. Internal cohesiveness therefore ensures that state agencies rise above competition for scarce resources either driven by self-interest or disagreements over development priorities and ensure that state agencies collaborate effectively towards commonly defined state priorities. It is argued that in order to drive the development project, the planning agents—especially—must be endowed with the appropriate powers to discipline not only the private elites but equally important other state agencies to ensure they pursue common development goals.

Analysing state intervention in India and South Korea during the second half of the twentieth century, Chibber demonstrates how the differences in internal cohesiveness accounted for greater industrial transformation successes in South Korea

than in India. In South Korea, under President Park Chung Hee the Economic Planning Commission (EPC) was created with institutional power to discipline other state agents while in India, the Planning Commission lacked real power over other state agencies and hence could not foster internal cohesiveness amongst the state apparatus towards state defined priorities (Chibber, 2002: 960; Evans 1995: 70). Therefore, properly trained individuals within a rule-based bureaucracy are important as much as effective coordination amongst state agencies for a country's developmental process. In order to drive the developmental process states need an 'ideal type' bureaucracy that will resist political and social pressures while mechanisms that manage inter-agency coordination will ensure conflict resolution and consistency in the implementation of development policies and programmes.

State and business: Embedded autonomy

The state collaborates with the business sector, undertaking joint planning and resource mobilisation to finance development priorities. However, although the state is embedded with business, there are considerable zones of autonomy between the state and business. Evans (1995) has defined this relationship as 'embedded autonomy.' Embedded autonomy ensures a collaborative relationship between the state and private capital, beyond particularistic interests to national developmental interests, which allows the state to know and meet needs of capital while at the same time ensuring that capital invests in ways that the state deems important for the country. Evans (2014: 233) further notes that in the twentieth century model of the developmental state, embeddedness was important as a source of information, and because the implementation of shared projects depended on the private sectors. The involvement of the private sector elites enabled the bureaucrats to gain access to key information involved in assessing the feasibility of projects and identifying opportunities to leverage collaboration between the state and private elites to overcome collective action challenges.

Embedded autonomy is also necessary for a developmental state to discipline private elites towards state defined developmental goals. As the state extends public resources to private elites in the form of subsidies and cheap credit, they must, in order to prevent illicit rent seeking, have the ability to demand that those incentives be

directed in productive ways and in sectors that conform to priorities (Amsden, 1989, 1992; Kohli, 2004; Chibber, 2014). Indeed, post-war state interventionism in developing countries has been found wanting in relation to clientelism, corruption, and in the worst case oiling predatory elite practices (Wade, 1990; Woo, 1991). Chibber (2002, 2014: 33) emphasises the disciplining capacity of the state to ensure contracts do not turn into 'gifts' or 'bribes.' In this case, subsidies and other policy incentives to the private elites are treated as contracts and default is punishable for example through withdrawal of incentives. Weberian ideal type bureaucracy is considered a vital characteristic in the implementation of such developmental state policies without which such incentives can easily be captured and channeled towards private elite selfish interests.

State and society: Democracy, participation and accountability

Similarly, the state is deeply embedded with society, albeit there are large zones of autonomy. The state is therefore 'autonomously embedded' with society to enable it to gather information and yet unconstrained to make autonomous decisions. Evans (2014) contends that in the twenty-first century that the notion of 'embedded autonomy' should expand beyond private elites in line with the development thinking to include the broader society. He argues that in the twenty-first century the shift towards expanding capabilities both as means and development outcomes required information networks with the broader society in order to ensure that the development results correspond to the collective preferences of communities being served. Greater involvement of communities in the identification of investment priorities and implementation will result in the more efficient and effective allocation of resources. Ostrom (1996) also emphasises that capability-enhancing services (such as education, health) are always coproduced by their recipients. Thus developmental states must extend relations beyond capital and embed the state in society by strengthening the decision making role of ordinary citizens in local economic and political development of their communities (Williams, 2014: 14).

In his book, *Development as Freedom*, Nobel Laureate Amartya Sen also suggests that democracy is both a primary end and the principal means for achieving development (1999). Sen conceives development as enlargement of people's choices

through mutually reinforcing capabilities, entitlements and freedoms including; political freedoms such as freedom of speech, economic facilities (e.g. freedom to conduct business, ownership and economic redistribution), social opportunities such as health and education, transparency guarantees and protective security such as social safety nets. Such a developmental framework calls for democracy as a goal and normative ideal to provide enabling institutions that structure state-society relations. Michelle Williams (2014: 14) argues that to achieve a democratic state, both representational and participatory forms of democracy must be strengthened through powerful and active civil society organisations, state level commitment, elective representative accountability and meaningful involvement of ordinary people. The state therefore needs to engage directly with citizens in order to ensure that investments produce desired effects.

In sum, a developmental state shares general features of Weberian bureaucratic rationality, embedded autonomy with business and society and democracy. It is argued that the more the state proximates these characteristics, the greater its chances to drive the development process in the twenty-first century. In the following section I analyse and compare features of the predatory state. I proceed by reviewing contributions on the notion of the predatory state in Africa and finally propose its structural features and how it functions.

The Predatory State

The predatory state as an analytic paradigm arose from the continued search to make sense of what explains the failure of economic transformation in the developing world. According to Evans (1995: 44), states can be treated as varying along a continuum, from predatory to developmental. The predatory state in this case is the complete opposite of the developmental state in terms of variations in the structure and behaviour of state apparatuses to trajectories of national development. However, Evans does not provide the structural characteristics of the predatory state and how it functions. Chabal and Daloz (1999) and Bayart, Ellis and Hibou (1999), also examining the phenomenon of the post-colonial state failure on a continental scale, offer important contributions. Both contributions conclude that the essence of African

countries' failure is that they have no concept of citizenship. They highlight how the colonial political institutions have either been consolidated or deliberately subverted by personal rule, clientelism and patrimonial systems. However, they also differ significantly. Whereas Chabal and Daloz argue that Africa is modernising in its own way i.e. making a new political system out of disorder (1999: 144), Bayart, Ellis and Hibou describe the process as outright theft and criminal.

In their Book, *Africa Works: Disorder as a Political Instrument*, Chabal and Daloz argue that 'all African states share a generalised system of patrimonialism and acute degree of apparent disorder, as evidenced by high level of governmental and administrative inefficiency, lack of institutionalisation, a general disregard for the rules of the formal political and economic sectors, and a universal resort to personalised and vertical solutions to societal problems' (1999: 2). The state lacks the fundamental attribute of a 'Weberian bureaucracy', (it has not been in the interest of the ruling elites to develop an independent bureaucracy). Chabal and Daloz argue that because the state is poorly institutionalised, the ruling elites are able to instrumentalise disorder and chaos for their personal gain. Such a state of disorder is propitious for corruption and reinforces continued informalisation, which in turn undermines prospects for economic transformation. However, the authors have been criticised for overemphasising a culturalistic and pessimistic way of analysing the condition of Africa as much as having exaggerated the crisis of modernity (van den Boom, 1999:1; Dorman, 2001: 181). Further, 'neo-patrimonialism is regarded as providing a moral cultural gloss: which somehow renders corruption understandable, its victims complicit' (Mkandawire 2012: 2) rendering Africa a case of irredeemable hope. Equally, the argument that corruption is necessarily a product of poor institutionalisation is not very convincing considering that the phenomenon is not unique to developing countries. Instead, it is a feature that manifests in both developing and developed countries.

Bayart, Ellis and Hibou (1999), by contrast, see deliberate criminalisation as synonymous with ruling elite predatory behaviour in Africa. Criminalisation of the state and politics is defined as 'the routinisation, at the very heart of political and governmental institutions and circuits, of practices whose criminal nature is patent, whether as defined by the law of the country in question, or as defined by the norms

of international law and international organisations or as so viewed by the international community, and most particularly that constituted by aid donors' (Bayart, Ellis and Hibou; 1999: 16). The political elites effectively manipulate the state structures, including the use of violence to further their own private accumulation interests. The elites exploit the opportunities presented by an increasingly globalising world through collaboration or joint ventures at international levels to undertake self-serving business dealings. In so doing they undermine the capacity of the state to undertake meaningful economic reforms and spur economic transformation.

Bayart, Ellis and Hibou (1999: 25) propose five indicators for the criminalisation of the state in Africa: (1) The use for private purposes of the legitimate organs of state violence by those in authority, and the function of such violence as instruments in the service of their strategies of accumulation of wealth; (2) The existence of a hidden, collective structure of power which surrounds and even controls the official occupant of the most senior political office, and which benefits from privatisation of the legitimate means of coercion, or is able with impunity to have recourse to a private and illegitimate apparatuses of violence, notably in the form of organised gangs; (3) The participation by this collective and semi-clandestine power structure in economic activities considered to be criminal in international law, or which are so classified by international organisations or in terms of moral codes which enjoy wide international currency; (4) The insertion of criminal activities in international networks of crime; and (5) The political and economic significance of such criminal practices in the overall architecture of a given society as distinct from the occasional or marginal role of such practices in other societies. However, at the time of writing their book, Bayart, Ellis and Hibou concluded that 'only Equatorial Guinea, the Comoros and Seychelles could fit the classification of criminal states' (1999: 25-26).

Both the *Criminalisation* and *Instrumentalisation of disorder* theses overemphasise the behaviour of the political elite in shaping the governance and accumulation regimes. Bratton (2014:2), argues that although the African 'big men' set the tone for a regime of governance, they are almost never entirely alone. Instead, to survive office, leaders rely on a coalition of supporters and together the coalition

seeks to maximise the group's collective advantage, usually to the exclusion of political rivals and citizens. In predatory settings, the coalition relies more on coercion than persuasion and rewarding the group with supposedly collective goods to maintain the coalition support. This thesis departs from this earlier work by contributing knowledge on the underlying class forces and power dynamics that helps us to understand the emergence and instrumentalisation of legitimate coercive state organs to deploy violence for political power retention and private accumulation interest. The politics of social forces and the state must surely be central if we are to understand the logics and dynamics of a predatory state and their developmental outcomes.

In order to discern structure and functioning of the predatory state, I look at the nature and interactions amongst key actors of the predatory state such as (1) party-state; (2) military; (3) business; and (4) society. The notion of embeddedness exists albeit differently. The party-state shows deep embeddedness with business and society, albeit with marginal and diminishing zones of autonomy. The diminishing zones of autonomy exhibit in the tendency of the party-state to capture and or dominate society and business.

The party-state and military dominance

Unlike under the developmental state; the party, state and bureaucracy are conflated into the party-state. Several studies have observed the dominance of the party over the state in post-colonial Africa[24] (Zolberg, 1966; Fanon, 1974, Turner, 1971; Widner, 1993; Southall 2013). Zolberg (1966) defined the party-state as the conflation of the boundaries between the political party and the government. The blurred distinction between the state and the ruling elite diminishes accountability, thus enabling the ruling elite unfettered access to well paid jobs, state resources and control over national budgets which accords them parasitic avenues for personal wealth accumulation and to dispense patronage. The blurred distinction between the

[24] However, while the dominance of the party maybe a pervasive phenomenon in Africa, it does not imply that all African states are predatory by virtue of this one feature. Instead, Africa reveals a great deal of variation in the significance of the dominance of the party over the state and relatedly the instrumentalisation of such dominance.

state and party is a common feature across both neo-patrimonial and predatory states. However, the difference is that predatory states may demonstrate a highly organised and institutionalised regime of control rather than the traditional neo-patrimonial rule characterised by very weak institutionalisation (as the case with the Democratic Republic of Congo and Nigeria). In this case, Zimbabwe demonstrates semblance of a robust predatory state, with strong, although extractive institutions credited to its settler colonial inheritance.[25]

In their quest to preserve power, the ruling elites turn to the military to prey on society. In return the military elites are often rewarded by business opportunities to retain their loyalty and support. The military therefore assumes a non-conventional dominant role by defending the party state (or the dominant elites within it). Its boundaries, similar to the party state are elastic: the role of the military expands when the predatory state is under threat, to defend its idiosyncratic[26] and institutional interests.[27] However, the military can also wield autonomous interests that may run against the interest of the party. In such a situation the military can effect a coup-d'etat and take over political power.

Fanon (1974) also viewed the party as an instrument of political organisation and class domination. He argued that ruling parties in post-colonial Africa have become nothing more than the instruments for political domination and economic accumulation. In order to control the levers of power, the ruling elite captures and controls key organs of the state such as the judiciary and the security services sector which enables the ruling class to deploy violence for private accumulation and to crush opposition forces with impunity. Southall (2013: 148-173) reveals the capture and control of the security services sector in Zimbabwe, Namibia and South Africa[28]

[25] The legacy of colonial rule included, not only a vast array of repressive legislation designed to silence liberation movements, but also exclusionary economic institutions.

[26] The military elite develops personal power and wealth interest, which often manifest in pervasive business interests.

[27] The military as an institution, like other government departments and agencies also aspires to gain more power and influence.

[28] It is apropos here to clarify, that Zimbabwe, Namibia and South Africa demonstrate substantial variations in terms of the party-state phenomenon and its instrumentality for private economic accumulation and patronage. Zimbabwe demonstrates

by the ruling elite through active deployment of party loyalists at senior positions. Supposedly constitutionally independent institutions are subordinated to the interests of the ruling class at the expense of neutral and efficient public service delivery system.

Therefore, contrary to a developmental state in the sense that it does not possess a 'Weberian type' bureaucratic apparatus that is able to withstand particularistic interests, a predatory state is undifferentiated and captured by its elites. Public bureaucrats lack competence and professionalism and tend to have a weak sense of public purpose and capacity to discipline[29] private elites towards the pursuit of economic goals, despite grandiose plans. Pronouncements of policy goals are usually screens for the pursuit of self- interests and those of powerful groups that are important for the regime's electoral support. The ruling elite takes advantage of control over state resources to dispense patronage for political support. Parastatals and other government economic arms are converted to feeding troughs for the ruling elite and their clienteles.

State and Business: Domination and capture

The party-state is deeply embedded with business. However, the nature of embeddedness is characterised by contradictory features of domination and capture and a diminishing marginal zone of autonomy. As Leftwich (2009: 4) observed, predatory states are characterised by 'negative synergy in the form of unproductive collusion between the state and business (leading to rent-seeking), predatory behavior by the state on the [autonomous] business sector and capture of the state by powerful interests in the private sector.' The party-state exhibits expansionary tendencies to dominate business and or capture of the state by powerful business interests. Marginal zones of autonomy for business may exist, albeit often diminishing. The ruling elite fears and represses the emergence and growth of autonomous business, whose power

---

substantial political and economic significance of the party state phenomenon in the overall state society relations that is relatively distinct from the occasional or marginal role of such practices in South Africa and Namibia.

[29] Where the semblance of disciplining capacity is demonstrated, for example various anti-corruption crusades, they have been more often than not manifestations of factionalism and infighting within the ranks of the ruling elite.

poses potential threat to their aspirations. Meanwhile, the state pursues policies favouring state allocation of wealth and income, which the ruling elite supervise and manipulate to serve their own political and material ends. The ruling elite in alliance with crony businessmen are the prominent beneficiaries. The emerging regime of accumulation does not engage in productive investment and manufacturing. Instead, the ruling class preys upon resource based accumulation in land and minerals, an archetype rentier nature of the predatory state.

Fatton (1992: 64) contends that various indigenisation processes across the African continent have essentially involved the state controlled transfer of foreign firms to those officials or businessman who are located in or connected to the over-arching positions of state power. Callaghy (1984: 191), on Nigeria, points out that 'indigenisation symbolised the conversion of political power and position into economic wealth for the benefit of a few [elites] at the expense of many.' The ruling elites are able to dominate policy making to favour their personal and often narrow immediate wealth and power interests at the expense of long-term development planning. In this way, the ruling elite undermine tenets essential in fostering productive relationships with private capital and supporting entrepreneurial development necessary for economic transformation and development. As Kohli (2004: 21) reminds us:

> If one thinks of the process of industrialisation as a chariot, one can imagine the states and entrepreneurs as two horses that may pull it. The chariot will move rapidly if both horses are strong and if both pull in the same direction.

Kohli contends when both horses are feeble (as is the case with predatory archetype states), that is, when states are characterised by undifferentiated and weak public and private sectors, the horse, that is the power to propel economic change will be lacking and the economic chariot may not move very far at all. Thus by undermining the economy, 'embedded domination and capture' may over time weaken the predatory capacity of the state. That is, when the economy collapses, the predatory state is unable to meet basic obligations such as payment of the civil service salaries and to deliver public services. When the economy shrinks and patronage resources dry-out, it would seem inevitable that elite engaged in predatory

accumulation is likely to fall out, as the different players scramble for the little resources remaining.

Typically, as the productive economic sectors collapse overtime, predatory state economies drift towards informalisation or high-levels of informal economic activities[30] —lack markets, unregistered businesses, smuggling and tax evasion—in which the power holders are active participants with their courtiers and clients. Indeed all these activities are all impossible without the support and collusion of powerful state agents. On her findings on the then crisis in Zaire, MacGaffey (1987) concludes that the political-administrative class took advantage of position in the state apparatus to participate heavily in profiteering activities; its members were unable to exert a monopoly although they attempted to do so, primarily by using personal relations among themselves to restrict access of others to resources. They manipulated strategic positions within the state apparatus to enhance their opportunities indeed to become dominant entrepreneurs of the underground economy. Ninsin (1998: 273) similarly argues that the state has an interest in the persistence and growth of the informal economy precisely because it serves the accumulation needs of its social base – its key political and administrative cadres – for whom the formal sector does not provide adequate security.

State and Society: Violence and Patronage

State-society relations are characterised by violence and patronage and a marginal zone for societal autonomy. Predatory states eschew the development of autonomous centers of power and by so doing they undermine the development of an autonomous civil society, which can provide a countervailing force to the ruling elite rapaciousness. The ruling elite relies on wide scale patronage to drum up electoral

[30] The informal sector is includes both legal and illegal economic activities (Aguilar and Campuzano, 2009: 446). While on the one hand, the informal sector is taken to mean legal self-employment or unregistered small scale legal economic activities (such as traditional agriculture, retail, street vendors, livestock and fisheries, home based workers and home production) it is being increasingly recognised as playing a key role in role in employment generation and poverty eradication (ILO, 2002; IIED, 2011); predatory informal economies, on the other hand, share characteristics of 'criminalisation' or illegal economic activities such as illicit trade in minerals and drugs facilitated in collaboration with state elites.

support and violence to intimidate the opposition forces. Stark inequalities in power and status thus create vertical chains of dependency, secured by patronage and coercion (Diamond: 2008: 41). Elections are only held to give the ruling elites a façade of legitimacy. The very minimal electoral avenue for citizens to decide on political mandate and supposedly influence policy preferences is undermined. The ruling elites employ electoral manipulation techniques to guarantee power retention or in cases where electoral manipulation fails to deliver access to state power, the ruling elites may reject the outcome altogether. In Nigeria [31] for example, President Babangida lost the June 1993 election to Chief M. K. O. Abiola. However, a few days later, Babangida declared the poll invalid citing purported electoral irregularities (Lewis, 1996: 95).

However, the problem of this power retention strategy and accumulation model is that it undermines sound economic governance and sustainability of the predatory capacity of the state. And when, the fiscal capacity deteriorates, the state often turns to the printing press with drastic hyperinflationary consequences, which further hurt business and the poorest citizens, leading to growing opposition to the ruling elite. In turn, facing opposition, the ruling elite invests in the hyper development and consolidation of the repressive apparatus, which becomes the dominant political force and beneficiary of supposedly collective goods. As Bratton (2014:7) notes, 'because autocrats rely on repression, they inadvertently strengthen the hand of the armed forces, who, in turn, are able to claim a share of both economic bounty and political decisions.'

Although, predatory states are built on strong foundation of political violence, and economic extraction, the ruling class may still try to use a comprehensive system of ideas and beliefs to justify their rule. 'These ideologies may invoke either ancient traditions or a vision of revolution, but either purpose is to persuade people to support the political regime on a voluntary basis' (Bratton, 2014:8). However, the regime of governance fails to deliver broad based economic and social goods, which requires a growing economy. In turn, the ideological appeals fail to generate and grow mass political support. The ruling class will often have little choice other than to resort to

[31] The Nigerian state has been variously characterised as predatory, including under President General Babangida (1985-1993), (Lewis, 1996; Diamond, 2008).

violence. Popular protest movements and opposition parties that emerge to challenge growing inequality and poverty are met with violent reprisals. When the violence generates untenable diminishing returns to legitimacy, the ruling class may reluctantly embrace a 'power-sharing' coalition government[32] with the opposition. Such coalition governments have often not succeeded as the ruling parties continue to pursue exclusionary politics.

In sum, the power retention and accumulation logic of the predatory state are therefore inimical to democratic forms of governance. Democracy entails freedom of choice – political, social and economic – and above all respect for the rule of law, which limit the ruling elite's voracity. Instead predatory states display more authoritarian tendencies and particularism linked to the ruling elite interests rather than national interest. By undermining democracy, predatory states fail to deliver citizens' expectations for participation, freedom and justice, a better life and fair society, which are considered, as Sen (1999) suggests, both necessary means and development outcomes in the twenty-first century.

Conclusion

This chapter looks at development literature analysing the role of the state in development by examining patterns of state construction, state, military and business accumulation relations and their developmental implications. Contrary to a developmental state, a predatory state is characterised by a dominant party and military over the state; state society relations shaped by violence and patronage; and parasitic state business relations, which undermine economic transformation and development. Indeed development would require the channelling of immense energy and resources by means of coordinated, institutionalised political and economic entities operating above, particularistic dynamics. As Weber noted long ago, the minimal conditions of predictability and judicial protection, which are the building blocks of a modern economy, are incompatible with a predatory state. The power

[32] Power sharing coalition governments are increasingly recognised as solution to governing deeply divided societies and failed electoral democracies (Bratton, 2014; Leftwich and Wheeler, 2011).

elite[33] in parts of Africa has failed to follow the 'developmental state' model as we have learnt from the East Asian experience. Their countries would undoubtedly stand to benefit from greater institutionalisation, but the elite are able to manipulate state structures to fulfil political power retention and wealth accumulation interests. In this vital function they have demonstrated not ineptitude but rather efficiency and remarkable success. The central question throughout the study is how one can best understand the underlying dynamics of a predatory state, its core characteristics and how it functions and implications for development. Since the state under consideration acquired some of its core characteristics under colonialism, the study will generally search deep into the colonial epoch.

I argue that, for Zimbabwe, the post-independence state displayed anti-developmental features the more it moved away from the moment of political independence. The developmental state core pillars – especially internal cohesion, embedded autonomy, and democracy – have been significantly eroded as the years passed, as will be shown in the next chapters. In this regard, Evans' (1995: 45) depiction of predatory rule in the DRC is more apropos for Zimbabwe where 'true to predatory rule, the control of the state apparatus is vested in a small group of personally connected individuals, in which the pre-occupation of the political class has turned society into its prey.' Public officials engage in predatory economic activities and extract rents from public services. The state fails to provide even the most basic pre-requisites of a functioning modern economy: predictable enforcement of contracts and secure the much needed investment to stimulate economic transformation.

[33] This phrase is used to refer to those who wield power within the ruling institutions of modern society, and who act, sometimes collusively, to preserve and enhance that power (Mills, 2000).

Chapter Three:

Doing Research in Difficult Situations

Introduction

This thesis investigates characteristics of a predatory state and how it functions. In order to do this, the study employed a critical social science model and the extended case method. Critical social science combines, both positive social science[34] nomothetic[35] and interpretive social science[36] ideographic[37] approaches. The approach agrees with many of the criticisms that the interpretative approach directs at positive social science including failure to deal with meanings of real people and their capacity to feel and think, and to ignore the social context. However, it also disagrees with the interpretative approach for being subjective by looking at people's ideas as more important than actual conditions. In addition, critical social research also sees the interpretative approach as too relativist by focussing on micro-level and short-term settings while ignoring the broader and long-term context (Newman, 2006: 95). Finally, it aspires beyond simply discovering knowledge to uncover underlying sources of social relations in the material world in order to help people change conditions and build a better world for themselves (Fay, 1987: 27).

Critical social research assumes that reality has several levels and that what is observed on the surface level does not easily reveal significant structures or causal mechanisms at deeper levels (Newman, 2006: 95). At the empirical level, we observe the reality with our senses. However, the empirical reality we see is generated by structures and causal mechanisms that operate at deeper levels we do not see at the

[34] It is an approach to social research that seeks to understand and explain the sensory world in objective, factual, logical, and value-free observational terms.
[35] A type of explanation used in positivist social science in which the explanation relies heavily on causal laws and law-like statements and interrelations (Newman, 2006: 84).
[36] It is an approach to social research that is composed of efforts to understand, to construct meaning, to tap into the subjective experiences that people have (Goodsell, 2013: 3).
[37] A type of explanation used in interpretative social science in which the explanation is an in depth description or picture with specific details but limited abstraction about social situation or setting (Newman, 2006: 91).

surface level. Yet these structures do not produce an immediate and direct surface appearance at the empirical level: instead they can lie inactive or dormant and then become active and appear on the surface (Newman, 2006: 96). The causal mechanisms can also have internal contradictions and operate in a paradoxical manner creating structural conflicts, which may explain variations at surface level dynamics. Discovering and understanding structures and mechanisms and their interaction to explain social relations is the central task of this research. The rest of the chapter outlines the choice of research method, techniques of empirical investigation applied and how the data gathered was analysed to construct meaning and conclusions.

The Extended Case Method

The extended case method applies reflective science[38] to ethnography[39] in order to move from the 'micro' to the 'macro' and to connect the present to the past in anticipation of the future, all by building on pre-existing theory (Burawoy, 1998: 5). In applying reflexive science, objectivity is not measured by procedures that provide accurate mapping of the world, but by the growth of knowledge; that is, the parsimonious modification of theory to explain variances (Kuhn, 1963; Lakatos, 1978). Moving beyond canons of positive sciences, Burawoy summarises four features of reflective science as follows:

1. The researcher interacts with research subjects. Disturbances that develop out of their mutual interaction do not inhibit, but rather help to expose and better illuminate social life.
2. The researcher adopts the research subject's view of the world in specific situations, but it does not stop there. The researcher adds together many views from individual subjects and specific situations, aggregating them into larger social processes.

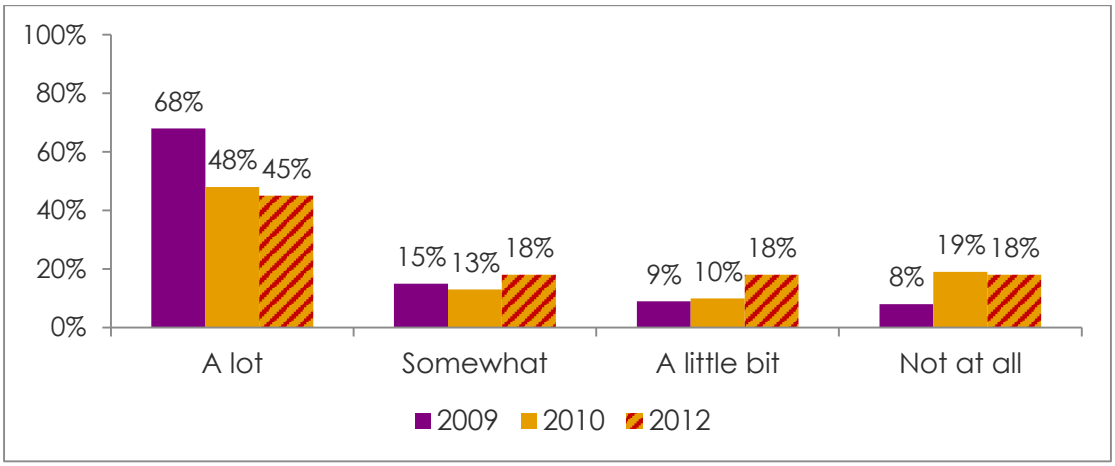
[38] Reflective science is a type of critical social science that embraces dialogue between the researcher and the people being studied as the road map to knowledge (Newman, 2003: 101).
[39] Ethnography is field research that emphasizes providing a very detailed description of a different culture from the view point of an insider in the culture to facilitate understanding of it (Newman, 2003: 381).

3. The researcher sees the social world simultaneously from the subjective viewpoint of the people being studied and from the viewpoint of external forces that act on people.
4. Finally, the research constantly builds and modifies theory. This takes place through interaction with people studied and other researchers in the scientific society.

In this study I have worked through the Zimbabwean case, examining the state, business and society relations in dialogue with theories of the role of the state in development and the developmental state notion of embedded autonomy to contribute to the development of predatory state theory. At independence, the Zimbabwean economy, although contending with dilemmas posed by colonial legacies, seemed to possess emergent developmental state characteristics. A strong interventionist state in collaboration with white agrarian and international mining capital accounted for industrialisation and diversification that could be traced back to the 1950s. However, more than 30 years later, the economy looked in dire strain, state capacity degraded under the heavy yoke of the party-state, and the relationship with domestic white agrarian capital had collapsed acrimoniously, while the international capital looked hesitant to invest in the country. Understanding why this happened and how it happened are part of the key questions explored in this study. However, exploring these questions in an environment gripped by fear especially during an election season has not been an easy task.[40] In the context of fear, respondents are not free to express themselves. To illustrate the extent of fear, an Afrobarometer survey with a sample size of 1200 conducted annually between 2009 and 2012 asked: How much do you personally fear becoming a victim of political intimidation or violence? Figure 3.1 below presents trends for fear of political intimidation or violence in Zimbabwe for the period 2009 to 2012.

[40] In the year 2013, Zimbabwe held elections to terminate the life of the coalition government born in February 2009. My fieldwork stretched from early 2013 to end of 2014.

Figure 3.1: Trends in fear of political intimidation or violence in Zimbabwe 2009 - 2012

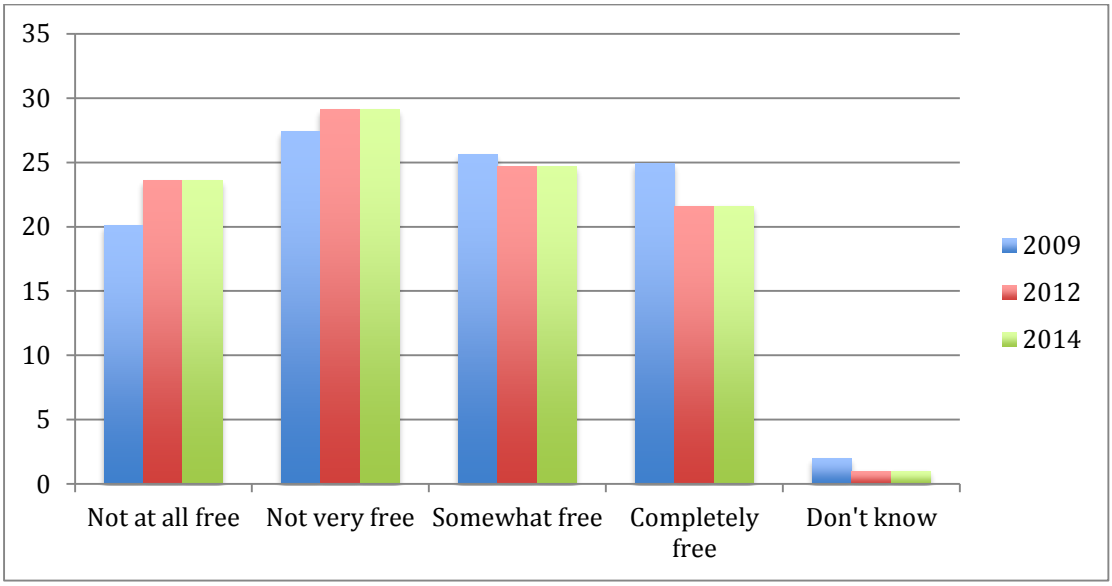


Source: Afrobarometer, Policy Paper No. 25. August 2005

An overwhelming majority of 68 per cent in 2009 and a near majority of 48 and 45 per cent in 2010 and 2012 respectively bemoaned fear of political intimidation or violence.[41] Indeed, many Zimbabweans felt 'Not at all free' to express what they think, with minorities of 20 per cent in 2009 and 23 per cent in 2012 and 2014. Only a minority of people—25 per cent in 2009 and 22 per cent in 2012 and 2014—feel 'completely free' to express themselves. Below Figure 3.2 below presents Afrobarometer survey responses with sample sizes of 1,200 in 2012 and 2,400 in 2012 and 2015 on the question: In this country, how free are you to say what you think?

[41] My own study, amongst other, sought to understand and explain forces driving fear and intimidation. Relatedly some the questions I explored were politically sensitive.

Figure 3.2: Trends in 'freeness' to express what Zimbabweans think 2009 - 2014



Source: Developed from Afrobarometer data bank available at *http://afrobarometer.org*

I have mainly used three sources of primary data: archival research primarily newspaper articles and government policy documents; observations; and in-depth interviews. These were also complemented by workshops and conference participation.

First, I gathered and analysed key state policy documents and media articles from newspapers including on-line sources on debates surrounding state policies, state-society relations, military operations, and socio-economic performance. Government documents included: policy documents from the Ministries of Economic Planning and Investment Promotion; and Finance and Economic Development on economic policy issues; manpower development reports on the civil service; Reserve Bank of Zimbabwe monetary policy statements; reports and regulatory instruments, socio-economic data from the Zimbabwe's Statistics Office and company shareholding documents from the Registrar of Companies. Government policy documents provided descriptions of different types of state interventions and their intended goals. Meanwhile, online and newspaper articles provided insights on perspectives from broad sections of society and business. These were drawn from both the state and independent media, chiefly *The Herald* and *The Financial Gazette* respectively. The triangulation of state media and independent sources was used to

counter bias. The *Herald* is Zimbabwe's leading state-owned daily print newspaper with the largest circulation in the country, estimated at 266, 884 by October 2013 (Zimbabwe Advertising Research Foundation, 2013). Meanwhile, the *Financial Gazette* is one of Zimbabwe's consistent and leading weekly independent business and financial newspaper since independence in 1980.

Most importantly, media articles brought to the fore contestations over policy choices that helped me to frame probing questions for my respondents about the nature of relationships between the state, society and business overtime. Meanwhile, the commentaries on military operations shaped perceptions on the increasing role of the military in politics and business. I have also been fortunate to have three key studies conducted on the state and business in Zimbabwe: Roger Southall (2013), *Liberation Movements in Power: Party and State in Southern Africa*; Scott D. Taylor (1997), *Business and the State in Southern Africa* and Horace Campbell (2003) *Reclaiming Zimbabwe: The Exhaustion of the Patriarchal Model of Liberation* on the role of the military in politics and business. Taylor's book was more relevant on the changing nature of state and business relations in post-independence Zimbabwe. However, Taylor's work is mainly focussed on relationships between the state and the white agrarian and manufacturing class from independence to 1997. My thesis extends beyond this work in terms of range of economic sectors considered and scope by examining implications on the nature of the state. Roger Southall and Horace Campbell's books also bring to the fore the symbiosis of violence and elite accumulation in Zimbabwe. I examine the phenomenon across economic sectors over time to explain the changing role of the state in mediating patterns of accumulation. I also collected and analysed national statistics on economic performance to illustrate the developmental implications. Statistics accessed and analysed across economic sectors include production, investment, national output and employment.

Spending much of my time in the National Archives reading newspaper articles and government policy documents enabled me to formulate specific interview questions to gain a deeper understanding of the motivations behind policy decisions through interviews. The sample universe included officials from government, business and civil society which were further subdivided into five categories: 1) military; 2) mining; 3) land and agriculture; 4) banking and finance; and 5) transport

and energy. I developed a sample frame that included key institutions and actors on each category. Potential respondents were selected using purposive and snowballing techniques. Purposive sampling was applied to access respondents on specific cases and mainly applied to business associations and state parastatals. While the sampling procedure worked well in respect of the business sector, there were some stakeholder groups for which it was difficult to gain access to potential respondents. In such instances, I used snowballing techniques in which interviewees were asked to recommend other potential respondents. This technique was applied to gain access to serving and retired government and military officials. However, in most instances it was not easy to gain the trust of some respondents at the first meetings. I found myself having to meet some respondents two or three times to explain my project and gain trust before a full interview. This applied mostly to civil servants and military officers, both serving and retired. Some business officials and analysts too required gaining trust. It can be frustrating especially when one has to re-adjust planned fieldwork timelines, as was the case. Yet once trust was gained, it proved so useful to be patient as I gained access to valuable insights and leads to explain key choices and their developmental implications. Table 3.1 below presents a breakdown of respondents by sector.

Table 3.1: Breakdown of respondents

Sector	**Total (36)**	**Breakdown**				
		Military (and broad security sector)	**Mining** (including manufacturing)	**Land & agriculture**	**Banking and finance**	**Transport and energy**
Government	16	3. (Included former ministers, military officers and war veterans)	5. (Officials from ministry of mines, Zimbabwe Mining Development Corporation)	3. (Officials from the Ministry of Lands and Rural Resettlement and local government officials	2. (Former minister of finance, central bank governing board members)	3. [Zimbabwe National Roads Authority (ZiNaRA) Zimbabwe Electricity Supply Authority (ZESA)]
Business	17	2. (Former military officers who served in parastatal boards)	6. Confederation of Zimbabwe Industries (CZI); Zimbabwe Chamber of Mines (ZCM), Artisanal and Small Scale Gold Miners	4. Farmers Union Association; Resettled farmers	2. Bankers Association of Zimbabwe (BAZ), former bank employee	3. Private transport and energy operators & association of transport operators
Academics and journalists	3	Including academics from the University of Zimbabwe, political science and economics departments, the African Public Policy Research Institute.				

I took extensive precautions in adherence with research ethics to ensure balance between personal networks used in the study to gain access to various data sources and my role as an insider.[42] Before someone takes part in a research interview, there is need for consent[43] to do so. From the researcher's point of view this is particularly important in relation to research ethics. I ensured consent was secured

[42] Insider research is that which is conducted in a social group, organisation or culture of which the researcher is also a member (Greene, 2014: 1). I have served in civil society and government, as a board member for the Zimbabwe Youth Council, 2010 – 2015.

[43] Informed consent is a fundamental ethical principle of social research. Newman (2003: 135) state that 'it is not enough to get permission from people; they need to know what they are being asked to participate in so that they make informed decisions.

from all my research participants. Given the sensitivity of the research, some participants requested confidentiality. In keeping with research ethics, confidentiality of participants was upheld by privately linking individual names through coding[44] to specific responses. This was also done to ensure research participants' safety during and after publication of the research report.

Bonner and Tolhurst (2002) identify three key advantages of being an insider researcher: (a) having a greater understanding of the culture being studied; (b) not altering the flow of social interaction unnaturally; and (c) having an established intimacy which promotes both the telling and the judging of truth. However, there are also disadvantages associated with an insider. Greater familiarity can lead to loss of objectivity. For example, unconsciously making assumptions about the research process based on the researcher's prior knowledge can be considered bias (Hewitt-Taylor, 2002). The research made used of a wide range of perspectives (from both state and no-state sources), to produce a balanced and in this sense, a more objective account of the gradual development (May, as cited in Porteli, 2008).

In a context of fear, interviews from 'outside' may be less insightful due to suspicion. Some respondents may not be comfortable to discuss, especially on subjects deemed politically sensitive. According to Garfinkel (1957), if the discursive dimension of social interaction can be reached through interview, the non-discursive sometimes referred to as practical consciousness, which underlines social interactions calls for more. It may be discovered through analysis or participation, that is, doing things with those who are being studied. I was involved for 18 months[45] on a part-time basis working on business development in a small-medium enterprise with exploits spanning across small-scale contract mining, tobacco farming sponsorship and technology solutions. In this role I focussed on small-scale mining and tobacco farming contracting business units, which enabled me to gain access and understand the different actors in the product chains. From observations and interviews it was possible to trace the product value and trade chain as it moved through various stages

[44] Respondents' names were coded against responses during data collection. The coding system developed identifies interviewees as Respondent 1, 2, 3 etc.
[45] From September 2013 to April 2015.

from the ground to runners[46] and buyers – what Gereffi *et al.* (2001) calls the product chain analysis.

In the agriculture sector the highly politicised and partisan land distribution channels made people suspicious of any forms of 'outside' investigation. Denscombe (2003) notes that a good participant observation demands that the researcher devotes considerable time to the fieldwork. Time on site is needed to gain trust, to establish rapport and foster insights that are the trademark of participant observation as a research method. I found myself visiting often more than twice to gain trust of the resettled farmers in Marondera,[47] and Goromonzi located in Mashonaland East province. Similarly, the involvement of high-ranking political elites and often criminalised operations of small-scale and artisanal mining operations made it difficult to easily gain access to product-chain actors. Indeed, some of the illegal aspects of small-scale mining operations such as illegal gold trade made the society highly secretive and suspicious. I spent much of my time visiting, likewise more than twice, the different artisanal mining sites including: Shamva[48] in Mashonaland Central, Gokwe[49] and Mberengwa[50] in the Midlands Provinces. Figure 3.3 illustrates participant observation sites.

[46] Popular term applied to intermediaries who are involved in acts of buying and smuggling on behalf of some high profile actors behind the scenes.

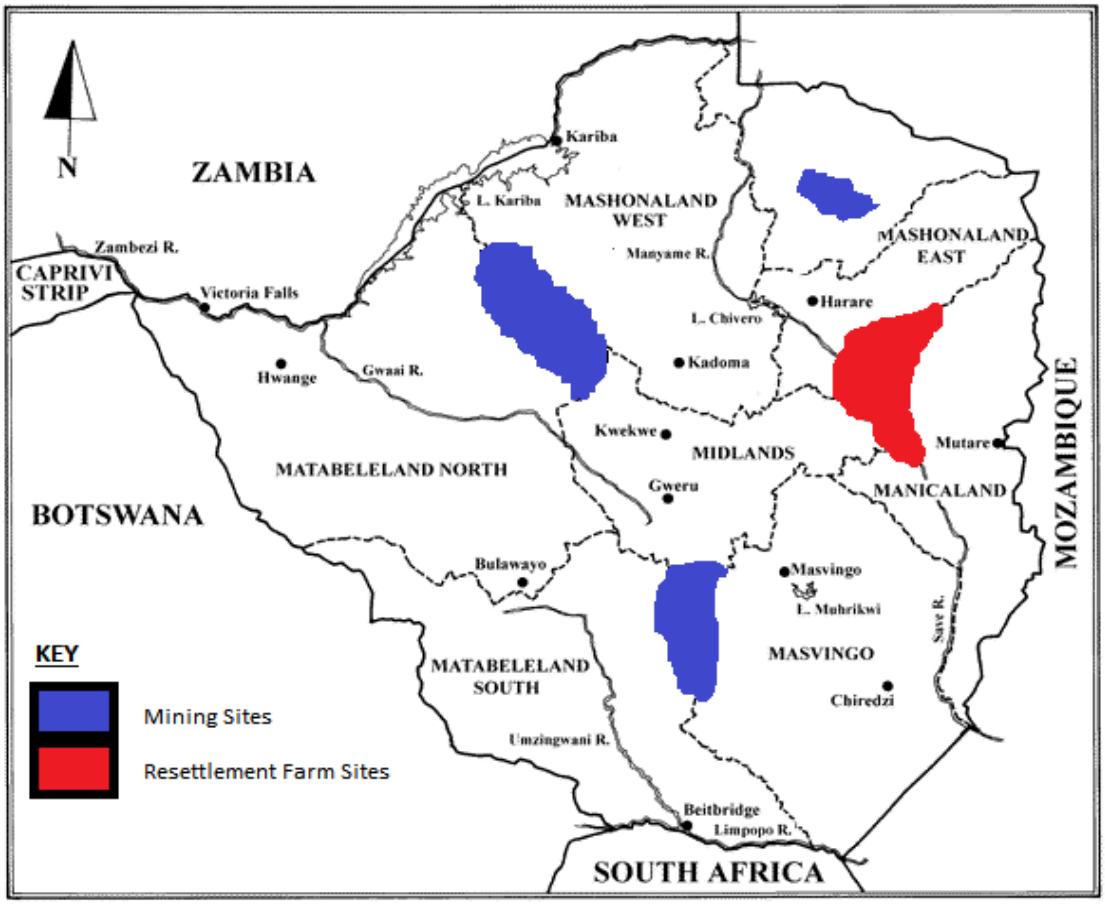
[47] Marondera was one of the centers of Zimbabwe's large forestry and farming district and markets timber, tobacco, corn (maize), beef, and dairy products until the seizure of white-owned farms and redistribution of land began in 2000.

[48] Shamva is an area rich in alluvial and reef gold deposits located in Mashonaland Central province, 90 kilometers from Harare. Shamva hosts one of Zimbabwe's largest gold Mines, Shamva Gold mine. It also hosts the government initiative to support small scale miners, the Shamva Mining Centre (although the center had shut down at the time of the research owing to viability challenges).

[49] Gokwe is located in the Midlands province. The research was conducted in Zenda area, home to one of the largest gold rush sites in the post 2000s with an estimated over 2,000 informal gold panners.

[50] Mberengwa is located in the Midlands province. The existence of a number of gold mines in the Mberengwa region attests to the general presence of gold in the geological formations of this region (Chazovachii and Basure, 2013: 47). The area's rich alluvial deposits have attracted a proliferation of informal gold mining activity.

Figure 3.3: Participant observation sites



I could not have been better placed than in this role, as a participant observer. I gained insight on the product chain actors through managing contract negotiations with the mine claim and farm owners. In the case of gold mining these included: the millers, gold buyers (at the surface level known as *runners*) and the actual principals/ benefactors. As part of my function, I was exposed to the politics of ownership and dispossession. I listened to stories of some miners who were dispossessed of their claims, to understand the mechanisms and macro-level factors. This is by no means unique, 'field researchers usually complement observations by interviews or conversations, both structured and unstructured' (Burgess, 1986: 2). My interest was to understand how patterns of ownership and dispossession at the surface level explain the mediating mechanisms and macro-level structures, From the company's perspective, the interest was to understand potential risks and remedies in their business operations. In the end, I was able to fulfil my research and professional objectives jointly.

I also took advantage of my active involvement in civil society [51] and appointment to the Zimbabwe Youth Council (ZYC), a state parastatal under the Ministry of Youth, Indigenisation, and Empowerment – the central ministry in the implementation of the country's economic indigenisation policy in the post 2000s. My position in civil society enabled me to gain access to business association representative organisations such as the Confederation of Zimbabwe Industries, Bankers Association of Zimbabwe, Commercial Farmers Union and the Zimbabwe Chamber of Mines. Meanwhile, my position as a board member in the Zimbabwe Youth Council gave me access to other state parastatals such as the Zimbabwe Revenue Authority, Zimbabwe National Roads Administration, Zimbabwe Electricity Supply Authority and government ministries.

Interviews with respondents who were involved in the government for the most part of post-independence Zimbabwe gave me access to longitudinal information that helped in explaining the different choices made at different junctures that I would have otherwise missed. To this end, serving and retired civil servants and military officers provided rich interviews to explain key decision points. Potential problems of bias were overcome by comparing explanations from government officials with interviews from business representative organisations and findings from archival research. In conducting the discussions, I used a guide approach, which was intended to ensure that the same general areas of information was collected from each interviewee; but still allowing a degree of freedom and adaptability in getting information from the interviewee. Interviews with business associations were held with people who occupied positions in the business sector organisations such as the Confederation of Zimbabwe Industries, Zimbabwe Chamber of Mines and the Commercial Farmers' Union. Interviews also involved members who served the business associations in both pre-independence and post-independence Zimbabwe. Such interviews were able to assist in tracking and comparing the incentives availed by the state as well as the nature of business relations with the state over time.

[51] I began my active participation in civil society as a national students' leader, 2001-2003 and later in professional capacity for 10 years in various capacities with the Combined Harare Residents Association, Institute for Democracy in Zimbabwe and Transparency International Zimbabwe.

The study could have been enriched by incorporating a survey opinion to capture the views on how Zimbabweans perceived the state. However, fieldwork was carried out leading to and post the 2013 election period, which, as explained was not conducive for the application of the survey technique due to high risk of intimidation and potential for high margin of error due to fear. As shown in figure 3.1 above, citizens were not free to express their views on political subjects. This is particularly so with increased victimisation and fear around the election period. The study made good use of triangulation of mainly archival sources with expert opinion interviews to mitigate the risk of potential 'elite opinion bias.'

I also participated in workshops and conferences covering themes related to the topic of inquiry. Presentations and discussions provided rich insights. Such meetings included civil society think-tank meetings and joint civil society and government conferences. I attended three major meetings: (1) Southern Africa Political Economy Series (SAPES), Zimbabwe in Transition Conference, held in Harare on 6 May 2014 at the Crown Plaza Hotel, (2) Centre for Research and Development (CRD) workshop on the National Diamonds Policy held on 6 May, 2013 in Harare at the Holiday Inn and (3) regional conference on 'Building democratic developmental states for economic transformation in Southern Africa' organised by the United Nations Economic Commission for Africa, Southern Africa Office in collaboration with the United Nations Development Programme (UNDP), South Africa; Southern Africa Trust and the Open Society Initiative for Southern Africa (OSISA) held on 20 to 23 July in South Africa, Johannesburg, at which I presented part of thesis in the paper titled 'State-society relations and prospects for a democratic developmental state in Zimbabwe.'

Qualitative Content Analysis

In analysing data, I used qualitative content analysis with data being arranged into conceptual categories and developing themes. The codes[52] were developed in line

[52] Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. They are usually to chunks of varying sizes – words, phases, or whole paragraph, connected or unconnected to a specific setting (Miles and Huberman, 1994: 56).

with the research questions. Coding generates two simultaneous activities: mechanical data reduction and analytic categorisation of data. Walcott (1994: 24) notes that 'after weeks and weeks in which the researcher is engaged in mechanical processing, truly analytic moments will occur during bursts of insight or pattern recognition.' My own bursts of insight during the study led to continuous iterative moments of revisiting and challenging my initial arguments, polishing and moving forward. In addition I also applied basic statistical tools to construct illustrative graphs depicting key trends including, economic sector output, investment performance and ownership. The illustrative trend analysis made easier comparative analysis between the different periods and understanding the implications of key choices especially on economic performance.

My extended observations revealed that violence and patronage stand out in mediating the patterns of accumulation. The mechanisms of control included political deployment to key state organs and the use of the military to deploy violence and control citizens. In business personal and political relations provided avenues for capital security, meanwhile autonomous businesses, which could pose a threat to ruling elite power interests, were repressed. Overtime, the state digressed by far in terms of proximate developmental characteristics with disastrous developmental implications. The thesis argues, as we shall see, that the Zimbabwean power elite not only had class interests that inhibited economic transformation and development but also, its voracious accumulation and political reproduction transformed and sustained Zimbabwe's predatory state. This study contributes knowledge on the underlying class forces and power dynamics that reproduce and sustain attendant social relations and outcomes.

Conclusion

This chapter discussed the research approach, choice of method and data collection and analysis techniques. Reflective science and extended case method was applied to collect and analyse data. Taken together, the analysis of state policy documents, the media articles, interviews and observations in dialogue with development theories and post-colonial state literatures made it possible to 'extend

out' and understand the characteristics of a predatory state and how it functions. In the following chapters, I examine in detail the underlying class forces and power dynamics and the choices that explain the development and reproduction of Zimbabwe's predatory state. In order to do so, I examine the nature of the state, business and society relations across the key sectors of the economy: land and agriculture, mining, transport and energy, and banking and finance. Chapter four maps Zimbabwe's predatory state to set the research scene.

Chapter Four:

Mapping Zimbabwe's Predatory State

Introduction

This chapter traces the historical development of the state from colonialism in 1890 to post-2000 in order to understand the evolution and the nature of the post-independence state, military and business relations. As argued by Kohli (2004: 2), patterns of state authority often exhibit long-term continuities. Colonialism in the first half of the twentieth century, especially, shaped the state institutions that emerged in developing countries, and then in turn moulded their economies in the second half of the century. For Zimbabwe, the arrival of the Cecil John Rhodes sponsored Pioneer Column in 1890 in search of mineral fortunes ushered in the dawn of the colonial era. Despite the failure to discover mineral deposits on the scale of the Witwatersrand in South Africa, the commercialisation of agriculture led to the development of an autonomous white settler class and diversification of interests from Rhodes' British South Africa Company (BSAC). The white settlers conquered the indigenous blacks in the 1896/7 war (known as the first *Chimurenga*[53]) and laid the foundational stone of a nascent 'Weberian' although racialised white colonial state that would remain a potent force until the country's independence in 1980.

This chapter engages the politics of the nationalist liberation movements to discern the influence of national liberation movement ideologies on the nature of the post-independence state. I argue that although the liberation movements embraced a socialist ideology, the latter remained an instrument of political mobilisation, which the post liberation state elites did not translate into any meaningful political programme after independence. The quintessence of the military is traced to the rising power of the military in the colonial state during the liberation war and politics of the liberation movements. In the post-independence period, the new black elites Africanised the civil service to gain control of the state. In order to suppress the

[53] Shona linguistic coinage meaning a revolutionary struggle, originally derived from Murenga, a name of a spirit medium who was believed to be actively involved in the 1896-7 war of resistance, providing ideological support to the African fighting forces.

opposition, the elites commonly turned to the military, which would emerge as a powerful force in the state, economy and politics. The ruling elites kept the military close by rewarding retired and serving senior military officers with key positions in parastatals and other government departments. The inherited bureaucratic norms gradually waned further away from independence; more state policies came to retain power for and to serve the interests of the political elite.

The Colonial State: 1890 - 1979

In 1890, Cecil John Rhodes bankrolled a Pioneer Column to occupy the territory that would eventually become Southern Rhodesia and then Zimbabwe. The settlers were interested mainly in exploring for gold. However, the failure by the setters to discover the large quantities of gold on the scale of that found on the Witwatersrand led to the diversification into other commercial interests, mainly agriculture (Bond and Manyanya, 2002). The white settlers dispossessed the indigenous population of their land and cattle leading to revolts that culminated into the first chimurenga war. After crushing the 1896-7 black African revolts, the settlers, on the strength of their repressive capacity, began to move blacks away from the best farming lands into newly created tribal reserves to make way for white agricultural activities and concentrate blacks into unproductive lands and relegate their economic role to the provision of cheap labour. Herbst (1990: 14) notes:

> The absence of mineral resources on the scale of South Africa meant that Southern Rhodesia would never have a large enough white population to introduce the kind of institutionalised separation of the races that was to become known as apartheid in South Africa. However, because there was a significant settler population, which was able to initiate many diverse economic enterprises, a white political community developed in Rhodesia, which had its own interests, independent of any controlling power, be it British South Africa Company (BSAC), South Africa or Great Britain.

Herbst's observations are key to understanding the political economy of the colonial state. It is in stark contrast to the system of indirect rule, for instance in Nigeria, where colonialists were primarily government officials carrying out the interests of the colonial power. The implication for Southern Rhodesia would be the gradual development of an autonomous white colonial regime. This was based upon

the steady increase in viability of white settler economic enterprise. This allowed the settlers to politically out-muscle the British South Africa Company, which had to rely upon their cooperation to make its business exploits profitable. Finally, after years of political contestation, the Company ended its administrative role in 1922, with the British government granting the settlers a choice, via a referendum, to either become part of South Africa or acquire self-governing colony status in 1923. Their opting for self-government (albeit limited by Britain's ultimate sovereignty) set them on the path to acquiring very significant political and economic autonomy.

The defeat of the British South Africa Company, and the need by the white settlers to protect and guarantee their interests, led to the gradual building of a strong state apparatus. Herbst (1990: 16) notes that after the referendum, the British government maintained an extremely low political profile, preferring instead to grant greater political autonomy to the settler government. In order to assert their political and economic dominance, the white settlers needed to build a state capable of both supporting the development of white business interests and guaranteeing the security of external investments. The size of the state quickly grew. By 1923, the settler government employed 2,000 whites in six administrative offices across the country. The colonial state's attempt at bureaucratisation can thus be traced back to this period. Although totally disregarding black communities, the emerging bureaucracy, largely served white interests. Blacks were barred from joining the civil service; likewise, senior positions in the white owned companies were reserved for the white minority groups. Racial segregation was institutionalised through laws such as the Industrial Conciliation Act of 1934, which explicitly excluded Africans from the definition of employee (Leys, 1959).

The small economic base of the colony also meant that it was extremely vulnerable to changes in the world economy, for example the Great Depression in the 1930s. In order to protect white settler interests against international economic turbulence, the settler state began to pursue an inward looking economic policy with various protective measures including price determination, subsidies, tariffs and other administrative protections. In addition, the state moved aggressively to develop public enterprises in areas it deemed vital but unattractive to private investors such as electricity power stations, and the formation of the Rhodesia Iron and Steel

Corporation (later Zimbabwe Iron and Steel Corporation after independence) in 1942. The significance and successes of these public enterprises is clear. More than thirty years after independence, these public enterprises would remain critical in the post-independence state economy.[54]

The development of an economic system based on private enterprise supported by an interventionist state led to the acquisition of core characteristics that would claim significant features of a racially limited developmental state. Business developed formal lobby groups such as the Chamber of Mines and the Rhodesian Farmers' Union (later Commercial Farmers' Union) whose policy influence, through more direct channels accorded by the state was profound. White agrarian capital grew phenomenally even while black agriculture was experiencing continual economic decline in the unproductive reserves.[55] The opportunities provided by the post-war boom and later joining the Federation[56] with Northern Rhodesia (now Zambia) and Nyasaland (now Malawi) sustained the necessary demand for the growth and consolidation of white businesses in agriculture, manufacturing and industry. The Federation of Rhodesia and Nyasaland formed in 1953 was part of the British government's strategy for keeping Rhodesia outside South African Afrikaner control while expanding demand for Rhodesian industry.

At the same-time, electoral politics was 'democratic' within the white community although not so competitive to destabilise the unity of purpose against imminent black opposition. The non-competitiveness of electoral politics within the white community was illustrated by the fact that the colonial state remained predominantly a one-party state throughout the colonial period. The colonial state only experienced intense competition in 1962, triggered by differences within the

---

[54] For instance, a report by the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) on engineering and metal industries value chain analysis showed that the closure of the Zimbabwe Iron and Steel Corporation in 2008 due to gross mismanagement was estimated to cost Zimbabwe, US$3 billion annually (*Daily News*, 9 July 2014).

[55] The reserves were unfertile areas in limited rainfall regions allocated to blacks as a strategy to place limits on commercial African agriculture, as at least in earlier times it was a serious competitor.

[56] The Federation was dissolved on 31 December 1963 following the granting of independence to Zambia and Malawi.

white political elite over the Federation and autonomy from the British government. In that year, the opposition Rhodesian Front, which had called for dissolution of the Federation and full independence from the British government, won elections against the ruling United Federal Party. In response, the British government seriously considered granting political independence to Rhodesia.[57] Indeed, just before the Federation was dissolved, the whites received a constitution in 1961 from Britain which removed even the ineffective clauses which previously gave her Majesty's government veto power over policies affecting Africans (Bowman, 1973: 6). However, the new Rhodesian Front government opposed the 1961 constitution (which provided for modest black voting rights and representation in parliament, albeit without seriously endangering white minority rule) and proceeded to declare unilateral independence on 11, November 1965. The declaration led to international ostracism and comprehensive sanctions against Rhodesia.

The Unilateral Declaration of Independence significantly influenced Rhodesia's development trajectory. Its implication was that the settlers considered their rule to be permanent, a factor which was to shape economic and political strategies, especially industrialisation, and to differentiate the territory from non-settler colonial states. The settler political elite needed to develop the state and economic capacity to withstand international sanctions. In this quest, the white ruling elite coalition pursued a deliberate state-led political and economic transformation. The essential elements of the high growth political economy discussed below can be summarised as (1) creation and sedimentation of a centralised state in order to advance political control and (2) deliberate state interventions aimed at enhancing agricultural productivity and industrial growth.

In order to navigate the threatening international economic environment induced by sanctions, the ruling elite responded by further strengthening state capabilities to protect the whites against economic uncertainties and danger. The necessity of sanctions-busting efforts led the state to intervene in every arena of economic activity, building on the strength of institutional structure developed in the

[57] The British government wanted to gradually transfer power to black majority in conformity with global realities and demands after the second world war (Kurebwa, 2000).

early years of colonisation. This included the implementation of a battery of sanctions busting measures, including working with South African, Swiss and Australian banks and some white businessmen to evade trade sanctions.[58] In addition, the mobilisation of black resistance via the liberation war necessitated the state to deepen its coercive capacity in order to repulse black liberation movements and exert firm control over the black population. The establishment of the Joint Operations Command – formally integrating operations of the police, army and air force—by the Rhodesian Front government was part of a cardinal strategy meant to crush black majority liberation movements (Chitiyo and Rupiya, 2005: 332). The Joint Operations Command establishment concentrated enormous power in the hands of the Commander of combined operations, General Peter Walls. Indeed, by the time of cease-fire, the civilian leadership of Rhodesia had given over total control of the military to Walls, to the extent that he was part of the delegation that negotiated the transition to independence at the Lancaster house conference in Britain (Ndlovu-Gatsheni, 2007: 54).

The Rhodesian state demonstrated considerable capacity, managing the impact of sanctions on the one hand, and war on the other. Herbst (1990: 26) observes that 'even in 1979, after fighting the war for many years, evading international sanctions for fourteen years, and reeling under the effects of a deep global economic depression, the state still demonstrated substantial ability to project authority.' For instance, up to half a million people were placed in 'protected villages' by the Rhodesian state in an attempt to demobilise support for the liberation movements (Cliffe, 1981: 27). The state demonstrated both substantial repressive capacity supplied by its military force and economic capacity supplied by the bureaucratic apparatus and close association with white business to withstand economic collapse and contain the liberation struggle. However, by 1979, the impact of the war, the global recession of the 1970s, the effects of trade sanctions and increasing white emigration forced the Smith government to seek a negotiated settlement to end the war with black nationalist forces, through the Lancaster House agreement. The Lancaster House agreement

[58] For example, white businessmen connected to the regime such as John Bredenkamp arranged export of Rhodesian tobacco and import of parts and ammunition for the Rhodesian military using opaque international networks to evade sanctions (*The Guardian*, 09 June 2006).

signed on 21 December 1979, covered a ceasefire, the Constitution of a newly legitimate independent state and transitional arrangements.

The Politics of the National Liberation Movements

Two influences of the politics of the liberation movement on the post-independence state and military are worthy engaging in brief here. The first is the political organization and the second, the ideology of the nationalist liberation movements. Dating back to the liberation struggle, a thin line separated military establishments from the civilian political leadership. The political organisation of the liberation movements, both the Zimbabwe African People's Union (ZAPU) and Zimbabwe African National Union (ZANU), included military leadership in supreme political and policy decision-making structures. Chitiyo and Rupiya (2005) note that in order to bridge the gap between the politicians and the military, the military commanders of the Zimbabwe People's Revolutionary Army (ZIPRA), Nikita Mangena and the Zimbabwe African National Liberation Army (ZANLA), Josiah Tongogara were incorporated into party supreme policy decision-making structures, that is, the ZAPU and ZANU politburos. Indeed, this tradition would remain influential in shaping the state and military relations of the post-independence period. The Zimbabwe military would remain deeply embedded into the political elite and state, influencing and implementing key policy decisions.

In terms of ideology, ZANU, which was to become the dominant party in post-independence Zimbabwe, espoused socialism as the party ideology. During the liberation struggle, socialism was used to explain what the blacks were fighting against and to make it easier for the nationalist army to receive support – especially in the form of arms but also in the form of diplomatic backing – from communist and radical third world countries (Herbst, 1990: 32). However, as Barry Munslow (cited in Herbst 1990) notes:

> Although the party [ZANU] fought a long liberation struggle, in certain ways along similar lines to those in Vietnam, China and Mozambique, the crucial distinction was that no permanent alternative production system was established in the liberated zones. In this sense, outside externally based transit and refugee camps, little experience of organising any production, let alone socialist production, was gained by the party.

Thus despite a visible commitment to socialism, the ideology remained mainly an opposition mobilising instrument. Socialist ideology was not developed into a clear political programme of action after independence. The compromise Lancaster House negotiations and ruling elite avariciousness – discussed in chapters five to eight - ran against socialist liberation ideology. For its part, the Lancaster House negotiations did not grant the liberation movement outright victory. The compromise agreement would contain formal clauses that effectively limited the power of the government to redistribute land.

Post-Independence State, Military and Business Relations: 1980-1990

As argued by Kohli (2004: 17), once established, core institutional characteristics acquired during colonial rule are difficult to alter. When the new ZANU elites took over state power in 1980, they inherited a strong authoritarian state, deeply embedded with white capital, which was predominantly agrarian. The inherited state capacity and a strong cooperation with white agrarian and international capital supported modest growth rates, averaging 5.5 per cent growth between 1980 and 1990. The state also effectively deployed inherited capacity to undertake numerous social and economic tasks with remarkable success: developing rural road infrastructure (discussed in chapter eight), and expanding the number of schools and hospitals.[59] However, the cooperation with white capital and stability came at a cost of far reaching compromises between the whites hostile to the new regime's policies and a new black elite under pressure to deliver promises for redressing colonial

[59] The state expanded the number of primary and secondary schools by 80 per cent from a total of 3 358 in 1980 to 6 042 in 1990. In the heath sector, the state built 316 new primary health care centres while existing 450 primary care clinics which were essentially curative were upgraded to function as rural health centres (Government of Zimbabwe, 1991). In addition, ten District hospitals were constructed between 1980 and 1989.

imbalances. Meanwhile, the internal power struggles within the liberation movement led to a destabilising civil war.

Herbst (1990: 30) observes:

> In 1980, ZANU-PF did not gain control over a weak colonial state that had been hurriedly improved for independence and on which they could quickly out their imprimatur [typical of most African states that gained independence in the 1960s]. Nor did the guerrillas win an outright victory as Frelimo had done in Mozambique, where the old state collapsed creating a vacuum into which new governmental structures and practices could be placed. Instead, the black government took over a bruised, but not defeated state, which contained powerful anachronistic elements that were hostile to the political project of the new regime

The colonial state in Rhodesia, unlike in most parts of Africa, although not a fully developed Weberian state, had deeply penetrating authority structures to control the black population in order to supply cheap labour for white business interests in agriculture, mining and manufacturing. In terms of bureaucratic structure, there were 40,000 civil servants at independence, of whom approximately 29,000 were blacks mostly teachers and clerks. Of the 10,570 'Established Officers', some 3,368 constituting less than a third, were black, but no black held posts above senior administrator level (Southall, 2013: 139). In order to consolidate its power base, fearing the desertion by the skilled white bureaucrats, and suspicion of the white business elite, which still controlled the economy, the new rulers pursued cautious Africanisation of the civil service. The cautious approach to Africanising the civil service included expanding the size of the civil service and waiting for white civil servants to retire. The civil service was expanded from 40,000 to 80,000 to increase the number of blacks in the state apparatuses (largely teachers). The state also sought to alter racial composition at senior level through a presidential directive requiring Africanisation of senior government positions (Southall, 2013: 140). The new ruling elite took advantage to develop a patronage system through appointments based on loyalty as opposed to competence. On the military, the ZANU government immediately rewarded its military leaders with senior positions in the military, while Rhodesian and ZAPU forces were sidelined or resigned in frustration (Chitiyo and Rupiya, 2005). Senior military commanders were predominantly drawn from

President Mugabe's Zezuru tribe including the commanders of the Defense Forces, Rex Nhongo and Air Force of Zimbabwe, Perrance Shiri.

The new ZANU ruling elites found themselves comfortable with institutional legacies of the colonial state, collaborating with white capital while indigenous autonomous domestic capital was suppressed.[60] State polices favouring white agrarian capital interests were maintained, for example preferential foreign exchange allocation and a fixed price regime to guarantee profitability.[61] Raftopoulos (1996), Taylor (2007) and Nicolas (1994) all observe that the ruling elites feared the emergence of an autonomous domestic bourgeoisie that would challenge their interests. A small clique of indigenous entrepreneurs who emerged in the post-independence period had strong connections to the ruling party.[62] Taylor observes:

> Zimbabwe's most 'successful' black business people are thus notable for their close ties to the state….and whose rise from ashes to riches is most suspicions…Since they are already co-opted into the state network they pose no political threat to the government…in fact they will likely be the heirs of the ZANU-PF political machine (1999:258).

There was not significant structural ownership transformation of the economy. The Lancaster House negotiations, too, imposed procedural safeguards against seizure of white property, notably land and special clauses to prevent constitutional changes for ten years after independence. The state remained deeply embedded with white capital and the economy generated stability and modest growth rates especially in the immediate post-independence period. In 1980 and 1981 the Zimbabwean economy, recorded growth rates of 12.7 per cent and 12.5 per cent respectively (Shumba, 2010: 49). However, the structural limitations imposed a restraint that saw the economy

[60] Indigenous entrepreneurs who did not toe the party line met obstacles. Meanwhile, ZANU-PF aligned businessmen were smooth sailing. Most prominently, Strive Masiiwa, a dynamic telecommunications entrepreneur, battled for five years to obtain a license to open a mobile phone company. Yet, Leo Mugabe, the president's nephew, acquired a similar license within months (Selby, 2006:252).

[61] White agrarian capital was happy with the new government. Commending the CFU relationship with the government, in an interview, CFU president, Jim Sinclair, said 'the government has displayed more commitment to agriculture than any other sector of the economy, and the union considers that it has done more for commercial farming than the RF did in 16 years' (*Financial Gazette*, September 4, 1981: 12).

[62] Notably, Philip Chiyangwa, Leo Mugabe and Roger Boka.

averaging declining levels of growth[63] and not enough to repair the socio-economic dents caused by war and institutionalised racial discrimination. The economy remained largely controlled by a small white elite while the majority black population remained marginalised, limiting both the growth of domestic demand and black entrepreneurship.

However, just as the new government was born, it had to deal with sporadic outbreaks of violence emanating from the guerrilla Assembly Points during the demobilisation programme. Both ZANLA and ZIPRA ex-combatants, sometimes against civilians and quite often against each other, committed this violence (CCJP, 1997). Some have blamed the conflict on tribal hostilities dating back to the arrival of the Ndebeles in the 1830s (Ndlovu-Gatsheni, 2008), while for others the historically embedded hostilities between the liberation movements is the dominant hypothesis (Sithole, 1999; Chitiyo and Rupiya, 2005; Bhebhe, 2004). Chitiyo and Rupiya (2005) argue that once political campaigning for the 1980 national election began, the fierce competition that characterised the nationalist eras in the 1960s erupted into open warfare.[64] Party activists from both sides (ZAPU and ZANU) marshalled into 'war' the forces from thousands of armed ex-combatants either still in waiting areas or in the newly integrated battalions. For Bhebhe, the violence was an inevitable consequence in the way the nationalism had evolved and how the nationalist armies had been formed (2004). He argued that, the young men and women recruited into the separate armies were trained to hate each other by their leaders, who wanted to justify the separate existence of their parties.

The consequence of the unstable situation was that by early 1982, Zimbabwe had serious security problems in various parts of the country, particularly in the western half. Opposition ZIPRA top military leadership, Lookout Masuku and Dumiso Dabengwa and eight other ranking senior officials were arrested (CCJP,

[63] By 1990, the Minister of Finance, Economic Planning and Development Dr B. Chidzero lamented that an average annual growth rate of 3.2 per cent since 1980 was barely above population growth rate of 2.9 per cent and unsustainable (Ministry of Finance, Economic Planning and Development, 1990).

[64] It was widely expected that the liberations movements would combine to campaign under one party, however, Robert Mugabe and ZANU refused to join with Nkomo's ZAPU opting to go it alone in the 1980 elections.

1997: 65). In February 1982, ZAPU officials were removed from Cabinet and other influential government posts. By March 1983, senior ZAPU officials, including ZAPU leader Dr. Joshua Nkomo, experienced unrelenting harassment and assassination attempts, forcing them to flee into exile (Chitiyo and Rupiya, 2005). The running away of some ex-ZIPRA combatants back to the bush, the exploitation of the antagonistic situation by apartheid South Africa via ZAPU, and the 'discovery' of arms caches in ZAPU owned farms around Bulawayo, gave the ZANU government a pretext to use state power to crush ZAPU once and for all (Ndlovu-Gatsheni, 2008). A State of Emergency declared under the Unilateral Declaration of Independence in 1965 was extended and the government deployed the army units, 4th and 6th Brigades, the Paratroopers, the Central Intelligence Organisation (CIO) and the police support unit allegedly targeting the 'dissidents'.[65] Through support received from North Korea, the government also established special units outside conventional command and control, the 5th Brigade (armoured regiment) and the Zimbabwe People's Militia (ZPM) to quell the perceived insurgency, in a military operation known as Gukurahundi.[66]

Politically, the consequences of the civil war were that the opposition was repressed and opposition supporters were denied vital avenues for political representation and participation in the new state. The government's attitude was that support for ZAPU was equivalent to support for dissidents. Chitiyo and Rupiya (2005) contend that the Zimbabwe Peoples' Militia appeared to have been tasked primarily with rooting out local political competition presented by ZAPU, and was therefore an appendage of ZANU to weed out opposition. Mike Auret (formerly of CCJP), at a presentation at Chatham House on 4 September 2007, argued that Mugabe firmly believed in the one-party state system and the 'dissidents' provided a disguise for crushing ZAPU opposition. ZANU rallies in Matabeleland during this period attest to this claim. Between March and February 1982, ZANU held campaign rallies in Matebeleland at which people were warned not to support ZAPU, and captured dissidents were paraded, declaring their ZAPU allegiance. More than 20 000 ZAPU

[65] Term used to describe ex-ZIPRA combatants who had defected from the Zimbabwe National Army (ZNA) to embark on a life of dissidence.
[66] Shona word which means the rain which washes away the chaff before the spring rains (CCJP, 1997: 13).

supporters surrendered their cards to join ZANU (*Nehanda Radio*, November 30, 2012).

The Gukurahundi was a major turning point in the militarisation of state and politics in post-independence Zimbabwe. Whereas the existence of the 'dissidents' is acknowledged, only a tenuous link could be established with the ZAPU political leadership (Ndlovu-Gatsheni, 2006). In fact the ZAPU leadership denied this and refused to associate with 'dissident' activities. However, the ruling party mobilised government security agencies and collaborated with ZANU youth brigades in denouncing and harassing ZAPU leadership and opposition supporters. The conflict itself never gained legitimacy outside the narrow political interests of ZANU in dealing decisively with ZAPU opposition. The anti-developmental nature of the conflict implied both economic and political costs. The political and military violence resulted in huge losses for the citizens of Zimbabwe in terms of human life, property, and economic development in affected areas. An estimated 20,000 civilians were killed.[67] Many communities suffered massive material loss in the initial onslaught, losing huts and granaries. The conflict also ushered in a culture of state sponsored attack on the opposition with impunity, which continues to characterise the Zimbabwean state society relations.

In the end, ZAPU acquiesced and entered into a Unity Accord[68] that in 1987 merged the two parties into ZANU-PF. Then, facing the 1990 elections, the party galvanised the repressive state apparatus targeting new opposition from the Zimbabwe Unity Movement, formed by Edgar Tekere (former ZANU Secretary General). ZANU-PF targeted a clean parliamentary sweep to pave way for the introduction of a one-party state to assure the ruling elite complete dominance over the state. State security agents were deployed to crush the Zimbabwe Unity Movement opposition. Sithole and Makumbe (1997: 135) argued that the violence

[67] The Catholic Commission for Justice and Peace in Zimbabwe's *Breaking the Silence: Building the Peace* (1997) noted in its introduction that the figure of '20,000 dead' originated with Joshua Nkomo's autobiography with 'other sources putting the figure as low as 700', and suggested that '[t]here is a need to resolve these disparities by methodological investigation.'

[68] Agreement signed between the Zimbabwe African National Union (ZANU) and the Zimbabwe People's Union (ZAPU) to end the conflict and merge the two parties into the Zimbabwe African National Union Patriotic Front (ZANU-PF).

perpetrated against Zimbabwe Unity Movement in the 1990 election was the worst in an election year since independence in 1980. Patrick Kombayi, Zimbabwe Unity Movement Secretary for Information and Publicity, contesting the Midlands, city of Gweru, parliamentary constituency against Vice President Simon Muzenda was shot by state security agents. The perpetrators were later pardoned by President Mugabe. ZANU-PF won the elections controversially claiming 117 out of 120 parliamentary seats and 82 per cent of the presidential vote. The violent clampdown on the new opposition, although differing in terms of magnitude with the clampdown on ZAPU, revealed a strong determination on the part of ZANU and continuity of repression and state violence against opposition politics.

State, Military and Business Relations: 1990 – 2000

By the 1990s as the economy failed to generate the necessary higher levels of growth, the ruling elite abandoned its waning commitment to its liberation socialist rhetoric and embraced the Bretton Woods institutions' structural adjustment programme. The 1991 'Framework for Economic Reform', better known as the Economic Structural Adjustment Programme (ESAP), entailed a reduction in the size of the civil service, social spending (education and health) as well as many government subsidies. The economic and social consequences were devastating. Most manufacturing industries which had emerged under the regime of protection during the colonial period and sustained by the post-independence protectionist measures failed to cope with foreign competition leading to closures and job losses.[69] In the immediate post-independence period, the ruling elite alliance with white capital had maintained a regime of colonially bequeathed privileges such as protective tariffs and import quotas to protect domestic industry against foreign competition. Meanwhile, the state did not provide incentives to reform the economy towards export orientation. Company closures, increasing unemployment and poverty levels triggered mass protests. In response, the state intensified patronage based programmes and repression to suppress opposition and dissent.

[69] Chipika (cited in Friedrich Ebert Stiftung, 1998) reported that retrenchment of workers was severe, with 32,440 formal sector jobs lost by December 1995.

By the late 1990s the ruling elites abandoned their commitment to neoliberal reforms and state policies became increasingly capricious, often to appease key constituencies in order to maintain popular support. For example, the regime rewarded the war veterans with unbudgeted bailout packages in 1997 after more than three months of protests over poor welfare further pushing the economy into disarray. As the regime lost popular support, President Mugabe increasingly looked to the army for protection against discontent from the masses and from inside his party. In particular, he managed to keep the army leadership close to him by making them prominent beneficiaries of the land reform programme (discussed in chapter five), offering them lucrative mining contracts in the Democratic Republic of Congo (DRC) following the government's controversial intervention in the DRC war and granting them diamond mining concessions in the country's Eastern Highlands (discussed in chapter six).

The formation of the opposition Movement for Democratic Change (MDC) in February 1999 as a pro-poor broad coalition of labour, students and civil society was met with violent retribution. This broad coalition was certain to present the most formidable challenge hitherto to the ruling ZANU-PF in the June 2000 parliamentary elections. As the tide of the new party and enthusiasm gripped the nation, the ruling party was under threat of being uprooted from the state power it had occupied since independence in 1980. In February 2000, the ruling party was defeated in a referendum on a new constitution, this, a sure sign that the incumbents were facing their strongest ever opposition. In a similar fashion response to the Zimbabwe Unity Movement opposition threat in the 1990 elections, the ruling party intensified populist redistributive and empowerment policy stances to dispense patronage and regain lost ground. The army, alongside war veterans, took over the previously sporadic farm invasions by landless people and transformed them into a coercive land redistribution programme (Chitiyo and Rupiya, 2005: 359). Conspicuously, senior military officers and ZANU-PF politicians emerged as the major beneficiaries of land take-overs (discussed at length in chapter five).

Post 2000: The State, Military and Business Relations

The delicate state and white business production-oriented class alliance collapsed at the height of land takeovers. The collapsed alliance with international and domestic white agrarian capital was substituted by an alliance with ruling party linked parasitic businessmen, political and military business elites. State policies favouring greater allocation of wealth provided extensive opportunities for patronage. Internally, the bureaucratic capacity of the state was constrained by skills flight at the height of the economic crisis and replacement of office bearers by military officers without regard to professional competence. The fundamental characteristic of the bureaucracy was now its inability to exercise impartiality. Instead, bureaucracy served as an extension of the ruling elite to secure economic privileges, additional wealth and power. The opposition was repressed and its supporters targeted and persecuted.

State economic policies cast as black-economic empowerment programmes provided the primary rationale for dispensing patronage. The UNDP (2008: 211) observed that 'economic policies seem to have been driven by the need to secure immediate and medium-term political goals, while paying scant attention to collateral social and economic consequences of such actions.' Sachikonye (2012: 89) argued that the developments not only illustrated the extent to which the state had been captured by vested interests but also the apparent transition from state capture to a predatory state. The state pursued black economic empowerment policies with the aggressive launch of the indigenisation and empowerment programme whose beneficiary footprints, mirror patronage politics across remaining economic sectors, notably mining, transport and energy. The indigenisation laws promulgated in the mid-2000s entailed ceding 51 per cent shareholding to indigenous Zimbabweans. The laws revived the historically born mistrust, which had followed the land appropriations earlier in the decade. Independent investors, both domestic and foreign, scrambled to withdraw their investment to safer investment destinations abroad with catastrophic consequences.

All economic indicators went in the wrong direction. National output dropped against declining industrial capacity utilisation[70] to levels below ten per cent across the economy. Declining revenue collections triggered excessive reliance on printing money without corresponding growth in national output causing hyperinflation. By 2008 at the height of the crisis, the rate of inflation reached over 3,2 quintillion per cent (Hanke, 2008:355) and the country's economy shrank from an estimated US$9 billion in 1997 to US$4 billion (*Zimbabwe Independent*, 03 June, 2010). The government's response to the worsening economic situation was to institute interventionist measures: price controls, fixing foreign exchange, pegging the gold price and controlling foreign currency. The interventions triggered serious market distortions, which rendered the country's payment and exchange system dysfunctional resulting in a flourishing parallel market. The state turned to the military to implement key state policies and programmes justified in the appellation of restoring sanity and national security. However, such programmes rarely extended beyond patronage and the accompanying political regeneration project. Two key features linked to the dominance of the coercive apparatuses in the state, politics and economy will be discussed here: (1) military appointments in the state and (2) deepening authoritarianism and particularism.

Military appointments to key positions in the state

As the economic crisis depended, the tentative Weberian bureaucratisation inherited at independence gradually waned. Bureaucracy became a pale shadow of its former self. Public service corruption had heightened while a semblance of any bureaucratic norms vanished. Hundreds of professionals left the public service for greener pastures abroad while the ruling elites responded by deploying serving and retired military officers to key state parastatals and other government departments. Senior military officers were deployed to run key government arms and departments, including the Judiciary, Zimbabwe Prisons Service, the Zimbabwe Republic Police, the Central Intelligence Organization, the Zimbabwe Electoral Commission, and

[70] Capacity utilisation is a concept in economics that refers to the extent to which an enterprise or a nation actually uses its installed productive capacity as opposed to the potential output which 'could' be produced, if capacity was fully used (Berndt and Morrison, 1981).

parastatals such as the National Oil Company of Zimbabwe, the Grain Marketing Board, National Railways of Zimbabwe and the Department of National Parks and Wildlife.

Table 4.1: Serving and retired military and other security personnel in government and parastatals as at 2008

Name	**Institution**	**Position**
1. Lieutenant-General Mike Nyambuya	Ministry of Energy and Power Development.	Minister
2. Brigadier Ambrose Mutinhiri	Ministry of Youth Development and Employment Creation.	Minister
3. Saviour Kasukuwere (ex- CIO)	Ministry of Youth Development and Employment Creation.	Deputy Minister
4. Lt Colonel Hubert Nyanhongo	Transport and Communication	Deputy Minister
5. Colonel Christian Katsande	Ministry of Industry and International Trade	Permanent Secretary
6. Justin Mupamhanga (Ex CIO)	Energy and Power Development	Permanent Secretary
7. Colonel Joseph Mhakayakora	Ministry of Construction	Director
8. Major Anywhere Mutambudzi	Department of Information	Under secretary
9. Brigadier General Elisha Muzonzini	Foreign Affairs	Ambassador, Kenya
10. Major General Edzai Chimonyo	Foreign Affairs	Ambassador, Tanzania
11. Brigadier Borniface Chidyausiku	Foreign Affairs	Ambassador, Zimbabwe Permanent Mission to UN in New York
12. Major Jevan Maseko	Foreign Affairs	Ambassador, Cuba
13. Major General Paradzai Zimondi	Prisons	Commissioner
14. Brigadier General Happyton Bonyongwe	Central Intelligence Organisation	Director
15. Brigadier Gilbert Mashingaidze	Sports and Recreation Commission	Chairman
16. Air Commodore Mike Karakadzai	National Railways of Zimbabwe (NRZ)	General Manager
17. Brigadier Douglas Nyikayaramba (Commander 2 Brigade,	National Railways of Zimbabwe (NRZ)	Board Chairman

Harare)		
18. Colonel Samuel Muvuti	Grain Marketing Board	Chief Executive Officer
19. Major General Engelbert Rugeje	Zimbabwe Broadcasting Holdings.	Board Member
20. Brigadier General Sibusiso Moyo	Zimbabwe Broadcasting Holdings.	Board Member
21. Colonel George Chiweshe	Zimbabwe Electoral Commission	Head
22. Major Utuile Silaigwana	Zimbabwe Electoral Commission	Spokesperson
23. Sobusa Gula-Ndebele (former director of military intelligence)	Attorney General	Attorney General
24. Colonel Karikoga Kaseke	Zimbabwe Tourism Authority	Chief Executive
25. Brigadier General Epmarcus Kananga	Parks and Wild Life.	Deputy Director General
26. Major Clive Manjengwa	Comptroller and Auditor General.	Officer
27. Col. Godfrey Nhemachena	Commercial Bank of Zimbabwe	General Manager
28. Colonel Ronnie Mutizhe	Operation Maguta/Sisuthi	Head
29. Lieutenant Colonel Arnold Hakata	Garikai/ Hlalani Kulhe	Head
30. Lieutenant Colonel Reuben Ngwayi	Postal and Telecommunications Regulatory Authority of Zimbabwe	Board Member
31. Wing Commander M Dengura	Postal and Telecommunications Regulatory Authority of Zimbabwe	Board Member
32. Colonel Livingstone Chineka	Postal and Telecommunications Regulatory Authority of Zimbabwe	Board member
33. Brigadier Charles Wekwete	TelOne	Board Member
34. Wing Commander Kapondoro	TelOne	Board Member
35. General Vitalis Zvinavashe	Parliament of Zimbabwe	MP, Gutu (until March 2008)
36. Colonel Makova	Parliament of Zimbabwe	MP, Bikita East (until March 2008)
37. Tracy Mutinhiri	Parliament of Zimbabwe	Senator, Marondera Seke
38. Mendy Chimene (CIO)	Parliament of Zimbabwe	Senator, Mutasa-Mutare (until March 2008)
39. Lieutenant Colonel	Parliament of Zimbabwe	MP, Chiredzi South

Kallisto Gwanetsa		(until March 2008)
40. Vivian Mwashita (CIO)	Parliament of Zimbabwe	Senator, Mbare-Hatfield (until March 2008)
41. Colonel Livingstone Chineka	Parliament of Zimbabwe	Member of Parliament, Zaka East (until March 2008)

Source: Zimbabwe Institute (2008: 9).

Not only were the deployments intended to ensure control over state apparatuses for political leverage, but they also served as a form of reward to senior serving and retired security sector officers. Strategic deployments to the judiciary and prison services completed the chain from arrests and detention to prosecution in a systematic persecution of the opposition. Not unlike the Botha regime at the height of the security state in South Africa, at the policy level, the Joint Operations Command took centre-stage in all decision-making processes, with the cabinet (which is charged with executive authority) becoming a rubber-stamping organ that endorsed policies generated elsewhere. The government in 2005 established the National State Security Council to oversee the economy. The National Security Council, chaired by President Mugabe himself and including his two vice-presidents, Reserve Bank Governor Gideon Gono, Defence Minister Sydney Sekeramayi, Home Affairs Minister Kembo Mohadi and State Security Minister Didymus Mutasa, was dominated by officers from the army, the air force, the police and the Central Intelligence Organisation. The use of military-style operations to implement policy decisions reflects in the growing militarisation of the economy and society.

Alongside the Joint Operations Command, the National Security Council, according to Sachikonye, (2011) had become the de facto cabinet. In an attempt to control skyrocketing food and other commodity prices as a result of Zimbabwe's hyperinflation, the Joint Operations Command and National Security Council ordered a clampdown on business in July 2007, compelling businesses and manufacturers to slash the prices of goods by more than 50 per cent. The clampdown, named Operation Reduce Prices, was overseen by a team of inspectors comprising the police, the army and the Central Intelligence Organisation and led to the arrest and imprisonment of directors of targeted manufacturing companies and shop managers. However, far from

developmental use of state disciplinary capacity to achieve production-oriented compliance, the programme lacked economic rationality without corresponding control of the costs of production. As a result, the country suffered loss of business confidence, a crucial element of the developmental state. Company closures and widespread shortages of food and goods ensued as shops failed to restock. Indeed 'Operation Reduce Prices' served as a short-term programme to drum up political support at the expense of sustainable economic planning.

Then in July 2005, the government launched 'Operation Murambatsvina/ Restore Order' and Operation 'Garikai/ /Hlalani Kuhle/Live Well'. Operation Murambatsvina was launched by the government ostensibly to clean up the cities. The operation targeted to destroy informal settlements and informal markets while Operation Garikai was launched in the aftermath supposedly to redress the effects of Operation Murambatsvina. Operation Garikai targeted the building of houses for homeless victims of Operation Murambatsvina. Both programmes were planned and undertaken by the security forces (*International Crisis Group,* 17 October 2005). Operation Murambatsvina particularly targeted the urban areas, strong opposition strongholds, and left more than 700,000 homeless.[71] Scholars, including Shale (2006) and Alexander and Tendi (2008), amongst other, argued that the 'operation' was a purge against the people who were suspected of supporting opposition parties, particularly the MDC while Operation Garikai benefited mainly ZANU-PF supporters. The military oversaw the implementation of Operation Garikai and also became its overwhelming beneficiary. As one observer commented about the 700 houses constructed in Cowdray Park in Bulawayo as part of Operation Garikai/Hlalani Kuhle, 'one could mistake the suburb for a military barrack, soldiers appear to be occupying so many of the houses' (Solidarity Peace Trust, 2006: 13).

The government also launched 'Operation Taguta/ Sisuthi/ Operation Eat Well'. Also conceived by the Joint Operations Command, the operation was aimed at placing the vital process of food production and distribution under the partial control of the Zimbabwe Defence Forces (*Zimbabwe Institute*, 2008). Under the operation, the army was deployed to enforce the delivery of grain by farmers to the Grain

[71]See UN Fact-Finding Report, (describing how President Mugabe justified Operation Murambatsvina to the U.N.

Marketing Board. The grain stocks were sold cheaply to ZANU-PF supporters, politicians, officials and the military. Perceived opposition supporters were denied access to buy cheap grain from the Grain Marketing Board and food aid from donors as a political strategy to quell them into submission. The *Shadow Report to the 7th, 8th and 9thAfrican Charter on Human and Peoples' Rights Commission* compiled by a consortium of Civil Society Organisations (CSOs), noted that food aid was being used as a campaigning tool by members of the ruling party who refused to allow access by members of the opposition to government relief distribution and aid agency food programmes.[72]

Both Operations, 'Restore Order' and 'Eat Well', did little more than serve the political interests of the ruling elite in suppressing opposition and dispensing patronage in order to drum up political support. Strategic political and military deployments to control key state parastatals enabled the ruling to determine beneficiaries while alienating perceived opposition supporters. Within the context of severe economic crisis, galloping inflation and high levels of poverty, such programmes provided vital avenues for patronage and political control.

Deepening authoritarianism and particularism

Meanwhile, projecting itself under siege, from internal and external opponents, ZANU-PF declared in the early 2000s that it was now fighting the Third Chimurenga ostensibly to defend the gains of the liberation struggle and preserve the gains of the land redistribution exercise. The ruling party mobilised key state organs including the military, the war veterans and its paramilitary youth brigades in violent 2000, 2002, 2005 and 2008 electoral campaigns that included the torturing and maiming of opposition supporters. According to Chitiyo and Rupiya, (2005), ZANU-PF's struggle for survival became a military operation, and Zimbabwe was turned into an operational zone. From March 2000, the state began Operation Tsuro, in which military means were used to achieve political objectives. Operation Tsuro had two

[72] Cited in the same report: A mother of nine 'tried repeatedly during 2002 to get on feeding lists and was told by the local community leaders responsible for drawing up lists that she was not eligible as she was [a member of the] MDC. The kraal head... came to her home and told her she had to surrender her MDC cards if she wanted to benefit from ... donor food' (2002:16).

main features. The first was that of command-and-control. The Joint Operations Command was broadened; this time combining the Ministry of Defence, Zimbabwe Republic Police, Central Intelligence Organisation and the Zimbabwe National War Veterans' Association. The second was the establishment of operational zones with the task of identifying loyal and opposition communities and individuals with the ultimate aim of converting them to ZANU-PF. The third dimension, observed by Sachikonye, (2011) included the carrot of land allocations in return for political support.

Concurrently, a system of mass political mobilisation began in rural areas, with villagers obliged to attend rallies and political indoctrination sessions known as pungwes.[73] This resulted in groups of internally displaced people, black and white, fleeing to the cities. After ZANU-PF's narrow and controversial victory in the June 2000 parliamentary elections, the state now formalised its coercive alliance with the war veterans and villagers, and also began to indoctrinate the youth in the tenets of coercive nationalism. Militia brigades and training schools were established at the Border Gezi National Training Centre in Mt Darwin and Mazowe, and the opposition continued to be persecuted. Chitiyo and Rupiya, (2005:360) note that another aspect was the 'civilianisation' of members of the Zimbabwe National Army High Command. Many of the high-ranking officers, when nominally retiring from active service, received a horizontal transfer to directorships of civilian institutions (as discussed earlier on page 71).

Despite the heavily militarised electoral environment, the opposition MDC received 57 to ZANU-PF's 63 of the 120 parliamentary electoral seats in the 2000 election. ZANU-PF for the first-time lost the two-thirds parliamentary majority it had enjoyed since 1985, thereby foreshadowing a tight contest for the 2002, presidential polls. Ahead of the presidential elections, the ruling party made changes to key electoral bodies. Political deployments ensured the party control of key electoral institutions. Lawyer and former Colonel and head of military intelligence, Sobuza Gula-Ndebele, was appointed chair of the Electoral Supervisory Commission while Brigadier Douglas Nyikayaramba was appointed chief elections officer (*Zimbabwe*

[73] The pungwes were also used by guerrillas in the Second Chimurenga as a mass mobilisation technique.

Independent, 3 January, 2003). The National Command Centre, established shortly before the 2002 election, assisted the Electoral Supervisory Commission. Brigadier Douglas Nyikayaramba headed the National Command Centre, responsible for collating results from various election centers. Its staff was exclusively drawn from the Zimbabwe National Army, Air Force of Zimbabwe, Zimbabwe Republic Police and Central Intelligence Organisation (*Zimbabwe Institute*, 2008).

The military, war veterans and youth brigades intensified violence against the opposition, setting up torture bases in the newly resettled farms. Just a few days before the presidential elections, the service chiefs, Commander General of the Zimbabwe Prison Services, Paradzai Zimondi, and Commissioner General of Police, Augustine Chihuri, led by then Commander of the Zimbabwe Defence forces, General Vitalis Zvinavashe, held a press conference and announced that the security forces would not salute a president without war credentials. Vitalis Zvinavashe proclaimed that:

> We wish to make it very clear to all Zimbabwean citizens that the security organizations will only stand in support of those political leaders that will pursue Zimbabwean values, traditions and beliefs for which thousands of lives were lost, in pursuit of Zimbabwe's hard won independence, sovereignty, territorial integrity and national interests. To this end, let it be known that the highest office on the land is a 'straight jacket' whose occupant is expected to observe the objectives of the liberation struggle. We will therefore not accept, let alone support or salute anyone with a different agenda that threatens the very existence of our sovereignty, our country and our people.[74]

This was in apparent reference to Morgan Tsvangirai, leader of the MDC and presidential candidate, who did not possess liberation war credentials. ZANU-PF presidential candidate Robert Mugabe won the violent election by 57:43 per cent against MDC's Morgan Tsvangirai. Since then, the relationship between President Mugabe, ZANU-PF and the Joint Operations Command has been subject to the critical attention of scholars.

Rupiya has argued that the military had effected a 'de facto coup d'état' on civilian leadership, while other scholars have more ambiguously described it as a

[74] Statement by the Zimbabwe Defence Forces Commander Vitalis Musungwa Zvinavashe, Harare, 9 January 2002.

'symbiotic relationship' (Bratton and Masunungure, 2011). Yet still others argue that Mugabe, as Commander in Chief of the Zimbabwe Defense Forces is still in control (Miles-Tendi, 2013). Concurring with Miles-Tendi, (2013), it appears President Mugabe wields effective control of the military elites because of the following factors: his power as Zimbabwe Defence Forces Commander in Chief and pre-eminence in ZANU-PF's 1970s nationalist hierarchy; the use of rewards to maintain loyalty; internal divisions in the military elite which prevent it from pulling together against him; and his adroitness in appointing to the Joint Operations Command officers who are beholden to him because of their chequered past in the military.

Following his presidential election loss, Tsvangirai, wrote a lengthy complaint to President Robert Mugabe, which was copied to the Chairman of the African Union (AU), the Secretary General of the United Nations (UN) and the Chairman of the Southern African Development Community (SADC). In this letter he complained how Robert Mugabe and the ruling ZANU-PF had violated the constitution by transforming the Zimbabwe Defence Forces and the Zimbabwe Republic Police into partisan political institutions. In the letter, cited in Ndlovu-Gatsheni (2006: 50), Tsvangirai stated that:

> Tragically, the record of your regime displays a deliberate strategy to bend the Constitution and warp the relevant Parliamentary statutes in order to obliterate this critical separation between civilian and military affairs, as a way to thwart and neutralize legitimate and peaceful democratic political change. In the result, you have now created a civil-military junta, which acts as an illegal bulwark against democratic political opposition in general. This is amply demonstrated by the undeniable fact that since 2001, you have remained silent when members of the ZDF and ZRP officer corps make public political pronouncements singling out the MDC as an enemy political formation that must be destroyed, while at the same time, the same officers profess unqualified allegiance to your political party, ZANU-PF.

According to the Government of Zimbabwe's National Defence Policy (NDP) of 1997, military personnel are prohibited from active participation in politics. They can exercise their democratic right to vote but are not permitted to hold office in any political party or political organisation. However, as argued by Chitiyo and Rupiya, (2005), notwithstanding the legal and constitutional provisions for civilian control, Zimbabwe's liberation era civil–military relations have had a profound impact on the

country's body politic, reflecting a much more integrated and party based politico-military structure than what appears in the texts. The national defense policy has been redefined as the preservation of ZANU-PF party and government, with the party and the state often being perceived as one and the same. The successive election in 2008, demonstrate continuities and deepening authoritarian tendencies, the use of military to crush opposition politics.

In 2008, the Joint Operations Command was credited with running a violent run-off election campaign after President Mugabe had lost the first round poll to Morgan Tsvangirai. Under an operation named 'Operation Makavhoterapapi/ where did you cast your vote?' soldiers were deployed in all ten provinces across the country with the aim of ensuring that ZANU-PF would win the presidential election at all costs (see appendix 1 for military personnel deployed to lead and run ZANU-PF election campaign in April 2008). By Election Day, more than 100 opposition supporters had been killed, hundreds were missing, thousands had been injured and hundreds of thousands were homeless. Morgan Tsvangirai, the MDC's leader, dropped out of the contest and took refuge in the Dutch Embassy in Harare (*The Washington Post*, 05 July 2008). Thereafter, it was only with the intervention of the Southern African Development Community (SADC) that dialogue was facilitated amongst the main political parties, leading to the signing of the inter-party Global Political Agreement (GPA) which led to the formation of the Inclusive Government (which provided for an MDC/ZANU-PF coalition) in February 2009. Subsequently, this tentative political stability allowed for a modest economic recovery, as the presence in government of the pro-business MDC provided something of a buffer against ZANU-PF rapaciousness.

For many observers and stakeholders alike, the signing of the Global Political Agreement and establishment of the transitional Inclusive Government was supposed to usher in key political reforms leading to the holding of fresh elections under a fair political environment. However, as observed by Musavengana (2012), notwithstanding the provisions of the Global Political Agreement that recognised the two MDC factions as partners in the Inclusive Government (IG), the state security sector remained opposed to – and actively sought to undermine – the coalition government and maintain its own grip on power. Indeed, the military remained

omnipresent in the political and economic spheres. Senior military officers continued to usher statements that branded the Prime Minister and MDC leader as a security threat. For instance, Brigadier General Douglas Nyikayaramba stated:

> Tsvangirai doesn't pose a political threat in any way in Zimbabwe, but is a major security threat. He takes instructions from foreigners who seek to effect illegal regime change in Zimbabwe. This is what has invited the security forces to be involved because we want to ensure we protect our national security interests….Daydreamers who want to reverse the gains of our liberation struggle will continue daydreaming. They can go to hell . . . they will never rule this country. We cannot keep quiet. We will continue speaking and as the security forces, we will not sit back and watch things going wrong (*Herald*, 22 June, 2011).

Nyikayamba was subsequently promoted from Brigadier General to Major General. However, others including, Miles-Tendi, (2013), argued that the promotion was not a form of reward, but rather an espousal of 'professionalism' as a means of asserting promotional grievance. Nyikayaramba's comments were not only unprofessional conduct but also betrayed the spirit and letter of the interparty agreement. Thereafter, the army chief of staff, Major General Martin Chedondo told troops at a target shooting competition to leave the military if they did not support Mugabe (*Zimbabwe Situation*, 31 May 2008). Then, in the July 2013 elections, the military working closely with an Israeli company, Nikuv International Projects,[75] was credited with delivering another election victory for ZANU-PF. This time using more sophisticated methods and covert rather than overt violence (Masunungure, 2014). This election granted Mugabe and ZANU-PF a fresh, albeit controversial mandate (although much assisted by the MDC's own internal divisions and limitations) (Raftopoulos, 2013; Masunungure, 2014). The ruling elites continued its populist indigenisation and empowerment programmes to nourish their patronage networks while investor confidence remained low and economic indicators were heading down.

Conclusion

The rising power of the military in the post-independence period is traced back to the politics of the liberation movements and the colonial state. In order to

[75] Nikuv Investment projects was officially contracted to provide technical assistance to the Registrar General's Office.

control the military wings, the liberation movements co-opted the military commanders into policy and political decision-making organs. Simultaneously, the Rhodesian Front under increasing political pressure gave enormous power to the security forces. However, unlike most African countries at independence, the Zimbabwean ruling elite inherited an emerging colonial 'developmental state' with some notable 'Weberian bureaucratic characteristics,' although lacking racial impartiality. Through interventionist measures, the state ensured the development of white agrarian capital that would be a vital anchor of the colony's economic growth. However, 30 years later, the state had become largely hollowed out, as patronage driven appointments to the public service had wrecked the nascent bureaucratic norms inherited at independence.

Furthermore, fearing the emergence of autonomous black capital that would challenge their interests, the ruling elite chose to collaborate with white agrarian capital until 2000 while indigenous business elites were repulsed. Consequently, there were no major structural changes to the patterns of ownership (especially land). The cumulative consequence of structural economic limitations, failure of the economic structural adjustment programme and the regime's loss of popular support combined to define a new regime of accumulation. The economic deterioration in the late 1990s triggered popular mobilisation against the ruling elite. In response the state policies turned increasingly capricious and predatory motivated by need to build short-term political support via patronage and personal greed. To repress political opposition, the ruling elite consolidated an alliance with the military. Starting with Gukurahundi in the 1980s, ZAPU was destroyed and swallowed, followed by the Zimbabwe Unity Movement in the 1990s. Post 2000, MDC leadership and its supporters have been subjected to brutal treatment of unimaginable proportions. To retain loyalty and support, senior military officers were rewarded with lucrative patronage havens. The accumulation patterns degenerated into often-violent modes of wealth accumulation across key economic sectors beginning with the chaotic land grabs in the early 2000s.

Chapter Five:

Land Reform and the Rise of the Landed Elite

Introduction

This chapter traces the role of the state in mediating the changing patterns of land accumulation and distribution in Zimbabwe. It discusses the colonial state and the rise of white agrarian capital, which would emerge as a dominant force both in the colonial and post -independence era.

Following the failure by the British South Africa Company to discover large quantities of gold, the settlers diversified their economic activities. Commercial agriculture emerged as the main sector of this diversification to provide food to a growing white population as well as cash crops for foreign markets. The colonial regime instituted violent land dispossessions and cattle raids from the indigenous black populations. During the early years of settler colonialism, the British South Africa company held half of the total arable land, while 20 per cent was classified as European and slightly more than 20 per cent infertile land as native reserves (Hull, 1978: 29). The colonial regime instituted various measures designed to undercut productivity and competitiveness of indigenous black agricultural activities and force Africans into cheap labour in the white commercial farms and mines. This strategy would impose structural limitations on the Rhodesian economy. By undermining growth of indigenous agricultural activities and coercing Africans into the sale of labour, the state curtailed growth of demand necessary to sustain growth.

By the dawn of independence, 6700 white farmers controlled about 47 per cent of all agricultural (prime land) compared to 700,000 black farmers who occupied marginal, unfertile lands (Moyo, 1995:78). Yet room to manoeuvre[76] was constrained by the compromise legislative provisions of the Lancaster House constitution in the first decade of independence and the hesitancy prompted by the ruling elite's alliance with white agrarian capital until the late 1990s. The cumulative consequence of

[76] Land redistribution was expressly stated as one of the main concerns of the liberation struggle.

structural economic limitations and the regime's loss of popular support combined to define a new regime of accumulation. The state implemented one of the most controversial and violent land reform programme in post-colonial Africa, ostensibly to redistribute land to the landless indigenous majority. Yet the military and ZANU-PF political elites emerged the dominant beneficiaries. Bond and Manyanya (2002), contend that this patronage route was important, at a time when state-based 'embourgeoisement' avenues were closing.

Colonial State and Land Politics: 1890 - 1979

In 1890, the British South Africa Company (BSAC) sponsored Pioneer Column moved from South Africa to colonise north of the Limpopo in search of a mineral strike that they anticipated would be on the scale or better than that discovered in the Transvaal. However, when the minerals discovered proved disappointing, the colonists began to diversify their interests mainly into agriculture (Herbst, 1990: 13). The desire to recover the costs incurred in the heavy infrastructure outlays prompted the company to foster the formation of a rural white agrarian bourgeoisie, which by developing the country would raise the value of its assets in the area, notably the railways, mine claims and land (Arrighi, 1966: 19). In 1894, the Company introduced a Hut Tax, and began a lengthy and systematic campaign, raiding cattle from indigenous Africans and 'burning their crops to undermine the profitability of indigenous agriculture and compel Africans to pay their taxes in labour' (Benello, 2010: 347). The colonial regime began to pass the first set of regulations to assign specific parcels of land to blacks while reserving the best land for Europeans (*House of Commons Parliamentary Papers*, 23 May 1984). The land appropriations and cattle raids caused growing tensions between the Africans and white settlers that would culminate in the crushing defeat of the 1896-7 black African revolts.

By 1910, 24.3 per cent of land had been appropriated for the whites and 26 per cent had been declared Native Reserves, later known as Tribal Trust Lands (Harbeson, 1981: 5). Following the attainment of self-governing status, the new state institutionalised the land appropriations, notably through the Land Apportionment Act

of 1930. The act put a definitive limit to land available for blacks through a legalised division of the country's land, which prohibited members of either racial group from owning land in areas assigned to the other. By 1930, 50.8 per cent of the total land had been declared 'European' (Harbeson 1981: 5), while 30 per cent had been reserved for African population. The relegation of the blacks into overcrowded and infertile lands rendered black agriculture unproductive and pushed Africans into impoverishment and expanding the availability of cheap labour for the white economy. In addition, the state imposed high taxes to reinforce the necessity for Africans to provide cheap labour to European farms and industries.

The implementation of the Land Apportionment Act crystalised the development of a new class structure marked by the rise of rural white agrarian bourgeoisie involved in commercial agriculture and speculation in land, small scale and large-scale international mining capital and the proletarianisation[77] of African labour. Arrighi (1967: 20) argues that development of a rural white agrarian capital, 'national' in character, distinguished Southern Rhodesia from all other colonial territories north of the Limpopo where resource extraction was undertaken by large-scale international capitalism. It conceived as key factors for agrarian growth the reduction of competition from peasant agriculture and industry,[78] to expand internal demand for its produce. Yet the deterioration of peasant productivity and a decline in real wages inflicted a dual challenge. On the one hand the decline in African wages suppressed growth of domestic demand necessary to sustain growth. On the other hand, it would inspire national consciousness among Africans leading to a series of protests and political activity in the towns eventuating in the formation of political parties, which would culminate in the war of liberation (Hull, 1978: 32).

Through a variety of policy incentives and legislation, the colonial state actively promoted the development of white commercial agriculture. Arrighi (1967)

[77] By proletariat it is here understood to mean the class of modern wage labourers who, having no means of production of their own, are reduced to selling their labour power in order to live (Arrighi, 1967: 22).

[78] The interests of industrialisation were contradictory in the sense that while industrialisation was important in generating growth of demand both internally and externally, it would have the effect of endangering the supplies of African labour through increased competition.

notes that the colonial regime encouraged growth of white agrarian capital through its ambitious programme of investment, experimentation in new crops and through legislation aimed at obtaining cheap labour from the indigenous population. Furthermore, the state moved aggressively to develop public enterprises to support agriculture and other economic activities notably in power generation and marketing boards such as the Cold Storage Commission and the Sugar Industry Board's Triangle Estate. Herbst (1990: 19) also notes the provision of state subsidies and price policies to guarantee profitability of white farming ventures. He observes:

> Although white farmers were the pillars of settler power, many of them were about to be forced off the land during the 1930s because of extremely poor prices. The government therefore intervened and began to set the maize price and stabilise farmers so that they would be able to stay on the land.

The state ensured profitability of white farmers through the provision of subsidies and creating a virtual monopoly of the domestic foodstuff market at the expense of African producers. Commercial agriculture representative associations such as the Rhodesian National Farmers Union (RNFU) founded in 1942 were accorded preferential treatment and influence on state policies. Hull (1978: 32) observed that from 1937 to 1958, there was a tenfold increase in white agriculture, mainly due to a shift from maize to tobacco production in the 1940s. The export of tobacco came to represent a substantial portion of the country's foreign exchange earnings. The strengthening of the white rural bourgeoisie would become a potent political force when their interests were threatened. The growing political activity by Africans and influence of the manufacturing class led to marginal concessions aimed at improving the general conditions of Africans to stabilise the labour force.[79] The partial concessions to improve African working conditions caused animosity with white agrarian capital, which relied on cheap labour to ensure viability. The December 1962 election victory of the agrarian bourgeoisie backed Rhodesian Front (RF) affirmed the growing power of this class whose influence would extend into late 1990s well after the country's political independence. The Rhodesian Front victory

[79] For example in 1954, a bill to give recognition for African trade unions leading to the amendment of the Industrial conciliation act to include Africans in the definition of an employee. These measures had the effect of triggering collective bargaining by Africans and increasing wages, which was against the interests of white agrarian capital. (Hull, 1978: 38).

ushered swift reversals of marginal concessions to improve African labour working conditions.

Following the Unilateral Declaration of Independence in 1965, the state reversed all the progressive policies meant to improve Africans and intensified interventionist measures to hedge the whites against economic uncertainties. Although the share of agriculture contribution to national output declined relative to manufacturing, tobacco remained a major foreign exchange earner while the development of agriculture was viewed as strategic to ensure the colony's self-sufficiency. Table 5.1 below shows agricultural contribution to GDP and real GDP growth rates between 1947 and 1979.

Table 5.1: Share of agriculture contribution to GDP 1947 – 1979

Year	**Contribution to GDP**	**Real GDP growth**
1947	n.a	14,64
1948	26,9	12,26
1949	23,6	8,38
1950	23,4	10,77
1951	n.a	7,31
1952	n.a	9,69
1953	n.a	8,05
1954	22,8	n.a
1955	21,3	8,85
1956	21,8	8,74
1957	19,8	9,14
1958	18,7	1,18
1959	19,2	3,37
1960	18,8	3,24
1961	21,7	2,35
1962	21,0	-0,45
1963	20,9	1,85
1964	20,5	2,04
1965	17,0	3,90
1966	19,6	-2,12
1967	20,2	7,41
1968	15,4	1,87
1969	17,9	15,66
1970	15,2	2,18
1971	16,1	8,77
1972	16,5	8,46
1973	13,8	3,00
1974	16,9	6,44

1975	16,2	-3,63
1976	16,2	-1,04
1977	15,2	-11,90
1978	12,4	0,73
1979	11,5	3,84

Source: Herbst (1990: 23)

However, whereas statistics show a remarkable agriculture performance with the exception of a few years when the economy experienced strain under sanctions and war, black farming severely deteriorated throughout the colonial period. The techniques employed by the native peasantry, the type of soil allocated to them and the shift to continuous cultivation produced progressive soil erosion and thus decreasing productivity of African allocated land (within a context of declining availability of land to Africans). The increasing hand-to-mouth activities and impoverishment would become source of black resistance and the liberation war. Hence the centrality of agriculture to African political economy provided the impetus for the country's liberation struggle.

Post-Independence State and Land Politics: 1980 - 1997

After a protracted struggle in which land was amongst the central issues, the national liberation movements took power in 1980. However, the compromise Lancaster House agreement imposed severe constraints upon the new political elites' ability to implement land redistribution. Firstly, property rights' provisions ensured that white agrarian capital could only be displaced from their land through a 'willing buyer-willing seller' basis during the first 10 years of independence. This policy had strong implications for the resolution of Zimbabwe's gross inequalities in land ownership. Secondly, the new ruling elite lacked the skills to manage the economy. This rendered them heavily dependent on the expertise and acumen of the white business community to help navigate the demands of managing the inherited economy (Taylor, 2007: 107). This would help to explain the hesitancy of the ruling elite towards land reform. Yet land was expressly stated as a major concern of the liberation war. Herbst (1990: 37) contends, 'indeed, there was probably no more controversial question at independence than how the new regime would be able to

resist the influence of white agrarian capital and implement promises concerning land it had made during the liberation struggle.'

In 1980, the new black elites inherited a racially skewed system of land ownership. Large-scale commercial farmers consisting of less than one per cent of the country's population occupied 47 per cent of the country's prime agricultural land. More than half of the large-scale commercial farms were in the areas of the country with high rainfall, where the potential for agricultural production was high. White farmers produced almost all of the country's tobacco, tea, coffee and sugar. In 1984, according to the Ministry of Finance, Economic Planning and Development, these crops accounted for 34 per cent of total exports (1987: 11). Commercial agriculture contributed more than four times as much agricultural output as all peasant farmers combined. Table 5.2 below shows farmers' contribution to agricultural production:

Table 5:2: Commercial and peasant agriculture production

Year	**Percentage contribution to national agricultural output**	
	Commercial farmers	**Peasant farmers**
1978	84,65	15,35
1979	80,03	19,97
1980	79,48	20,52
1981	74,10	25,90
1982	74,88	25,12
1983	82,18	17,18
1984	78,58	21,42
1985	61,17	31,83

Source: Herbst 1990: 37

Meanwhile the state maintained a close pact with white agrarian capital,[80] which was firmly placed on a strategic economic position with considerable policy

[80] Commenting on the Commercial Famers' Union relationship with the government, in an interview, the president of the union Jim Sinclair, remarked that the government had displayed more commitment to agriculture than any other sector of the economy, and the union considers that it had done more for commercial farming than the Rhodesian Front did in 16 years' (*Financial Gazette*, September 4, 1981: 12). Mr. David Hasluck, assistant director in the CFU also stated 'I am satisfied that our continuing good relations with the Minister provide for useful exchanges of ideas on the practicalities of the land resettlement programme (*Financial Gazette*, February 19, 1982: 1).

influence. The white commercial farmers enjoyed selective incentives from the state including preferential access to foreign currency,[81] while the imperative of land redistribution suffered, as the government was keen not to upset white capital. For example, in 1981, Minister of Lands, Dr. Sekeramayi in a statement released in the *Herald*, announced that a ceiling might be put in place on individual land use by commercial farmers to allow for more land redistribution. The Commercial Farmers' Union questioned government's motives.[82] In response, the Minister quickly issued a retraction and dismissing his earlier position as having been misquoted (*Financial Gazette*, October 2, 1981: 1).

Progress on peasant resettlement targets remained far off the mark while ruling ZANU-PF political elites were beneficiaries of large-scale farms acquired for redistribution. During the first decade, the government set the target of resettling 15,000 families a year, this translating into 150,000 families resettled by 1990 (*Financial Gazette*, May 23, 1986: 4). However, by November 1990, about a third, 52,000 families had been resettled on 3,3 million hectares of land (*Financial Gazette*, November 2, 1990: 20). Yet occasional conflicts were bound to emerge with the peasantry given that land was one of the emotive issues instrumental in galvanising mass support during the war of liberation. In response to the slow pace of land reform, isolated squatting on vacant state land and private land became common (Moyo, 2000; Masiiwa, 2004). Various other demands for land were expressed through transgressions including poaching of wildlife and cattle (Moyo, 1998). Government policy was contradictory. In some cases squatters were ruthlessly chased away[83] and

[81] During foreign currency rationing in the early 80s, the Minister of Lands, Agriculture and Rural Resettlement successfully lobbied for increased allocation of foreign currency to white farmers arguing that they were the largest foreign currency earners and therefore should be allocated more foreign currency to buy imported machinery, spares and inputs (*Interview*, Tony Hawkins, March 2014).

[82] In an interview with the Financial Gazette, CFU Vice President, Mr. John Laurie, said that the Minister's statements were not in the interest of reconciliation and confidence building and therefore should be reversed (*Financial Gazette*, October 2, 1981: 1).

[83] In an interview with the *Financial Gazette*, the Minister of Local Government and Rural Development, Mr. Enos Chikowero remarked 'There is no piece of land in Zimbabwe which is not owned by anybody. So no individual is allowed to settle on another person's farm property. This is illegal and the state will not hesitate to deploy its heavy arm of the law' *(Financial Gazette*, May 19, 1989).

yet in other (albeit) few cases, the state conceded to squatters' demands and acquired the land in question for resettlement. It would suggest that the government was against radical land reforms. The statement by the then Prime Minister addressing a meeting of more than 150 commercial farmers at Rusawi River Club, is illustrative:

> Apart from the moral aspect of it, if we take all your farms today we would not have the people to run them. Regard yourselves rooted here. You are Zimbabweans and therefore do not look at yourselves as a separate entity. Our policies are not meant to disrupt the economy…nationalisation would lead to that kind of disruption…There are non-socialist modalities which must be promoted and even given incentives. The state must enable them to have funds keep going… Our view is that we must never disrupt the economy' (*Financial Gazette*, February 01, 1985: 13).

Similar to the mining sector, the state actively protected and supported the interests of white capital, while suppressing the development of an independent black agrarian class, thus laying the basis for the predatory state. For example, a report by a commission of inquiry looking into the agricultural industry bemoaned lack of support for communal farmers and noted the need for 'incentives' including access to finance, marketing and transport facilities to improve productivity (*Financial Gazette*, December 14, 1984: 25). Communal and resettled farmers faced a double challenge. They lacked collateral commonly required across commercial lenders to access finance. Meanwhile they also faced labour shortages at critical production periods: for instance Gokwe communal farmers had to pay cotton pickers 5 cents more per kilogramme than that paid by commercial farmers (*Financial Gazette*, December 14, 1984: 25). Indeed, the state was reluctant to embrace black capitalist lobby efforts for land reform and incentives. This undermined the capacity of the state to develop and integrate indigenous agrarian capital for long-term developmental goals.

There are various interpretations that have been proffered to explain the failures of the first phase of the land redistribution programme. Acknowledging the limitation of the Lancaster House constitution, Moyo (1995; 2006) noted that the legal constraints imposed by the constitution limited the government to market based land reform approaches. Consequently the pace of land reform was determined by the willingness to sell by landholders. The UNDP (2002) also noted that the need to protect the economic structure dominated by the minority and the establishment and

consolidation of political control to govern the country effectively gave rise to failure of land reform. It would suggest as argued by Taylor (2007), the new black ruling elites feared the emergence of an autonomous domestic bourgeoisie that would challenge their interests and instead opted to forge an alliance with white domestic capital, which did not pose a direct threat to the elite's power aspirations. Thus post-independence state policies rather than seek to mobilise and integrate previously marginalised indigenous black capital, continued to promote and favour white agrarian capital until the costs of association diminished with increasing political pressure in the late 1990s. Even after the expiration of the Lancaster House clauses in the 1990, the state did not pursue aggressive land redistribution.

For a while it appeared that any talk of land redistribution would suffer lack of political incentive from the government to concur with black capital lobby and peasant demands following the unification of the two major parties to affirm unparalleled political dominance. However, the emergence of the new opposition shifted the balance of forces. Facing opposition from the newly formed Zimbabwe Unity Movement (ZUM) in the 1990 elections, amid corruption scandals in the public sector and insatiable demand for land amongst the peasants, the government invoked the land issue to mobilise support among the electorate. The president told ZANU-PF supporters during election campaigns that 'the government would not accept a situation where an odd 4,000 white commercial farmers held most of the productive land, in a country of 10 million people' (*Financial Gazette*, March 23, 1990: 19) hinting that the government would accelerate land redistribution through constitutional amendments when the Lancaster House expired in 1990. The relationship between the government and white farmers was getting tenuous as some white farmers shifted allegiance to the new opposition political party.[84] The state responded by attacking white farmers for allegedly supporting the opposition.[85] The

[84] A former white farmer speaking on condition of anonymity, highlighted that 'We were like anybody else, we should be allowed to vote and campaign for any party whose programmes we agree with' (*Financial Gazette*, March 23, 1990: W3).

[85] Foreign Affairs Minister, Nathan Shamhuyarira, called a meeting in Chinhoyi with the white commercial farmers to express the ruling party's dismay and anger at their alleged support for ZUM including urging farm workers to vote for ZUM (*Financial Gazette*, March 23, 1990: W3).

position of famers was even more uncertain after the elections. Land appeared to be treated more as a political tool rather than a key asset for national development.

Meanwhile donor support for land redistribution was not forthcoming.[86] The major donors including; the British Oversees Development Administration, the African Development bank, the African Development Fund, the Kuwait Fund for Arab Economic Development and the European Community (EC) queried government's capacity to implement the programme and its corruption. In response to the request by the Zimbabwean government for further assistance to purchase land for resettlement programme, the British government stated in principle, that it was prepared to continue to assist, but on two conditions. One of the conditions was that the Zimbabwean government should retain the willing seller-willing buyer provision entrenched in the British brokered Lancaster House constitution, and the second was that arrangements should be in hand for the timely efficient development of land to ensure that economic and social benefits were attainable by those to be resettled'[87] *(Financial Gazette*, October 19, 1990: 21).

In 1990, the government approved a New Land Policy[88] retaining the 'willing seller-willing buyer' in desperate need for foreign aid, although the government would reserve the right to purchase land required for public purposes and would pay owners in local currency. The policy also introduced the one-person per farm principle. The Land Acquisition Act of 1985 was also amended to give the Minister responsible for Land power to designate any land for public purposes and to approve all private land transfers.[89] The Commercial Farmers Union queried the policy.[90] The

[86] In 1989, the British government, which since 1980 had single-handedly funded the resettlement programme, suspended funding citing poor management and implementation of the programme by the government (*Financial Gazette*, November 21, 1996: 2)

[87] These points were contained in a letter dated October 18, 1989, written to Vice President Simon Muzenda, who was the then acting Minister of Finance, Economic Planning and Development, by Mrs. Lynda Chalker, the British Minister for Overseas Development.

[88] The New Land Policy was given effect by the Constitutional Amendment (No 11 of 1990) passed into law by parliament on December 12, 1990.

[89] Land transfers under the act included: sales in execution and insolvency, barter deals, donations, land exchanges, and transfers of land to a company by buying out another company's trademark.

Union argued for market determined land prices to ensure fair compensation (*Financial Gazette*, July 27, 1990: 23). The government sought to acquire 6 million hectares of commercial farmland, at a cost of $540 million, to be allocated to communal farmers under the resettlement programme (*Financial Gazette*, July 27, 1990: 23). The Commercial Farmers Union felt that ZW$ 540 million was far below an estimated market value of ZW$3 billion.

However, the convergence of interest on the 'turn-around' structural adjustment programme provided the umbilical rapport between the state and the white farmers. In spite of its concern about the land takeover threats, the Commercial Farmers' Union sent a supporting letter to all countries and financial institutions, which were attending the Paris donor conference on Zimbabwe on March 27 and 28, 1991 to fundraise for the structural adjustment programme. This letter deserves quoting at length to show the commercial farmers' support and encouragement to the government on stability and security of investment:

> Commercial farmers are fully supportive of government's plans to open the economy and believe strongly in the need to relax domestic controls, both in terms of pricing of products and producing labour regulations more conducive to investment opportunities…It is sincerely hoped that those countries and individual organisations attending the Paris conference will look favourably upon Zimbabwe as a stable and secure country and become actively involved in the new proposed structural adjustment programme to the mutual benefit of Zimbabwe and themselves….The integrity and intentions of the people and the government of Zimbabwe stand out proud in the context of Africa, and the commercial farmers of Zimbabwe pledge to do all they can to retain this external confidence shown in our young developing nation (*Financial Gazette*, April 4, 1991: 3).

Meanwhile, the situation did not help the white farmers as contradictions in government ensued. On the one hand, the Minister of Finance working closely with the white farmers to mobilise international donor support for the economic structural adjustment programme, promised to help incorporate their views. On the other hand, under increasing political pressure, the Minister of Lands and Agriculture insisted that

---

[90] Mr. Hasluck, CFU Director, speaking at the Institute of Bankers of Zimbabwe, Winter Banking School told delegates that 'the National Land Policy document was full of ill-conceived and rhetorical recommendations on the manner in which the commercial farmers will be dealt with in the future' *(Financial Gazette*, July 27, 1990: 23).

the government would take farms and pay later (*Financial Gazette*, January 14, 1999: 1). The bill was passed into law without incorporating the views of white farmers. Even then, not much progress was achieved, as the state was desperate for funding from the IMF and WB at a time when the economy was suffering huge budget deficits and inflationary pressures. Only about 400 farms were acquired, and these largely benefited senior party officials. The Comptroller and Auditor General's Report of 1993 unearthed senior ZANU-PF officials who appropriated farms ahead of the landless peasants.

Economic decline and events leading to the fast track land reform

By the late 1990s, under increasing political pressure following corruption scandals, rising unemployment and declining economic growth, the government jettisoned the structural adjustment program. The legitimacy of the government was fast fading and began to breed discontent. In 1997, a spate of strikes that began with the public sector workers earlier in the preceding year was soon followed by private sector employee strikes and, subsequently, protests by war veterans over the abuse of the war victims' compensation fund (Bond and Manyanya, 2002). The endurance of the war veterans' demonstrations for over three months came as a major shock to the regime, to the extent that some ZANU-PF government Ministers stayed for weeks in hiding. Minister of Public Service, Labour and Social Welfare, responsible for the administration of the fund, Florence Chitauro was in hiding for weeks after the war veterans threatened to take her life.[91] The entire top brass of the security service organs were implicated in the abuse of the fund,[92] including the most trusted personal aid to the President, Winston Jangara. After weeks of Joint Operations Command (JOC) security council meetings, President Robert Mugabe conceded the pressure and announced a decision to give each of the registered liberation war veterans an unbudgeted Z$50,000 pension once-off payout, Z$2,000 per month plus benefits including school fees for their children. This marked another critical point in the shift

[91] Interview, former permanent secretary Ministry of Public Service, Labour and Social Welfare, 02 April 2015.

[92] Among those implicated, the Commander General of the Zimbabwe Defense Forces, Vitalis Zvinavashe, Commander of the Zimbabwe National Army Constantine Chiwenga, Air Marshall Perrance Shiri, Prison Commissioner General Paradzai Zimhondi and Police Commissioner General, Augustine Chihuri.

towards a predatory state. While the state stressed its funding limitations for land redistribution (UNDP, 1998), it honoured an unbudgeted equivalence of US$200 million[93] in gratuities to war veterans. The decision to award gratuity payments to war veterans was taken independently of parliament, and transformed the issue from a severe embarrassment to a useful alliance with the ruling party (Selby, 2006:267).

On November 14 1997, commonly known as the 'Black Friday', the Zimbabwe dollar fell from around Z$10 to below Z$30 to the US$ in just over four hours of trading time (Bond and Manyanya, 2002:v). President Mugabe further announced that he would proceed with more active land redistribution as he sought to further strengthen the ruling party alliance with nationalist war veterans and landless peasants. Given the ramifications of the currency plunge, the immediate task of the government might have been that of instituting confidence measures in the economy. Instead, the ruling elite became preoccupied more with regaining political support without regard to economic considerations. On 9, December, 1997 commonly known as 'Red Tuesday,' Tsvangirai (then President of the Zimbabwe Congress of Trade Unions), led the country's first post-Independence national stay-away, followed by mass strikes and protests during 1998. Then in February 1999, the Zimbabwe Congress of Trade Unions convened the National Working People's Convention, which resolved to launch a political party to challenge ZANU-PF. The Movement for Democratic Change (MDC) was launched in September 1999 as a broad pro-poor coalition of workers, students, churches, academics and white commercial farmers - whose relationship with the ruling ZANU-PF had reached a breaking point with increasing threats of compulsory land acquisition.

In early 1998, the state designated 1,488 large farms for possible compulsory acquisition in preparation for the second phase of the land redistribution programme (Friedrich Ebert Stiftung, 1997:6). Farm owners contested the appropriations and won most of their cases in the courts. However, according to Bond and Manyanya (2002:30), 'once again, ZANU [PF] elites were apparently not serious about thorough-going redistribution, which would require vastly greater resources, support structures and administrative staff than were budgeted and planned.' The government

[93] This amounted for nearly twice the total budget spent on land acquisitions between 1980 and 1995 (Selby, 2006:246).

estimated that it would need about US$1,9 billion (about Z$42 billion), which it hoped to raise from international donors. During this period, increasing isolated land occupations started to become more common, with the explicit aim of redistributing land from white farmers to landless villagers and war veterans (Moyo, 2006). The occupations came in waves, starting with just a few. By mid-1998, communal farmers in Nyamandlovu in Matebeleland North and Sosve in Mashonaland East invaded commercial farms demanding to be immediately resettled. However, ostensibly in the interest of on-going negotiations with donors and the Commercial Farmers Union, the government suppressed the occupations. The government proceeded to organise a donors' conference in Harare in September 1998 to raise sufficient funds for Phase II Resettlement Programme.

However, the negotiations soon collapsed with the ruling elites seeing that the donor processes would involve long negotiations while their interest lay in quickly appeasing restless constituencies ahead of the nearing general elections in 2000. The state threw all caution to the wind. The army alongside war veterans took over the previously sporadic and spontaneous grassroots farm invasions by landless people and transformed it into a coercive land redistribution program invading over 1,500 white owned farms (Alexander 2003; 2006). Chenjerai Hunzvi led the war veterans while the 'operation' as a whole was directed by Air Marshal Perrance Shiri, who had been the commander of the Fifth Brigade at the time of the Matebeleland massacres in the 1980s (Zimbabwe Institute, 2008). Meanwhile, the Zimbabwe Republic Police took no action to prevent the illegal occupations, claiming that they lacked the capacity to repel the squatters (Moyo, 2006).

The state sought to legalise compulsory land acquisition without compensation through passage of a proposed draft constitution. However, this was strongly rejected in February 2000 referendum, this providing a sure sign of disapproval of ZANU-PF and its patronage policies. More than a rejection of compulsory land acquisition, the anti-draft constitution movement sought to express disapproval of the ZANU-PF rule by a 'no vote' referendum victory.[94] Despite the

[94] The anti-draft constitution campaign was spearheaded by civil society groups including students, churches and opposition political parties under the umbrella of the National Constitutional Assembly.

rejection of the draft constitution, the ZANU-PF dominated parliament went on to amend the constitution in April 2000. This enabled the state to acquire commercial farms without an obligation to pay for the land, but only for the farm improvements. The amendments did not stop farm invasions: instead the state actively supported more violent invasions claiming it was now fighting the *Third Chimurenga* to empower the masses as the June 2000 parliamentary elections approached. The MDC won 57 (mostly urban seats) of the 120 contested parliamentary seats clearly setting the grand stage for the presidential election scheduled in March 2002. The ruling party was severely shaken. ZANU-PF intensified the coercive land redistribution, resorting to Ake's posture of 'defensive radicalism'[95] in order to recover lost political ground (1978). According to Bond and Manyanya (2002), the fast track land reform beginning in February 2000 can be read as a direct response to the referendum humiliation, revenge against white farmers,[96] and an emotive vote-catcher.

On 10 November 2000, the Supreme Court passed a judgment instructing the state to stop the fast track land programme unless the necessary legal requirements had been put in place. Southall (2013: 149) notes graphically that:

> The government's response was vicious. The state portrayed the Supreme Court judgment as a racist attempt to undermine the land reform and launched public attacks on the white judges. Mugabe and several ministers, amongst them Justice Minister Patrick Chinamasa, condemned the judges as relics of Rhodesia, while on one occasion, the war veterans invaded the Supreme Court and threatened to kill the opponents of the land reform.

Chief Justice Gubbay in particular was accused of 'making Supreme Court decisions that were meant to derail the land reform programme. Yet an earlier ruling by two black judges in the High Court, had also declared that the Land reform was being conducted in an illegal manner. Under immense political pressure, Chief Justice Gubbay retired before his term was over. Over the next period, the judiciary was

[95] Defensive radicalism is an attempt at mystification, an assumption of a radical posture and the use of this radical posture as a cover containing revolutionary pressures and maintaining the status quo (Ake, 1978:92).

[96] Some white farmers openly joined and supported the broad coalition that formed the opposition Movement for Democratic Change. These included Roy Bennett, who would become its treasurer for the new opposition party.

under siege.[97] Four remaining Supreme Court justices and nine of the eighteen High Court judges perceived to be independent either resigned or were forced into retirement. They were replaced with judges pliant to the executive,[98] who also joined the list of beneficiaries of the coercive land redistribution programme. The state took control of the judiciary and undermined its vital independence, which supposedly provides impartial enforcement of the law to guarantee capital security in a modern economy.

The occupations continued and the state established partisan structures in favour of ZANU-PF to preside over the land allocations. The notions of Weberian bureaucratic impartiality were subordinated to the political imperatives. At grassroots level, the ward councillors, headmen and local representatives of ZANU-PF were responsible for selecting beneficiaries. A more elaborate approach involved interested people submitting their applications to the Ministry of Lands, Agriculture and Rural Resettlement in any province. The applicants were short-listed and evaluated by the technical sub-committee of the Provincial Land Identification and Resettlement Committee. The sub-committee chaired by the Provincial Administrator was comprised of provincial government officers and a representative from the department of War Veterans Affairs. The sub-committee would make recommendations to the Provincial Land Identification and Resettlement Committee chaired by the Provincial Governor and Resident Minister appointed by the President. Chiefs and war veterans were also represented in the Provincial Land Identification and Resettlement Committee. The committee meeting outcomes were submitted to the Agricultural Land Resettlement Board which further reviewed the applications and made recommendations to the Minister of Lands, Agriculture and Rural Resettlement for approval. Finally, the National Land Allocation and Redistribution Committee endorsed the decision taken by the minister before the land was allocated to qualifying applicants (Masiiwa, 2004: 21).

[97] At the lower levels, judges who had sufficient credibility to resist undue influence from the government and ZANU-PF were likewise subjected to intimidation and harassment (Southall, 2013: 149).

[98] The new Supreme Court Chief justice, Godfrey Chidyausiku criticised earlier rulings by the Gubbay led bench alleging it was biased in favour of white farmers. His reconstituted bench thereafter determined that the government had fully complied with the order to put in a lawful programme. This was despite the evidence that the rule of law had not been restored, as the illegal occupations continued.

The Land Acquisition Act of 1990 obligated the government to pay for developments and improvements on the acquired farms. In turn the government structured the compensation as follows: 25 per cent of the total value of farm developments and improvements immediately after the acquisition, 25 per cent within two years and the rest within five years. However, farmers whose land was acquired were totally unsatisfied by the compensation arrangements. In their view, the staggered way of payment made it difficult for them to invest in other forms of business. The situation was made worse by the existing high inflation rate, which went up as much as 600 per cent during the year 2003. Paying full compensation after 5 years therefore meant that part of the compensation was rendered valueless. On March 2001, the government enacted the Rural Occupiers (Protection from Eviction) Act Chapter 20:10. The act prevented the eviction of people who had invaded farms until the issue was determined in the Administrative Court.

The Fast Track Land Reform Targets and Outcomes

On 15 July 2000 the state officially launched the fast track land resettlement programme. Targets set during this period were to acquire 1 million hectares and resettle 30,000 families. Thereafter, the fast track program would be completed in three years with the additional acquisition of 4 million hectares of commercial farm land in which about 120,000 families would resettle (Masiiwa, 2004). The state was subordinated to the ruling party, to ensure ruling party supporters, political and military elites benefited while perceived opposition supporters were discriminated against. Although the government claimed success, highlighting that it had managed to resettle close to 200 000 peasants,[99] resettlement on the best land was regularly delegitimised by blatant cronyism and corruption (Bond and Manyanya, 2002, Marongwe, 2009). Contrary to the one person per farm policy initially announced by the government, senior military officers and ZANU-PF politicians conspicuously benefitted by their acquisition of larges farms in lucrative farming regions and often with more than one-farm per person. Based on research conducted in late 2010, which drew information from government sources and audit reports, Table 5.3 below

[99] Other scholars place the figure at 170,000. See Moyo, (2011: 496).

provides a list of high-ranking military and political elites who benefited from the land reform in the early 2000s. This report has not been challenged by ZANU-PF and the government.

Table 5.3: List of high-ranking military and political elites who benefitted from the FTLRP in the early 2000s

Name	**Farm**	**Size**	**Area**
Security Services			
Solomon Mujuru	Alamein Farm	1300ha	Beatrice
Constantine Chiwenga	Chakoma Estates	1276ha	Goromonzi
	Bamboo Creek	1950ha	Shamva
Perrance Shiri	Eirin Farm	1460ha	Marondera
Augustine Chihuri	Woodlands Farm		Shamva
Paradzayi Zimondi	Upton Farm	1029ha	Goromonzi
Happyton Bonyongwe	Thetford Farm		
Henry Muchena	Serui Drift	1500ha	Chegutu
Abu Basutu	Swallowfork Ranch	2711ha	West Nicholson
Elson Moyo	Daisy Farm	1600ha	Chegutu
Judges			
Godfrey Chidyausiku	Estes Park	895ha	Concession
Luke Malaba	Marula Block	1866ha	Bulilamangwe
Paddington Garwe	Faun Farm	760ha	Chegutu
Antonia Guvava	Harndale Farm	1000ha	Chegutu
Mafios Cheda	Block 37	3039ha	Bulilamangwe
Ben Hlatshwayo	Kent Estate	800ha	Norton
Charles Hungwe	Little England	6956ha	Makonde
Chitakunye Alfias	The Grange	1300ha	Chegutu
The Executive (President, Vice Presidents and Cabinet Ministers)			
Robert Mugabe	Gushungo Estates	4046ha	Darwendale
	Gushungo Dairies	1000ha	Mazowe
	Iron Mask	1046ha	Mazowe
	Sigaru Farm	873ha	Mazowe
	Gwebi Wood	1200ha	Mazowe
	Gwina Farm	1445ha	Banket
	Leverdale Farm	1488ha	Mazowe
	Highfield	445ha	Norton
	Cressydale Estate	676ha	Norton
	Tankatara	575ha	Norton
	Clifford	1050ha	Norton
	John O'Groats Farm	760ha	Norton
	Bassiville	1200ha	Mazowe
John Nkomo	Gijima Lodge		Hwange
Simon Khaya Moyo	Marula Block 36	2034ha	Bulilamang

			we
Joseph Made	Tara Farm	840ha	Odzi
Emmerson Mnangagwa	Sherwood Farm		
Francis Nhema	Nyamanda	1000ha	Karoi
Stanislaus Mudenge	Chikore Farm	760ha	Masvingo
Kembo Mohadi	Block	3000ha	Beitbridge
	Benlynian Range	3200ha	Beitbridge
Patrick Chinamasa	Tsukumai	800ha	Headlands
	Nyamazura	1260ha	Rusape
Hebert Murerwa	Rise Holm	1100ha	Arcturus
Ignatius Chombo	Allan Grange	3000ha	Banket
	Oldham	400ha	Chegutu
	Shingwiri	1600ha	Chegutu
Webster Shamu	Lambourne Farm	1340ha	Selous
	Tobacco Estate	900ha	Chegutu
Obert Mpofu	Young Farm	2300ha	Nyamandlovu
	Umguza Block 39, 40, 41	6200ha	Umguza
	Auchenberg	1026ha	Nyamandlovu
Sithembiso Nyoni	Fountain Farm	3100ha	Insiza
Walter Mzembi	BW Farm	720ha	Masvingo
Nicholas Goche	Ceres Farm		Shamva
Savior Kasukuwere	Conucopia Farm	100ha	Mazowe
	Harmony Farm	500ha	Mazowe
Sydney Sekeramayi	Maganga Farm	620ha	Marondera
Edna Madzongwe	Aitape Farm	2000ha	Chegutu
	Coburn Estates Plot	13a560ha	Chegutu
	Bourne Farm	445ha	Chegutu
	Mpofu Farm	1200ha	Chegutu
	Stockdale Farm	750ha	Chegutu
	Reyden Farm	1340ha	Chegutu
Provincial Governors			
David Karimanzira	Arcadia Farm	1300ha	Marondera
Cain Mathema	Gwayi Ranch	4600ha	Gwayi
	Umguza Block	3700ha	Umguza
Chris Mushohwe	Kondozi Farm	400ha	Odzi
Titus Maluleke	Clipshap Farm	3000ha	Masvingo
Thokozile Mathutu	Dete Valley Farm	2800ha	Dete
	Anthonia Extension	6500ha	Umguza
Angeline Masuku	Wollendale Farm	3000ha	Gwanda
Cephas Msipa	Cheshire Farm	2100ha	Gweru
ZANU-PF Politicians			
Reward Marufu	Leopards Vlei	1294ha	Glendale
	Kachere Farm	880ha	Mazowe
Sabina Mugabe	Mlembwe Farm	1037ha	Makonde
	Longwood Farm	924ha	Makonde
	Gowrie Farm	430ha	Norton

Leo Mugabe	Diandra	815ha	Darwandale
	Nangadza	1200ha	Mhangura
	Journey's End	3000ha	Makonde
Patrick Zhuwao	Marivale Farm	244ha	Mazowe
George Charamba	Battlefields 02	1572ha	Kwekwe
Nathan Shamuyarira	Mt Carmel		Chegutu
Bright Matonga	Lions Vlei	2000ha	Chegutu
Amos Midzi	Magudu Ranch	10701ha	Chiredzi
Dick Mafios	Insingizi Farm	1100ha	Bindura
	Melfort	554ha	Mazowe
Joseph Chinotimba	Watakai	1240ha	Mazowe
Happison Muchechetere	Burry Hill	617ha	Makonde
Tobaiwa Mudede	Ballineety	3147ha	Nyabira
Austin Zvoma	Chinomwe Estates	1432ha	Makonde
Mariyawanda Nzuwa	Stella Burton	425ha	Mazowe
David Parirenyatwa	Rudolphia	802ha	Murewa
Charles Utete	Rudzimi	3350ha	Lomagundi
Paddy Zhanda	Chipfumbi Meadows	1364ha	Goromonzi

Source: ZimOnline, 2010

Challenging Moyo's claim that the land reform was successful, the report (based on the government land register) suggests that a 2,200 strong politically connected elite—constituting military officers, cabinet ministers, provincial governors, senior party officials, judges, including the president and his wife—controls close to half of the land seized from white farmers, nearly 5 million hectares of prime agricultural land, including wildlife conservancies and plantations. President Mugabe and his wife topped the list with 14 farms extending over 16,000 hectares, while each of the security service chiefs obtained farms in excess of 1,000 hectares. The Commander of the Defense Forces Constantine Chiwenga was rewarded with prime agricultural land in excess of 3000 hectares close to the capital, Harare, including the Chakoma estates in Goromonzi (about 32 Kilometers South East of the capital) with well-developed horticulture facilities. Overall, 90 per cent of the nearly 200 army officers from the rank of Major to Lieutenant-General own farms, similarly, this pattern of ownership was replicated in the air force, police, prison service and the central intelligence organisation (Southall, 2013: 256). Likewise, all ZANU-PF cabinet ministers, 56 politburo members, 98 members of parliament, and 35 elected and appointed Senators were allocated land, often more than one farm. The state served to dispense patronage rewards to senior ruling ZANU-PF politicians and the military to guarantee political loyalty and support.

Following the formation of the inclusive government in February 2009, the parties agreed that land reform was irreversible as a compromise arrangement and further agreed on the need to institute a land audit as a necessary basis for rationalising multiple farm ownership. However, despite agreeing on a systematic process, farm invasions and disruptions continued. Successive month on month reports by the Commercial Farmers Union highlight disruptions and farm invasions. The take-over of the Save Valley Wildlife Conservancy by August 2012 exposed entrenched violent accumulation patterns under the guise of the indigenisation and empowerment programme. Senior ZANU-PF politicians and military elites who had already acquired more than one farm per person under the Fast Track Land Reform Programme including Major General Rujege, Titus Maluleke (Governor), Shuvai Mahofa (Deputy Minister), Basil Nyabadza, Chiredzi South MP, Ailess Baloyi, Chiredzi North MP, Ronald Ndama and ZANU-PF Masvingo provincial chairperson Lovemore Matuke, parcelled out 25-year leases to themselves while the local communities were left out (Mugabe, 2012).

Economic Impacts of the Fast Track Land Reform

Despite manifest politically skewed distribution, a series of recent studies including Scoones, et al., (2010) and Hanlon, Manjengwa and Smart (2013) have reignited debate with claims that a large number of previously marginalised poor families benefited and that production was increasing in resettlement areas. Hanlon, et al. (2013: 13) concluded:

> In the biggest land reform in Africa, 6,000 white farmers have been replaced by 245,000 Zimbabwean farmers. Zimbabwe's land reform has not been neat, and huge problems remain. But 245,000 new farmers have received land, and most of them are farming it. They have raised their own standard of living; have already reached production levels of the former white farmers; and with a bit of support, are ready to substantially increase that production.

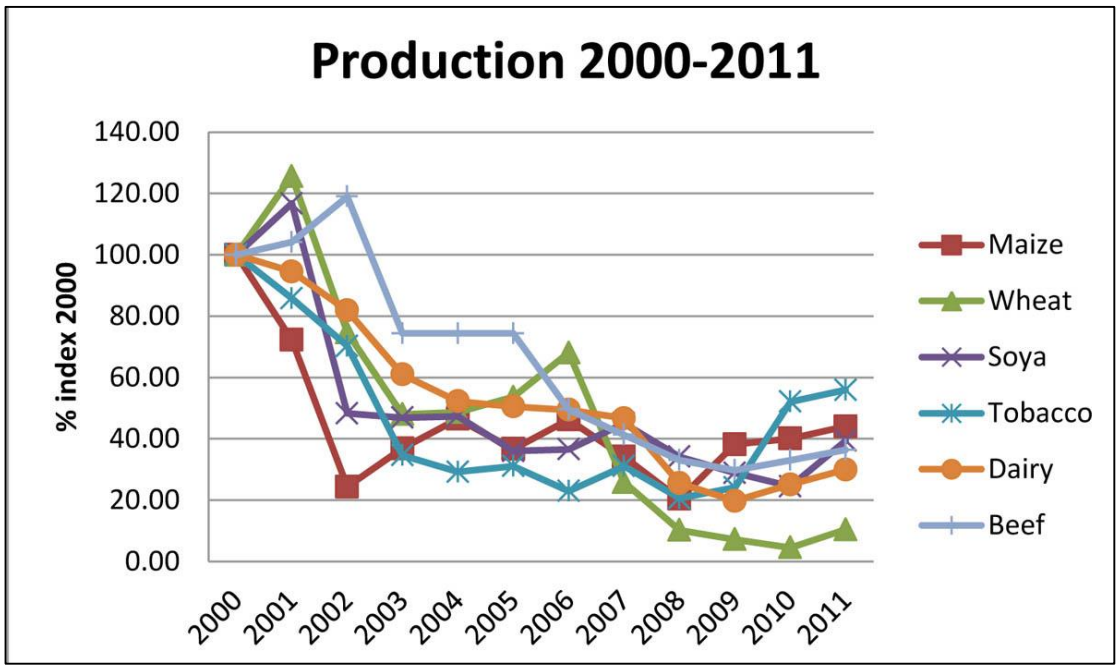
Scoones, et al. 2010 also corroborate success claims by suggesting that the land reform had improved the lives of farmers in Masvingo province. Although rich in qualitative phenomena, such studies offer only a partial picture and lack sufficient methodological scope perhaps due to resources and time limitations to paint a generalisable picture of the exercise, a point the authors also acknowledge in their

study findings. For example, Scoones et al.'s book is based on a sample of 400 households in one province (Masvingo also not a prime agricultural region) out the country's ten provinces representing 17 per cent of the total beneficiaries in one province. King (2012: 737) starkly concludes:

> This is a patchy book. The myths would have benefitted from a greater discussion, since the entire *raison d'eˆtre* rests on challenging them…Even if the rural subsistence economy has not collapsed, it is unambiguously true that commercial agriculture and therefore export earnings suffered a drastic downturn and the wider Zimbabwean economy nosedived as society suffered commensurate damage.

Nonetheless, it is fair to acknowledge that there have been some improvements in other resettlement areas despite predation. For instance as shown in Figure 5.1 below, a number of crops show a marginal positive rebound in 2009 under the tenure of the Inclusive Government. The Inclusive Government is credited with arresting hyperinflation through the introduction of the multi-currency regime and incentives to improve economic production including provision of agriculture input schemes to stimulate agricultural production and facilitating timely payments to farmers for crops sold to the country's Grain Marketing Board. However, on the overall the national picture shows a calamitous decline in agricultural production between 2000 and 2011 and with it, in consequence, a decline in its relative contribution to national output. Figure 5.1 below shows the national output production since the land reform programme in 2000.

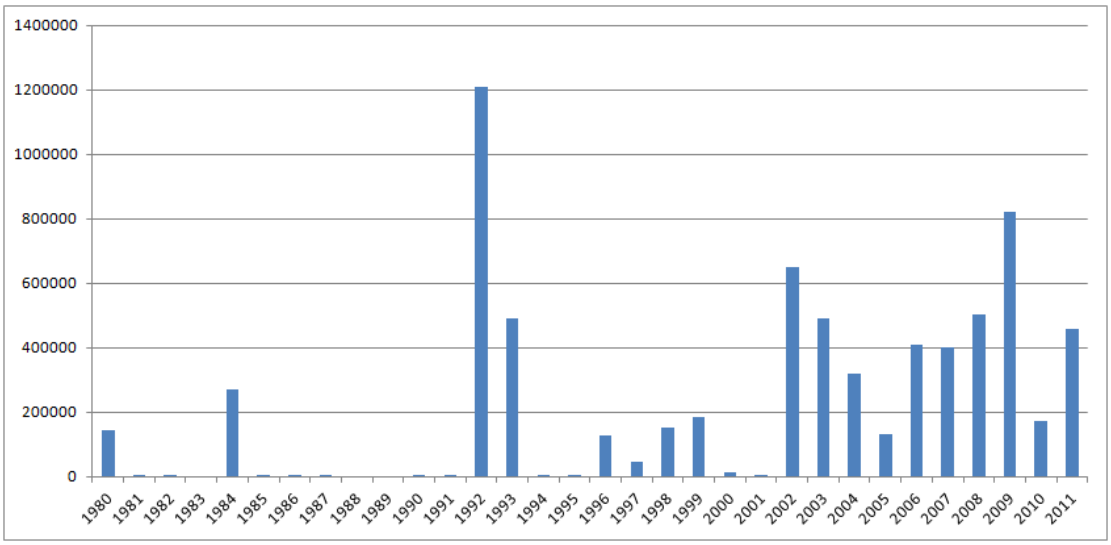
Figure 5 1: Agriculture output 2000 – 2011



Source: World Bank, 2011

National statistics reveal that between 2001 and 2011, national production of maize, wheat, soya, tobacco, dairy and beef all declined. Compared to 1990s averages, wheat production decreased by 27 per cent and tobacco production by 43 per cent, with more dramatic declines from 2006 (Moyo 2011). Against this, after initial decline, there has been some recovery, particularly for tobacco, in 2010 and 2011 albeit not to the level prior to the land reform. Equally, national maize production has become more variable, because of the reduction of irrigation facilities. Meanwhile, significant droughts have resulted in shortages, with average production over this period down by 31 per cent from 1990s levels. On the declining national production levels, Kinsey (2003) argued that any radical reform would of course have a transitional phase, as production systems, markets and trading priorities readjust. However, the transition period in Zimbabwe has now been so extended that it suggests that the reforms as undertaken are unable to deliver sustainable national strategy to feed the country. Zimbabwe has moved from exporter of maize to perennial importer to meet the national demands. Figure 5.2 shows maize imports between 1980 and 2011.

Figure 5.2: Maize imports 1980 - 2011 (tonnes)



Source: Zimbabweland.wordpress.com

Zimbabwe has traditionally been self-sufficient and a net exporter of maize dating back to the colonial period. The state ensured provision of incentives to commercial farmers in order to boost agricultural production until the late 1990s' violent land reform programme. The functional property rights regime also facilitated access to agriculture loans through the country's banking system. The country only imported maize during the years of droughts in the early 1980s and the early 1990s. However, following the coercive land reform programme, patronage appropriation of incentives (discussed in chapter seven under the Central Bank quasi-fiscal operations) and collapse of the property rights regime, even outside drought conditions the country has degenerated into a perennial importer of maize to feed the population. Given the tight fiscal constraints, Zimbabwe has had to rely on humanitarian food assistance, a situation that is likely to continue given the gloomy economic condition at least in the short to medium term.

By undermining agriculture the situation across the economy has been rendered catastrophic. For years, agriculture was the leading employer, employing between 300,000 and 350,000 workers or between 20 to 25 per cent of the total workforce. The combined workforce is estimated to have been responsible for an even larger population about 2 million (Sachikonye, 2003). In addition, historically, the sector was not only a major employer, but also a leading contributor to national output as well as to the country's foreign exchange earnings. Its contribution to foreign

exchange earnings was boosted by tobacco and horticultural exports. Moreover, the manufacturing sector derived about 60 per cent of its inputs from agriculture. However, following the violent land redistribution programme, the share of agriculture contribution to national output declined from between 16 to 18 per cent in the 1990s to 10 per cent of by 2010 (Robertson, 2011). The deepening linkages between agriculture and manufacturing sector negatively impacted on the manufacturing sector, which is estimated to have experienced a cumulative decline of 92 per cent between 1998 and 2008 (*Zimbabwe Report*, 2008:7). The most far-reaching consequences of the coercive land reform would be the skewed distribution outcome, impacts of the collapse of the rule of law and economy wide implications particularly on the manufacturing sector.

Conclusion

The new black elites inherited a highly unequal land tenure system brought about by the colonial regime. Whereas land had been amongst the contentious issues that culminated in the country's liberation war, the newly born government was constrained by the Lancaster House constitution transitional clauses, which protected white commercial farms against compulsory land acquisition. Yet ironically, the nature of the transition propelled the new government into a coalition with white capital, as it did not pose a threat to their political power. Landless peasants who attempted to invade farms were forcefully evicted until 1997 when the government came under increasing pressure at the backdrop of economic decline, unemployment and worsening poverty. Facing unprecedented opposition from the Movement for Democratic Change, the government turned to capricious policy making and predatory behaviour to consolidate its firm hold on power at a time when patronage resources were waning. The government hastily implemented by far the most the violent and coercive 'fast track land redistribution programme' in post-colonial Africa ostensibly to distribute land the landless poor. Despite claims that poor people benefitted, senior ZANU-PF politicians and military were the major beneficiaries with multiple farms on the country's prime agricultural land. National agricultural output dropped and until 2013, remained below the 1990. The country degenerated from

self-sufficiency, in maize production to depend on perennial foreign imports to meet the national food requirements.

Chapter Six:

Mining Development, Decline and Accumulation

Introduction

Mining occupies a special place in Zimbabwe's colonial history. In search of the second richest gold deposits, similar or better than had been discovered in South Africa, the British South Africa Company (BSAC) sponsored Pioneer Column moved north of the Limpopo to settle in Southern Rhodesia (modern day Zimbabwe). Southern Rhodesia's early economic planning would be modelled around the interests of large mining capital. However, the early colonists failed to discover 'several new Johannesburgs:' rich veins of gold, which would alter the regime of mining accumulation and political economy of Southern Rhodesia and later modern Zimbabwe in a significant way. The geological limitations of the colony's gold deposits led to the propensity towards small mines and development of a local white mining capital, 'a feature which sharply distinguished Southern Rhodesian mining from both the South African Rand and the later development of the Zambian Copperbelt' (Phimister, 1976, 465). This entailed new interests distinct from those of the BSAC and large-scale foreign mining capital. Small-scale miners had to compete with large-scale mines for labour, while both also competed with agriculture. In order to ensure viability of the mining sector, both large scale and small-scale mines would need to rely heavily on effective cost minimisation strategies. The state was critical in developing infrastructure and instituting ruthless disincentives, which obliterated indigenous mining and peasant farming to force indigenous Africans into cheap labour.

Throughout the colonial period, small-scale miners contributed increasingly significant mining output. However, large-scale mines, through representative associations, enjoyed closer proximity and favours from state. This trend continued into the post-independence state, although large scale operators' cheap labour cost minimisation strategy was always bound to result in contestation with the new black government under pressure to redress colonial imbalances. The post-independence

state maintained a close albeit a wary, relationship with large-scale mining capital that would involve mining sector investment incentives, direct participation and increasing regulation and oversight. In the late 1990s the mining sectors provided an important patronage avenue when the economy collapsed. Despite the discovery of diamonds and consequent hopes for economic prosperity what remains are the vivid footprints of coercive and violent anti-developmental accumulation. Meanwhile, the economic indigenisation and empowerment programmes only favoured a few politically connected elite and trusted foreign investors—Chinese and South African capital who did not pose a threat to the ruling elite's power aspirations.

Colonial Development and Mining

At its arrival in 1890 in the new colony of Southern Rhodesia, the BSAC expected to find huge gold deposits, similar or greater than the scale of the Transvaal. Consequently, the BSAC administration policies were designed to promote working of gold deposits by large-scale companies funded with capital raised from European markets, especially London. Yet, following the realisation from the early exploration works that the new territory was a far cry from the rich deposits of Witwatersrand, the company avoided direct involvement. The company secured mining interests by prescribing that 50 per cent of the vendors' scrip of every mining company operating in the new territory was controlled by the BSAC. However, the impact of the 1896-7 African revolts coupled by the poor quality of the gold deposits negatively impacted on mining investment into the new colony. Between 1895 and 1898, twenty-two companies listed on the stock market lost between 50 to 90 per cent of their share values (*The Rhodesian Herald*, 10 March 1898). The new mining sector quickly degenerated into speculative, often fraudulent share dealings and conflict pitting the large-scale mining companies against the BSAC over the 50 per cent vendors' scrip. This would result in far reaching compromises by the BSAC, the development of infrastructure, cost minimisation incentives[100] and encouragement of small-scale miners to restructure the mining sector towards a profitable trajectory.

[100] Prior to 1919, the price of gold was internationally fixed. While this meant that the gold mining industry could increase output indefinitely without jeopardising profits, it also made the industry extremely vulnerable to cost inflation.

To facilitate these requisites, the colonial administration invested in the development of railway lines and revision of its mining policies to reduce development and working costs. By 1902 a major railway line was developed linking Mutare to Bulawayo via Harare as well as to the east coast (Mozambique). Vendors' scrip were initially reduced to 30 per cent by 1902 and finally dropped altogether by 1907 while a 5 per cent scale on royalty was substituted (Mawowa, 2013:45). The company was also forced to reduce the scale of royalties by varying adjustments to the quality of gold ore grades and encourage development of small mines through the Mines and Mineral Ordinance of 1903 (Phillips, *et al*, 1962: 349), which recognised small-mines and provisions for flexible legal arrangements including sole proprietorships, partnerships, tributary and syndicate agreements. The importance of small-scale miners against the erratic and spatial gold deposits was underscored in a report to the BSAC:

> Overcapitalisation has been the curse of the company, and the scattered and often lenticular formation of the reefs in Rhodesia, leads me to think that the interests of the gold industry…will be served by the encouragement of small and economically worked concerns (Michell's report to the BSAC, cited in Phimister 1976: 467).

Small-scale miners used less capital-intensive operations and were more likely to easily shift from one property to another. While small mines provided opportunity of entry of African players, entry was restricted to whites, while Africans were relegated to the provisioning of cheap labour. The BSAC and local banks also provided working capital advances to small-scale miners on easy repayment terms. The impact of the reforms was demonstrated by the growth of the mining sector. The success of small-scale mines is noticeable in the increasing number of small-scale miners as well as contribution of small-scale miners to overall mining output. Small-scale mines increased to 76 by 1905, and by 1907 there were 254 mines producing 1,000 ounces of gold annually (Wilson, 1933: 15). By 1925, there were a total of 419 small-scale mines contributing a total of 11.37 per cent of total gold output. Table 6.1 shows gold mines by scale and output between 1925 and 1948.

Table 6.1: Gold mines by scale and output 1925 - 1948

Y ear	Large Mines (+ 10 000 oz.)		Medium Mines (1000 0 - 10 000 oz.)		Small Mines (- 1000 oz.)	
	No.	*Per cent of Total output*	*No.*	*Per cent of Total output*	*No.*	*Per cent of Total output*
1924	10	67.56	59	21.07	419	11.37
1925	8	67.89	45	19.18	428	12.93
1926	9	71.33	43	17.02	431	12.65
1927	9	73.50	39	14.52	326	9.98
1928	9	77.31	33	14.01	258	8.68
1929	9	77.59	32	17.15	249	9.26
1930	9	74.65	36	15.50	286	9.85
1931	9	68.93	39	18.66	401	12.41
1932	10	61.41	50	20.01	722	18.58
1933	10	52.34	-	-	-	-
1934	10	43.47	-	-	-	-
1935	8	38.06	95	30.25	1650	31.69
1936	10	37.19	114	32.37	1583	30.44
1937	11	39.12	121	32.18	1440	28.70
1938	12	40.04	127	34.40	1431	25.56
1939	11	38.00	117	37.33	1442	24.67
1940	13	39.74	113	34.84	1351	25.42
1941	14	43.51	112	33.22	1050	23.27
1942	15	44.87	119	35.59	877	19.54
1943	14	46.97	88	32.22	690	20.81
1944	12	46.29	77	33.78	613	19.93
1945	12	46.42	70	33.82	650	19.76
1946	12	44.98	69	35.12	687	19.90
1947	9	39.80	68	38.30	706	21.90
1948	10	42.90	75	37.70	580	19.40

Source: Phimister 1988 (cited in Mawowa, 2013: 47).

While there is noticeable growth and success of small mines in the post 1900 reforms, the position of large-scale mines also strengthened markedly from a share of 67.56 per cent of national output in 1894 to a peak of 77.59 per cent by 1929. Van Onselen observes that '... it was the intense exploitation of cheap African labour throughout the history of the industry that made the greatest contribution to establishing [growth] and profitability' (1980: 24). Wages and incomes generally lagged behind productivity, facilitating high profit margins, savings and investments. Phimister illustrates the centrality of cheap labour with regard to the Wankie coal mines:

> From its inception, the colliery's fortunes ultimately turned on the regular supply of black labour, and in the absence of capital investment, this dependency became increasingly pronounced after 1914. Because Wankie's board of directors, on whom the BSAC was heavily represented, refused to sanction the purchase of additional capital equipment, expanded output was instead won through the simple expedient of increasing the size of the labour force. By drawing on the flood of migrant workers initially compelled to seek wage employment by the tax regime enforced by the BSAC the coal mine was able to recover from its initial losses (1992: 66).

For the mining industry, cheap labour was achieved in two important ways. The first strategy was intensified recruitment through the Rhodesian Native Labour Bureau, specifically designed to exclude recruitment of the Rand[101] from certain areas and direct labour to local, as opposed to Rand mines. The second strategy was progressive underdevelopment of the indigenous peasant sector from 1890 onwards. For instance, the effort price for indigenous participation in the produce markets was steadily raised while conversely that of commercial farming was lowered (Phimister, 1976: 476). The progressive marginalisation of peasant agriculture from such markets left Africans with few alternative forms of income other than wage labour to meet subsistence and tax obligations (Arrighi, 1966).

Following the attainment of self-governing status at the end of the company rule in 1923, the state deepened interventionist measures to ensure a steady supply of labour to the mines and provision of infrastructure. The Rhodesian National Labour Board, a successor to the Labour Board of 1899, was established as central mobiliser of black labour for Southern Rhodesian mines. The board had a specific mandate to ensure an uninterrupted supply of cheap labour. The centralisation of labour administration made it possible to compel mines to 'loan' labour in line with 'national' priorities. In addition, several state support enterprises were founded, including the Electricity Supply Commission power stations to service growing power demands and the Rhodesian Iron and Steel Commission (later renamed the Zimbabwe Iron and Steel Company).

[101] The longer working lives and greater profits for the Rand mines absorbed a higher cost structure including offering attractive wages, than that possible of Southern Rhodesian mines.

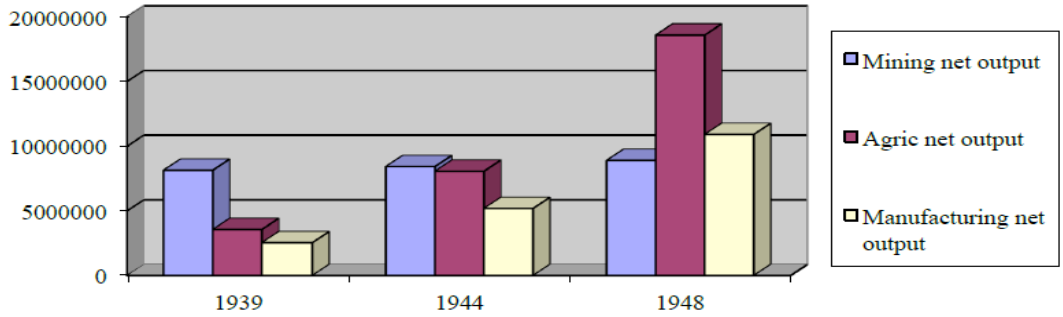
However, despite the increased contribution of small-scale miners, state mining policy remained largely biased towards large-scale mining capital even well after independence. For example the Rhodesia National Labour Board remained principally a recruiting agent for large scale mining capital, a double blow to small-scale miners, who were also outcompeted on wage packages offered by large scale mines. Large-scale mines also enjoyed close proximity to railway infrastructure, rail and road, while this was not the case with small-scale miners. This bias worked to the vast interest of the BSAC in large-scale mining and railway (or at least until its mineral rights were bought out in 1933). The company held considerable interests in gold, coal, chrome and asbestos mining and agriculture. The state also actively collaborated with the large-scale mining companies through associations formed to represent the interests of these mining companies. The Rhodesia Chamber of Mines based in Bulawayo and its sister the Salisbury Chamber of Mines based in Harare, represented most BSAC and medium-sized mining interests. In 1939 the Rhodesia Chamber of Mines was officially instituted through an act of parliament. It was aimed at promoting, encouraging, protecting and fostering the mining industry of Southern Rhodesia (Incorporating Act, Chapter 199: 1939).

In 1947 the government made legislative changes to encourage large scale prospecting to attract new investments in the face of post-World War reconstruction demands. Prospecting licenses were issued for areas over 1000 square miles for natural gas, coal and oil and 500 square miles for other minerals (Phimister, 1998: 354). The government also introduced an exploration section in its Geological Department. The export orientation induced demand attracted prominent interest from international mining and manufacturing capital. Chief amongst these were, Anglo American Corporation with interests in coal, ferrochrome and cement industries, the Rhodesian Selection Trust, which participated, jointly with Anglo American Corporation in Rhodesian ventures, and Lonrho originally founded in Rhodesia expanded its interest considerably in mining. Hull (1978: 33) notes that over one third of the 50 largest British manufacturers had direct interests in Rhodesia, and these were to be found in virtually every sector of the manufacturing industry. Meanwhile, the state abandoned support towards small-scale mining. The following quote is illustrative:

> While we are fully aware of the difficulties facing the smaller mines in raising their capital requirements, it is our view that the capital resources required by such mines should, in general, be obtained from the customary channels. Where assistance is granted by the government there is always the danger of abuse, therefore such loans should be extended under the most restrictive conditions and as an exceptional measure (Phillips, *et al*, 1962: 355).

Small-scale mining was marginalised while the state moved to focus on large-scale investment to exploit the post-World War demand opportunities. The war itself also accounted for significant restructuring of the Southern Rhodesian economy. In response to the disruption of European manufacturing, the state adopted an Import Substitution Industrialisation (ISI) Policy (which would become an import strategy to mitigate the impact of sanctions in the UDI era) to stimulate local manufacturing of previously imported goods. Meanwhile, the domestic market also grew with the increased white emigration into the country. The mining sector's contribution to national output declined relative to agriculture and manufacturing sectors. By 1948, for the first time both agriculture and manufacturing leaped ahead of mining in terms of contribution to national output. Figure 6.1 below shows changing relative contributions to national output for mining, agriculture and manufacturing over the period 1939 to 1948.

Figure 6.1: Mining, agriculture and manufacturing contribution to national output 1939 - 1948

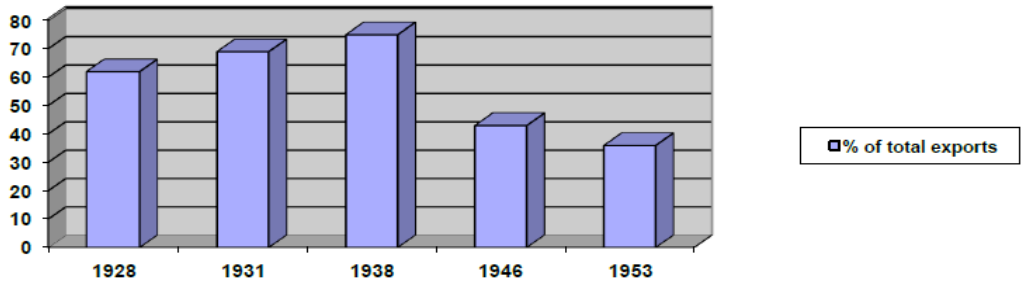


Source: Phillips *et al.* 1962.

The tandem increase for agriculture and manufacturing contribution to national output relative to the mining sector revealed significant synergies between the manufacturing and agricultural sectors. The growth of the manufacturing sector had strong backward linkages with agriculture for food production servicing the

steady growth of the local and new sources of foreign markets. Although mining had linkages with the manufacturing sector for inputs, it remained predominantly oriented towards export markets as demonstrated by the sector's contribution to total exports. This was a feature reminiscent of the colonialism dependency accumulation model, which placed emphasis on primary resource extraction from the colonies. Figure 6.2 shows the mining sector contribution to exports between 1928 and 1953.

Figure 6.2: Mining sector contribution to exports 1928 - 1953



Source: Phillips *et al.* 1962.

The Federation of Rhodesia and Nyasaland joining Southern and Northern Rhodesia and Nyasaland, between 1953 and 1963 also introduced an important demand dynamic to Southern Rhodesia economy. The Federation provided an important market for Southern Rhodesia mining, agriculture and manufacturing sectors in the protected tariff areas of Northern Rhodesia and Nyasaland. Coal mined from Southern Rhodesia's Wankie colliery mines would easily find its way to the Northern Rhodesia's copper belt mines, while migration of labour from Northern Rhodesia and Nyasaland to Southern Rhodesia's farms and mines helped to mitigate the Rand's competition for labour. Southern Rhodesia's growing manufacturing sector also found an important market for its construction materials, textile production, food processing and other consumer goods. Correspondingly, the Southern Rhodesian economy grew at an average of 8 per cent during the 10-year period under the federation.

The structural changes to the Rhodesian economy brought significant and far-reaching changes in the class structure of the Rhodesian society. Coincident with the relative decline of mining was the strengthening of agrarian capital (discussed in

chapter five). A second major change was the emergence of a national manufacturing class. The significance of the manufacturing class grew with the strategic importance for import substitution, albeit constrained by lack of a dynamic internal demand. The share contribution to national output for the manufacturing sector rose from 9 per cent in the 1930s to 15 per cent in the early 1950s to over 18 per cent in the early 1960s (Arrighi, 1966: 44). However, mass production, mechanical aids and specialisation necessitated increased demands for the supply of a stable skilled labour force (which was in short supply) as opposed to unskilled labour. In addition, unable to compete on the international market due to poor quality goods, the sector could depend on the growth of African peasant and wage labour purchasing power. However, the growth of internal demand was constrained by the deterioration of peasant productive capacity and poor wages. The labour requirements of this sector would necessitate divergent and often conflictual interests with both mining and agriculture. The conflicts contributed to the weakening[102] and demise of the Federation.[103] In addition, these contradictions would also form the basis of mobilisation and victory for the agrarian capital backed pro-Unilateral Declaration of Independence coalition.

Unilateral Declaration of Independence and Mining Accumulation: 1965 -1980

Following Unilateral Declaration of Independence,[104] the state sought to take full charge of the economy to navigate the impact of sanctions and protect the interests of whites. The ruling white coalition strengthened state capacity through expanding bureaucratic apparatuses, deepening state planning and collaboration with

[102] The Federation policies were aimed at stabilising the African labour force by reducing turn-over which was problematic for the manufacturing industry. Measures such as raising minimum wages in urban areas and mining locations ran against the interests of a rural bourgeoisie, which depended on cheap African labour.

[103] The Federation eventually collapsed under increasing pressure from African liberation and internal divisions within the ruling white elite. In Southern Rhodesia, disaffected white elements broke away from the ruling party by 1956 to form an opposition, Dominion Party, which ousted Prime Minister Garfield Todd from power two years later.

[104] Unilateral Declaration of Independence on 11 November 1965 was a decision by the ruling Rhodesian Front to declare self-governing status and autonomy from Great Britain.

white capital targeted at midwifing agriculture[105] and manufacturing[106] sectors. The state provided a regime of incentives included access to cheap credit, controlled labour and a protective tariff system. After an initial period of stagnation, and in spite of the sanctions, the Rhodesian economy took off on a growth trajectory. Between 1965 and 1973, the economy sustained a real increase in national output of 7 per cent per annum. Hull (1978: 35) pointedly concluded that 'sanctions had by no means had the intended effect of bringing the rebel regime to its knees.' Despite the sanctions the Rhodesian economy continued to attract foreign investment and trade. Industry grew by 80 per cent under the ISI regime (Hull, 1978:34). Manufacturing growth averaged 10 per cent and increased its share contribution to 25 per cent of national income (Mawowa, 2013:51). While large scale manufacturing companies continued to dominate the industry, many new local manufacturing companies emerged providing products blocked by sanctions.

While the share of the manufacturing sector increased from less than 20 per cent in 1965 to nearly 25 per cent in 1975, the combined share of agriculture and mining declined slightly from 24 per cent to 23 per cent (Hull, 1978: 36). Although the mining sector's contribution averaged 7 per cent, the sector remained an important foreign exchange earner and source of capital expansion following the freezing of all transnational corporation profits inside the country. It is ironic that even after sanctions were imposed. Rhodesian exports continued to grow. During the period 1967 to 1972 exports continued to account for about 25 per cent of GDP (Hull, 1978: 36). Rhodesian copper and asbestos performed favourably during this period. The state introduced several developmental support mechanisms for large-scale mining. Beneficiation was promoted through a selective royalty regime as part of sanctions busting interventions. Meanwhile, blocked funds were invested in value adding beneficiation, notably the processing of chrome to ferrochrome, copper cable and other semi-processed or finished products that could compete successfully in international markets.

[105] The agricultural sector remained strategic to promote white agrarian capital interests and to ensure self- sufficiency in the face of melting relations with the regional and international community.

[106] The manufacturing sector was critical to ensure supply of previously imported goods which were now impossible to import due to the sanctions regime.

However, the disruptions caused by war and 'uneven development' imposed a growth restraint upon manufacturing and mining growth. Rapid industrialisation that began in the post Second World War II period had been constrained by the absence of an adequate internal market dynamic. The colony was hamstrung by effects of the civil war, while the African rural economy, which could provide an important market for growing manufacturing, remained mired in poverty with reverse linkage effects to the country's mining, agriculture and manufacturing sectors. By the time of the negotiations for political independence at the end of 1977, the economy was showing signs of severe stress. The GDP had fallen by 3.4 per cent in 1976 (Chikuhwa, 2004:291). The government was spending 25 per cent of its budget on defense while white emigration reached alarming levels (Hull, 1978: 36). In 1977, Rhodesia recorded a net emigration of 10,000 whites (by 1975 white population was estimated at about 296,000, representing just over five per cent of the population) (World Affairs, 2010).

Post-Independence State Mining and Accumulation: 1980 to 2000

Zimbabwe's independence settlement was a compromise agreement, which attempted to strike a balance between fears of white capital on the one hand and the need for change on the other. It enfranchised the majority while safeguarding settler privileges at least for the first 10 years after independence.[107] Yet, the immediate task for the new government was considered to be the necessity of correcting racial imbalances. The early years of independence were characterised by mutual suspicion between international mining capital and government. The government accused the mining sector of 'cheating Zimbabwe of its rightful earnings from minerals' (*Financial Gazette*, June 5, 1981: 1). However, the chamber of mines persistently denied the accusations and viewed the government statements as negatively impacting on mining investment.[108] In March, 1983, the government established the Minerals

[107] The constitution stipulated that during the first 10 years, amendments concerning citizen's rights required a unanimous vote in parliament in order to guarantee and protect property rights.

[108] In an interview, the new Chairman of the Zimbabwe Chamber of Mines, Mr. Lander remarked, 'I have no doubt that these statements [by the government officials]

Marketing Corporation of Zimbabwe (MMCZ) by an act of parliament to handle all external selling and marketing of minerals (*Financial Gazette*, September 12, 1986: 12). International mining capital was opposed[109] and fearful of government control over the marketing of minerals as a first step towards nationalisation of minerals sector (Interview, Respondent no. 19, 20 June 2014).

Meanwhile, the mining sector was adversely affected by falling world demand and prices as well as increasing costs[110] and shortages of foreign currency for essential equipment and spares. Gold which by 1980 stood at US$860 per ounce had fallen to US$517 per ounce within a year by 27 January 1981. Similarly, copper, cobalt, silver and nickel prices were also falling (*Financial Gazette*, January 30, 1981: 12). Only tin, chrome, coal, iron and asbestos recorded slight increases in value. Overall earnings from Zimbabwe's mineral production dropped by US$25 million from 1980 to 1981(*Financial Gazette*, February 19, 1982: 9). The falling commodity prices threatened viability of most mining companies and the manufacturing industries in the face of a government prize freeze[111] and an increasing cost of labour[112] (*Financial Gazette*, September 24, 1982: 1)

The state took steps to acquire struggling mining companies ostensibly to save employment as well as strategic mining companies such as to coal protect the national interest. This strategy reflected the continuity with developmental interventionism, albeit racially limited, inherited from the colonial state. In 1983, the state established the Zimbabwe Mining Development Corporation (ZMDC) to invest in the mining industry on behalf of the state. Among other things, ZMDC was to oversee and

---

are affecting prospecting and willingness to invest' (*Financial Gazette*, June 5, 1981: 1).

[109] Two major foreign mining groups, one from West Germany and the other from America threatened withdrawal, while two Swedish withheld their planned investments following the moves to establish MMCZ (*Financial Gazette*, December, 18 1981:1). Similarly, the chamber of mines expressed concerns over the new law.

[110] The government increased the minimum wage to improve the working conditions of workers.

[111] In 1982, the state introduced a 'price freeze' and mooted the formation of a Price Control Board as part of interventionist measures to curb rising prices (*Financial Gazette*, February 19, 1982: 1).

[112] Wages in the mining industry in 1980 were recorded as being about Z$116 million rising to Z$158 million in 1981 and Z$200 million by 1982 (Financial Gazette, 12 November 1982: 3).

support the development of the mining industry through prospecting, beneficiation and providing support to mining cooperatives and start up individual or group ventures. ZMDC interests included 100 per cent of the voting shares of the Mining Promotion Corporation (geological exploration) and Peneast Mining Corporation (gold). In November 1984, the corporation acquired the troubled Messina Limited's mining interests in MTD (Mangula) Limited, Lomagundi Smelting and Mining (Pvt) Limited, MTD Sanyati Limited, and MTD Management Services. The Zimbabwe government also bought controlling shares in Kamativi Tin and Hwange Coal Mines, regarded as strategic for energy generation and rail-transport.

Nevertheless, although the government evinced mistrust towards international mining capital, the relationship was not entirely antagonistic. The state pursued developmental interventionism through the provision of incentives: bailout packages and loan grantees. In 1982, the government set aside Z$50 million to help the mining industry through provision of loans. The government provided a loan of Z$2,7 million to the Rio-Tinto group, Empress Mine, Z$6 million each to Anglo American's Bindura Nickel and Zimbabwe Alloys and Z$10 million loan guarantee to MTD Mangula (*Financial Gazette*, April 04, 1982: 1). The relationship with local mining capital was not supportive. The state closed opportunities for indigenous participation as the ruling elite feared development of an independent indigenous class that could pose a threat to its political ambitions. Remarks by a local mining entrepreneur, Mr. Clement Landberg, bemoaning frustrations at the lack of government support are revealing:

> I was told at a recent small-miners meeting that investors are coming from France. This is all waste of time. I have been hearing this sort of thing for the last two years. Government has no money. They say carry-on on your own, but I bet that when I start bringing the emeralds out, they would want a cut of the action. The MMCZ is more keen on selling the stuff than on helping to produce it (*Financial Gazette*, November 21, 1984: 6).

The state chose an alliance with international mining capital while both small-scale white capital and entry of blacks received only reluctant support, which undermined the development of domestic capital. Although, ZMDC was tasked to facilitate, inter-alia, the provision of support to mining cooperatives and the start-up of individual or group ventures, the corporation lacked resources to support small-

scale miners. By suppressing small-scale miners and the entry of new black players, the state not only undermined the vital role of domestic capital in emulating the 'triple alliance of the state, domestic and international capital' [113] as a vital source of transformative capital but also exhibited predatory behaviour in repulsing potential threats to ruling elite power interests.

In the 1990s, as part of the broader neoliberal reform agenda the state instituted reform measures to attract Foreign Direct Investment, notably amendments to the Mines and Minerals Act to provide for special mining leases. The measures yielded favourable investment responses. Substantial investments in the gold sector during the 1990s lifted Zimbabwe into the world's top ten producers. In 1995 Australian mining giant BHP Inc. was given a special lease and formed Hartley Platinum Mine to mine in Selous, about 60 kilometers southwest of Harare. Reunion Mining also started copper production at Munyati Copper Mine while Ashanti Gold Fields took over Freda Rebecca gold mine. In addition, renewed interest in ferrochrome, and a large greenfields investment in platinum – the second largest foreign direct investment since independence at more than half a billion US dollars – helped boost capital inflows into mining exploration, mine commissioning and production expansion (Saunders, 2008). Plans for other major investments in coal and thermal power generation were also developed, including a US$160 million Sengwa Coal Field project led by mining major Rio Tinto. Data from the Zimbabwe Investment Authority (2011) shows that in 1995, a record 36 new mining projects were approved. Table 6.2 shows Zimbabwe mining investment in the 1990s.

Table 6.2: Zimbabwe mining investments in the 1990s

Investment	**Source Company**	**Source Country**	**US $m**	**Year**
Hartley Platinum Mines	BHP	Australia	500	1998
Turk Mine	Casmyn Corporation	Canada	30	1995
Eureka Gold Mine	Delta Gold	Australia	24	1998
Indarama Gold Mine	Trillion Resources	Canada	15	1998
Jena Gold Mine	Trillion Resources	Canada	12	1991
Rio Tinto Zinc Corporation	Rio Tinto	UK	5	1994

[113] Term used by Peter Evans 1979 to explain the role of the state, local and international elites as a source of capital in the structural transformation of Brazil.

Chaka Processing Plant	Delta Gold	Australia	3	1998
Bubi Gold Mine	Anglo American	SA	2	1997

Source: Business Map SADC FDI Database (Johannesburg).

The reform measures also envisioned small-scale mining operations as part of mitigating short-term socio-economic effects. The state viewed small-scale mining as an important sector in providing solutions to the unemployment problem. Financial incentives to support small-scales mines were made available through the Mining Industry Fund. With technical assistance from the University of Zimbabwe department of engineering, Rural District Councils (RDCs) were given the right to issue gold panning licenses over 100 metre long stretches along rivers. However policy was biased towards promotion of cooperatives through Zimbabwe Mining Development Corporation support, which however failed due to lack of management and technical capacity of the Rural District Councils. Though the programme was a viable option, in terms of broadening indigenous economic participation its failure reflected half-heartedness on the part of the state to develop an autonomous indigenous class. Ultimately the success of any policy or programme hinges on the implementation capacity of the agent, which the state failed to provide. The failure of the programme triggered unregulated mining on disused pits and undesignated areas with disastrous social and environmental consequences.

In response, the state criminalised panning. A report by the Zimbabwe Republic Police, indicated that the year 1991 recorded a 52,6 per cent increase in accused persons arrested for gold offences, compared to 34 per cent in 1990 and less than 25 per cent before 1989 (*Financial Gazette*, February 6, 1992: 8). The report estimated that the country was losing Z$100 million a year through illegal gold trafficking. The increase in gold crimes was attributed to an increase in mining operations and a drastic upsurge in legal and illegal panning. By the 2000s, informal mining provided a vital accumulation avenue when most economic opportunities dried up especially for the rural poor. This avenue later proved important to serve the accumulation needs for the ruling party's important constituencies, political elites and security arms to ward off opposition from the newly formed formidable opposition Movement for Democratic Change (MDC). Deepening economic crisis triggered dramatic ruling party loss of popularity in the late 1990s. The state allowed growth of

informal mining to serve survivalist needs of ruling party supporters and key rural constituencies in order to regain support.

As the economy imploded, growing political threats to the ruling party increased the importance and power of the military to control citizens and opposition. Declining domestic opportunities to reward the securocracy meant that more resources should be mobilized from elsewhere. The decision by the Zimbabwean government to intervene in the DRC epitomised the shift towards predatory accumulation to provide accumulation opportunities for the political and military elites. In 1997 the Zimbabwe government decided on a costly[114] and controversial military intervention at a time the government was barely supporting its struggling productive sectors and social welfare obligations in health and education. Horace Campbell (2003: 231) notes that:

> the crisis of the government in all its spheres of operation lent a special importance to the military…In this sense, the war in the DRC and the land invasions to seize the property of commercial white farmers [discussed in chapter five] represented two poles of a military strategy by an aspiring capitalist class willing to use warfare, coercion and violence for its growth and consolidation.

The Zimbabwean military was involved in a network of opaque dealings in alliance with ZANU-PF political elites and its holding company, ZIDCO,[115] and former Rhodesian white capital[116] through a commercial arm, Operation Sovereign Legitimacy (OSLEG). The company was in a joint venture with Comiex-Congo, a Kinshasa based company whose main shareholder was Laurent Kabila, then president of the DRC. According to Global Witness (2002) Operation Sovereign Legitimacy Directors included Lt. Gen. Vitalis Zvinavashe, Job Whabira (then permanent secretary of the Ministry of Defence), Onesimo Moyo, the Director of the Minerals

[114] Simba Makoni then Minister of Finance reported to parliament that the government had spend about US$200 million on its military intervention in the DRC in two years between 1997 and 1998 (Ministry of Finance, Budget Statements, 1997; 1998).

[115] ZIDCO owned 237,000 shares of Oryx diamonds, a partnership between Oryx Natural resources, Operation Sovereign Legitimacy and ZIDCO.

[116] The Zimbabwean government was working with Billy Rautenbach and John Bredenkamp, who had a long history of sanctions busting business connections with the Rhodesian and South African apartheid regimes.

Marketing Corporation of Zimbabwe and Isiah Ruzengwe, the General Manager of the Zimbabwe Mining Development Corporation. The joint venture is known as COSLEG (Pvt.) Ltd had interests in mining and timber logging. A United Nations Report listed the Zimbabwe Army Commander, General Vitalis Zvinavashe and parliamentary speaker Emmerson Mnagagwa amongst 54 top individuals responsible for looting minerals during the conflict in the Congo (UN, 2002). After failing to raise capital[117] required for formal large-scale mining operations the Zimbabwean military capitalist elite formed a subsidiary timber company, Sobeco to carry-out timber logging operations over a 34 million hectare area (Campbell, 2003:244). The forests were designated by the United Nations as one of the most important forests leading to international condemnation for harming the environment and biodiversity.

Zimbabwe's promising growth in the mining sector was shattered by the economic and political crisis that ensued in the late 1990s as the state deepened predation. The jettisoning of neoliberal reforms towards capricious policies to pacify discontented war veterans and the military intervention in the Democratic Republic of Congo that served the accumulation needs of a politically connected capitalist class and the military epitomised the shift towards predatory behaviour. The supportive incentives such as mining bailout packages and loan guarantee schemes that helped the mining industry during the global minerals depression all vanished as the economic situation deteriorated. Meanwhile, the very policy shifts associated with structural adjustment that had facilitated a favourable business climate for new mining investments had simultaneously harmed a growing proportion of the masses still marginalised from the economy, predating Zimbabwe independence. ZANU-PF's loss of popular support soon triggered the emergence of strong political opposition emboldened by the deepening decline of ordinary Zimbabweans' living standards and frustrated liberation hopes.

To conclude this section: it is interesting to observe that predation seems to result from political threats and loss of economic performance. This is different than other predatory states, such as DRC under Mobutu where predation was built from the

[117] The Zimbabwean capitalists tried unsuccessfully to raise capital to finance their ventures on international capital markets including the London Alternative Investment Exchange (Campbell, 2003: 241-2).

absence rather than the presence strong of opposition. The Zimbabwean state increasingly became predatory in part due to dynamics in society, economy, and the state.

Post 2000 Crisis, Mining and Accumulation

The state's deepening predatory shift in the late 1990s, notably the costly DRC intervention to reward the military and unbudgeted lump sum pay-outs to reward the war veterans, played havoc with the country's macroeconomic indicators. The state lost control as soaring inflation, increasingly unstable power supply, rising fuel costs and skills flight made economic production planning precarious. Mining and industry grappled with the increasing costs of production and shortages of foreign currency. By 2000, a number of mines closed down at the height of the crisis, including the copper producers at Mangula, Alaska and Sanyati and the Epoch and Madziwa nickel mines. The Railway Block high-grade chromite mine closed down as well as the Dalny-Venice-What Cheer group of gold producers and the smaller Gaika, Motapa and Royal Family gold mines (Hawkins, 2009). The original BHP Platinum mine at Selous, which opened in the late 1990s, also closed down. The plant was subsequently restructured for the opencast mining at Ngezi, while Murowa (the Rio Tinto group) and River Ranch maintained minimum production levels.

The predatory state can go too far and annihilate its own capacity for predation. The economic crisis severely degraded the capacity of the state to meet basic obligations: basic public and social services and paying civil servants a decent wage. The closure of companies led to declining production, national output and revenue. Gold official production figures slumped from a peak of 27 tonnes in 1999 to 18 tonnes in 2001 and 12.5 tonnes in 2003, with critical consequence on the economy after the collapse of agriculture in the late 1990s (Robertson, 2011). Gold alone accounted for one-third of foreign currency earnings and more than 50 per cent of mineral production. Other traditional mineral sectors also receded, affected by the same combination of rising production costs, materials shortages, degraded infrastructure, skills flight and low realised returns due to distorted exchange rates. 'Copper production collapsed from about 15,000 tonnes in 1990 to barely 2,000

tonnes in 2001; and ferrochrome, which peaked in 1995 at nearly 300,000 tonnes, fell to 218,000 tonnes ten years later' (Saunders, 2007:3). Meanwhile, exploration spending, a critical indicator of future investment intentions and production potential, also suffered (Saunders, 2008). It peaked in 1996 but quickly dried up, with no new significant internationally financed exploration materialising into the first decade of the new century – a period in which neighbouring mineral-bearing countries witnessed high growth in exploration spending.

With the deepening crisis, the state deployed violence and coercion towards autonomous informal panners while creating accumulation avenues for ZANU-PF supporters, political elites and security arms of the state. Shoko (2002) estimates the number of those involved at over 500 000. According to UNIDO (2007), by 2008 some two million Zimbabweans were dependent on artisanal and small-scale mining and perhaps even more today. Policy implementation tended to be haphazard, inconsistent and election driven. In between the election, the police indiscriminately raided artisanal small-scale miners (both registered and unregistered). Methods used are brutal and miners are often killed or injured in the process (Mawowa, 2008). Between 2006 and 2007, over 26,000 miners were arrested during state clampdown operation known as *Chikorokoza Chapera* (translated to mean 'informal gold panning has ended') (*Zimonline,* May 14, 2007). Members of the military police, soldiers and the prison service carried out these operations jointly. Hostile state interventions forced miners (small-scale and informal) to either suspend operations or join ZANU-PF political elites and security agents for protection. Informal markets and smuggling increased. The Reserve Bank of Zimbabwe estimates that between 2002 and 2007 gold worth US $400 million (15 tonnes) was being smuggled out of the country annually (Gono, 2007).

Yet far from deterring informal and illegal mining, police were forming joint syndicates with ZANU-PF linked informal miners even in restricted zones. In Mazoe River, despite banned riverbed mining, policemen worked with ZANU-PF youths involved in informal panning along the river and some would go as far as providing metal detectors used to locate lumps of alluvial gold and share proceeds (Field observations, June 2014). Interviews during fieldwork revealed how top ranking

ZANU-PF politicians were running syndicates of informal gold miners. A senior government minister was cited by one respondent as being involved with extended networks from informal gold mining, milling and buying syndicates. The First Lady, Grace Mugabe also elbowed out a small-scale miner in Mazoe close to her farm following a gold rush in the area after reports that the miner was realising in excess 10 kilogrammes of gold a day. Although the miner held legal claims, he was evicted and police were guarding the area (Interview Respondent, no. 12, 24 June 2014). Another interview respondent revealed that the first Lady's son had now taken over mining in partnership with the Chinese (Interview Respondent no. 11, 18 July 2014). Meanwhile, victims have often acquiesced even in full glare of breakdown of rule of law and selective prosecutions in which the politically powerful have emerged untouchables.

Indigenisation and Mining Accumulation

In 2008, just before the landmark Zimbabwe national election, the state passed the indigenisation law in parliament. In the subsequent election, ZANU-PF for the first time in its history suffered electoral defeat by the opposition, MDC-T albeit without sufficient margins. Thereafter the opposition candidate, Morgan Tsvangirai withdrew from the run-off election citing violence. Following a series of settlement negotiations, ZANU-PF reluctantly accepted a coalition government with erstwhile adversaries, the two MDCs. Despite the MDC-T winning majority parliamentary seats,[118] ZANU-PF dominated the coalition government.[119] In essence, ZANU-PF dominated state and policy making. The state deployed the indigenisation and empowerment programmes to provide avenues of accumulation for the ruling ZANU-PF, politically connected business and military elites in collaboration with South African and Chinese capital while autonomous indigenous capital was eschewed. The consequences of indigenisation for the manufacturing and other non-commodities sectors were dire. Whereas the mining sectors offered attractive return in the context of a commodities boom and increasing Chinese appetite for minerals, the

[118] The Movement for Democratic Change won 100, ZANU-PF 99.

[119] ZANU-PF controlled all key security and policy organs in the allocation of ministerial portfolios under the Inclusive Government, except the Ministry of Finance.

manufacturing sector was hard hit by lack of capital as investors feared appropriation of their investment. By 2007, industry and manufacturing capacity utilisation[120] stood below 10 per cent (Shumba and Jahed, 2012: 155).

Saunders (2008: 71) observed the emergence of new wave of foreign mining investment:

> fuelled by a potent mixture of capital raised in South African and international finance markets; the political protection (real or imagined) afforded by the South African government and other regional political elites; a declining appetite for non-core assets held by major mining houses; and the availability of both established and recently developed mineral resources, particularly some large and mostly untapped platinum deposits.

Mzi Khumalo, a high profile empowerment entrepreneur from South Africa, became a Zimbabwean player when his Metallon mining group acquired Independence Gold Mines in 2002, in a deal that saw the marginalisation of Metallon's prospective Zimbabwean partners and led to a series of bitter lawsuits. In another deal, Mmakau Mining, headed by Bridgette Radebe, wife of South African Transport Minister Jeff Radebe took over Eureka gold mine from Placer Dome SA and promised to bring in a Zimbabwean black empowerment junior partner (*SAPA*, 18 July, 2005). This demonstrates that far from the stated goal of empowering Zimbabweans, the state preferred an alliance with 'trusted' foreign capital which would not threaten the ruling ZANU-PF interest than empowering autonomous indigenous capital which may threaten the interests of the ruling party in the future. Fear of autonomous centres of power thus remains one of the major impediments to the construction of a developmental state. By working to systematically weaken opposition, civil society and autonomous business the state undermined the infrastructural power to achieve development.

China also emerged as a key minerals player in Zimbabwe in the 2000s. In 2006, a US$1.3 billion contract for coal mining and thermal generation construction

[120] Capacity utilisation is a concept in economics that refers to the extent to which an enterprise or a nation actually uses its installed productive capacity as opposed to the potential output which 'could' be produced, if capacity was fully used (Berndt and Morrison, 1981).

was negotiated with China Machine Building International, and a chrome mining partnership was established between the Zimbabwe Mining Development Corporation (ZMDC) and Beijing's Star Communications, bankrolled by Chinese funds. Then in 2007, Sinosteel bought a controlling stake for US$200m in the Zimbabwe Mining and Smelting Company (Zimasco), the leading Zimbabwean ferrochrome producer and fifth largest in the world, (*China Daily*, 21 December, 2007). The public encouragement by the Zimbabwean government of Chinese investment as an alternative to the politically constrained western markets signaled the appearance of a new pattern of mine financing (Saunders, 2008) and a new pattern of development away from the ideals of democratic accountable and representational state towards authoritarianism, as the Chinese government does not insist on democratic values. Instead the Chinese believe that democracy might not be right for Africa and authoritarian leaders might be better.[121] With promising Chinese investments, the Zimbabwean government could wantonly abandon its ostensible commitments to the rule of law.

A few notable investments by Zimbabweans included businessmen with strong connections with the military and ZANU-PF political elites. For example, Mwana Africa included among its founding directors Oliver Chidau, a wealthy Zimbabwean businessman with strong political connections with ZANU-PF. The mining house bought a 53 per cent stake from Anglo American in 2003 in the large Bindura Nickel operation in the wake of simmering conflict among local business factions for control of the nickel mine. They brought in a ZANU-PF stalwart, Retired Air Chief Marshall Josiah Tungamirai, to the reconstituted Bindura board and prominent state-linked businessman, Muchadeyi Masunda. In 2005 Mwana Africa added AngloGold Ashanti's Freda Rebecca mine to its stable and also took over Cluff Mining Zimbabwe. As part of the Freda Rebecca sale agreement approved by government, Mwana Africa undertook to sell a 15 per cent stake to a Zimbabwean investor, although this had still not happened by 2014.

[121] Speaking at a Southern Africa Political Economy Series (SAPES) workshop, in Harare on 6 May 2014 at the Crown Plaza Hotel, Lin Lin, the Chinese Ambassador to Zimbabwe, indicated that China does not believe in calls for the standardisation of democracy as the right formula for Africa. China recognises that countries may pursue different models other than standardisation of democracy as the only way of governing societies.

Meanwhile, indigenous Zimbabwean investors who fell out with the ruling elite were punished and prosecuted. The ruling elite abused state power and violence to assert its control over society and business. Political control of the judiciary through targeted deployments—discussed in chapter five—ensured selective application of the law. Only those who lost favour were prosecuted. Mutumwa Mawere, an indigenous mining magnate initially exploiting strong links with ZANU-PF relied on government guarantee and creative financial structuring to purchase a controlling shareholding in Shabanie Mashaba asbestos mines in the late 1990s. However, when he fell out with the ruling party, Mawere's empire collapse was ensured by the withdrawal of political support and prosecution for various alleged crimes.[122] The one-time empowerment hero, recast by government as a criminal, went into self-imposed exile in South Africa fearing arrest in Zimbabwe. His Shabanie assets were seized by the state. Meanwhile ZANU-PF linked businessmen involved scandalous pillaging of public funds in the banking sector (discussed in chapter seven) were allowed to walk scot-free. Indigenous Zimbabweans' empowerment deals were increasingly tied to and dependent upon powerful political connections in the party – especially those with military and security connections. The violations of the rights to property undoubtedly impacted negatively on the country's investment climate outside the 'trusted sources' that banked their investment security through political relationships such as the Chinese and South African investors. Mainstream analysts have noted that despite the deepening crisis and obstacles for capital in Zimbabwe, some perceived form of residual protection from the South African government could explain the presence of dozens of South African investors (Games, 2004a; 2004b).

In terms of indigenisation and empowerment, demands that mining giants take on local partners lacked a clear and enforceable policy. The state was equally rendered vulnerable by its bankruptcy and desperate need for foreign exchange-yielding mineral exports. At Zimplats, owner Implats' engagement with three successive sets of local partners nominated by government—whose key assets

[122] Mawere was specified for allegedly externalising foreign currency, converting Zimbabwe dollars into foreign currency without going through the Zimbabwe Central Bank, as required.

appeared to rest on the strength of connections and influence—each collapsed because the company required bankable financial commitments from any future partner. Zimplats proposed domestic participation by means of the listing of some of its shares on the Zimbabwe Stock Exchange, but government rejected the idea. In early 2013, attempts at negotiated restructuring through vendor financing were hampered by corruption revelations in a scandal that became known as the Niebgate scandal. The deal negotiated by Brainworks (Pvt) Ltd[123] would see the government of Zimbabwe getting a 10-year loan from Implats to buy the 51 per cent share ownership in Zimplats that will be repaid through dividends. The government eventually rejected the idea as it turned out that shareholding transfer depended on the declaration of dividends, so if the company made losses the government will emerge heavily indebted.

Despite the indigenisation and empowerment rhetoric, the state favoured investment from 'trusted' regional and international capital taking up majority shareholding contrary to the indigenisation law. South Africa's platinum mining giant with probably the biggest mining investment in the country successfully negotiated its way to resist indigenisation. This was facilitated by the government being prepared to tamper with important foreign exchange earnings from at a time when the fiscus was severely constrained. Documented indigenisation deals showed that regional South African and international Chinese capital were the major beneficiaries (Saunders, 2008), in partnership with the state and ZANU-PF politically connected business and military elites while autonomous indigenous capital was marginalised. The ZANU-PF government would not demonstrate greater commitment to democratic and accountable forms of governance given that the preferred Chinese investment partnership does not subscribe to the values of democratic governance. The implications will be far-reaching. It will be difficult to envisage how the new investment patterns and development trajectory will foster greater transparency and accountability in the management of natural resources.

[123] A little known company called Brainworks (linked to then ZANU-PF minister responsible for indigenisation, Saviour Kasukuwere) was reportedly awarded a US$100 million deal to negotiate a restructuring deal with Zimplats and other mining houses without going to tender (*Daily News*, 17 February 2013).

Marange Diamonds and Militarised Accumulation

In the diamonds-mining sector, the state deployed violence and coercion ostensibly to stamp out informal and illegal diamonds trade following a frenzied diamond rush, which started in 2006 after the discovery of alluvial diamonds in Marange (appendix 2). Operation Hakudzokwi or 'You will not return' in the autumn of 2008 resulted in the killing of over 200 and wounding many more artisanal miners (*Human Rights Watch*, 2009). Meanwhile, the predatory state appeared to be losing way to an avaricious ruling class deploying violence for its own interests. There were soon allegations that soldiers, too, were digging in the secured zone, and that senior ZANU-PF and military elites were involved in illegal mining syndicates and trade. For example, Perrance Shiri, Commander of the Zimbabwean Air Force, and cousin to Robert Mugabe, deployed his own agents involved in illegal informal mining and trade (*ZimDaily,* October 6, 2008). Allegations of smuggling[124] and corruption at Marange fingered senior politicians in ZANU-PF including Mines and Mining Development Minister Obert Mpofu whose business empire instantaneously sprouted. In a deal which raised much public interest, Mpofu bought an ailing Zimbabwe Allied Banking Group (ZABG) for $27,8 million in cash. Subsequently, the World Diamond Council called for an investigation into the Zimbabwe diamond mining industry. As early as 2007, the Kimberly Process (KP) announced that some diamond exporters in Zimbabwe were under investigation. In their 2009 report Partnership Africa Canada (PAC) concluded that the Zimbabwean diamonds were not 'clean' on the basis of human rights abuses and illicit trade dealings.

In the subsequent restructuring, the first to receive concessions were Chinese companies, Anjin Investments (see also appendix 3) and Sino Zimbabwe Development (Pvt) Ltd working in close connection with ZANU-PF political and security elite and Marange Resources (Pvt) Ltd, wholly owned by the parastatal, the Zimbabwe Mining Development Corporation (ZMDC), chaired by retired Colonel Tshinga Dube (*Financial Gazette,* 11 April 2012). In its detailed report, Global Witness (2012) revealed how members of the Central Intelligence Organisation and

[124] In February 2007, the governor of the Reserve Bank of Zimbabwe (RBZ), Gideon Gono speculated that the country was losing between US$40 million and US$50 million per week through the smuggling of gold, diamond and all precious minerals (*New Zimbabwe.com*, 11 December 2009).

military were directors of a group of companies, Sino Zimbabwe Development and Anjin respectively. Three members of the Central Intelligence Organisation who sat in the Sino Zimbabwe Development (Pvt) Ltd board included; Dr. Gift Kalisto Machengete (Director, Finance and Administration), Pritchard Zhou and Masimba Ignatius Kamba (Director - Finance). Global Witness identified that a senior military lawyer in the Ministry of Defence, Brigadier General Charles Tarumbwa, held 50 per cent of Anjin's shares, while the permanent Secretary of the Ministry of Defence, Mr. Martin Rushwaya also sat on Anjin's executive board. Other members of the Anjin executive board included;

1. Mr. Oliver Chibage, a commissioner in the Zimbabwe Republic Police (ZRP),
2. Ms. Nonkosi M. Ncube, a commissioner in the ZRP,
3. Mr. Munyaradzi Machacha, a ZANU-PF director of publications,
4. Mr. Mabasa Temba Hawadi, a director of Marange Resources (Pvt) Ltd, a subsidiary of the ZMDC,
5. Mr. Morris Masunungure, a current or retired officer in the Zimbabwe Defence Forces (ZDF),
6. Mr. Romeo Daniel Mutsvunguma, a retired colonel in the ZDF alleged by Human Rights Watch to have participated in violence in 2008.

The Registrar of Companies records show that 50 per cent of Anjin is part owned and controlled by the Zimbabwean Ministry of Defence, military and police. A letter (attached in the appendix 4) shows Commissioner General, Augustine Chihuri applying for a diamond-mining license in Chiadzwa through a company identified as Security Self Reliance Enterprises (Pvt) Ltd, demonstrating the level of involvement of the country's security services sector in the controversial diamond mining activities. The nature of diamond mining industry investment between the state and Chinese investors lacked transparency and accountability in the declaration of revenue earning from the diamond sector. In May 2013 the MDC-T Finance Minister in the coalition government complained that diamonds mining companies were not paying enough tax to the treasury, while Anjin had not paid anything since it began trading (Centre for Research and Development, Workshop, 6 May, 2013). The attendant anti-developmental accumulation patterns served the important interests of military and ZANU-PF political elites while undermining the extractive capacity of the state necessary to finance development projects. The avenue to reward the

generals with diamond mining interests was costly and beyond the inclusive government, the military jointly owned companies continued to evade statutory contributions at a time when the state fiscal capacity was severely constrained.

Conclusion

The chapter shows how developmental state features at independence gradually waned giving way to predation in the mining sectors, as the state faced increasing political threat and poor economic performance. Indigenisation produced outcomes diametrically opposite from the state's claims. New opportunities driven by the global boom of commodity prices opened up to mainly 'trusted' regional investors who did not pose a political threat. Meanwhile domestic autonomous indigenous capital was repressed and marginalised. This is in sharp contrast to the claim that the state was empowering the majority of Zimbabweans. Further, investment in the manufacturing sectors waned as investors feared compulsory take-over of their investments through the indigenisation and empowerment regulations. In the diamonds sector the security organs of the state are the notable beneficiaries in partnership with Chinese capital. Operations of diamond mining and trade were shrouded in secrecy while the diamond mining companies evaded their tax obligations to the treasury. Through the indigenisation and empowerment programs the logic of predatory accumulation extended across other viable key economic sectors: banking and finance; and transport and energy sectors and discussed in next chapters.

Chapter Seven:

The Banking and Financial Services Sector

Introduction

This chapter discusses the role of state in mediating accumulation in the banking and finance sector. It focuses primarily on the banking sector given the central role it plays in intermediating accumulation processes. The history of Zimbabwe's banking and finance sector dates back to colonial settlement in the 1900s. International banking institutions such as the Standard Chartered Bank and Barclays Bank dominated colonial state banking and financial sector, through provision of working capital to support white commercial interests in mining and agriculture. Following the Unilateral Declaration of Independence, the state imposed capital flight and exchange controls that would re-orient financial intermediation towards the country's productive sectors as part of sanctions busting strategies. The subsequent development of manufacturing significantly transformed the structure of the economy providing backward linkages and stimulating prodigious growth rates. State capacity was critical in disciplining and fostering collaborative relationships with finance capital.

For the greater part of the first decade of independence, the state maintained this skewed banking system at the expense of indigenous players (Kanyenze et al, 2011). Indeed, Harvey (1998) observed that immediately after independence, the state did not interfere significantly with key sectors like the banking system because it regarded it as an integral part of a modern business sector, whose privileges it did not dare attack for fear of outflows of capital and skilled labour. Not until the early 1990s did the banking and finance sector feature entry of indigenous players following the liberalisation of the economy and black economic empowerment initiatives. The command economy that government pursued during the first decade of independence had facilitated the emergence of a state bourgeoisie whose appetite for capital accumulation had been greatly enhanced by a decade of privileged access to various resources. The easing of entry barriers in the 1990s facilitated the first wave of an opportunistic and speculative indigenous elite into the previously closed banking and

finance sectors. In order to secure their interests, indigenous investors banked security of their business interests with granting preferential loans to the ruling elite.

In the 2000s, bank failures characterised most of the indigenous ventures as a result of poor corporate governance and the collapse of speculative bubbles under the hyper-inflationary environment. It is intriguing to note that although hyperinflation was highly unfavourable for this industry, indigenous participation actually increased. By December 2013, indigenous banks constituted 68 per cent of the total banking sector, while foreign banks stood at 29 per cent (Reserve Bank of Zimbabwe, 2013). This chapter analyses the role of the state in mediating the changing structure of the banking and financial sector in Zimbabwe. It engages connections between the state and elite accumulation in the banking and finance sectors and consequent economy-wide impacts.

The Colonial State and Banking Sector

The development of modern banking and finance in Zimbabwe dates back to the colonial settlement in late eighteenth century with the arrival of the South African based London banks and stock exchange speculators in the new colony. It was the Cape Town-based Standard Chartered Bank, originally founded with London capital, in 1860 which first descended on the colony on the back of the Pioneer Column. The close meshing of Standard Chartered Bank with Rhodes' empire is denominated in part by the bank's control of nearly all local gold assaying and purchasing in the colony. According to Bond (1998: 32), Rhodes' close personal friendship with Standard Chartered Bank's general manager, Lewis Michell, was one reason the bank opened its first branch in Salisbury just five months after the construction of a telegraph line in 1892. The bank provided two important services: an acceptable currency supply to replace the British South Africa Company's cheques (until then the chief medium of exchange) and local bank accounts which enabled savings and money circulation. The other influence wrought by financial power was the easy availability of foreign portfolio funding for the emerging local stock markets.

The Banks' speculative exploits, largely in land and gold, during this early period of colonisation would fundamentally transform the course of Southern Rhodesia's development. Until the collapse of speculative bubbles in land speculation, financiers like Standard Chartered Bank were reluctant to invest medium and long-term capital into agricultural credit. The colonial administration established a Land Bank in 1912 to provide loans for white agricultural activities. In addition to Standard Chartered Bank, Barclays Bank began operations in Southern Rhodesia in 1895. Between them, the two banks achieved such thorough penetration of white consumer banking that in 1938, the two banks in Gwelo (now Gweru) had 1,400 accounts at a time the white adult population was 1,600 (Bond, 1998: 40). Alongside providing currency and savings facilities, the banks established a symbiotic financing relationship with the state. For example the banks provided a £2 million overdraft facility to the colony's 1933 purchase of British South Africa Company mineral rights (Bond, 1998:41). By the late 1930s the two local banks were providing start-up capital to white businesses in line with the goals of the state although only limited to short-term capital, and not long-term funds (*Central Statistics Office*, 1947: 10).

Following the attainment of self-governing status, the new state introduced new financial instruments to borrow from international financiers in order to support development of white settler commercial interests. For example, the state issued £4 million in official bonds at 5.0 per cent interest (Bond, 1998:38). However, across the African continent, repayment problems were aggravated by declining value of exports. Exports declined from £179 million in 1929 to £117 million in 1931, which was barely above the nominal 1913 value (Frankel, 1938: 173). The 1933 electoral victory of white urban and agrarian populists, which signalled conflicts with powerful international financial capital interests, re-oriented the economy towards somewhat more locally controlled development. The state changed course towards aggressive interventionist measures. Notable measures included protectionism to reverse the drain of financial surpluses to the two Southern Rhodesian banks' London headquarters. Barber (1961: 166-167) noted that during 1930s-40s the lending policies of these banks were oriented towards short-term, liquid, and low-risk loans as opposed to fixed capital formation. The hostility towards international finance emerged from the high interest loan repayments and the state's lack of control over

levels and priorities of banking credit. This resulted in the first national calls for a central bank as a solution to excessive South African and London influence.

In 1952, the state responded by regulating loose credit with rigid controls to direct the banking sector to finance state defined development priorities. Notable provisions associated with the 1952 controls were summarised as follows:

> The banks have been advised to give priority to credit facilities, which will increase, or at least maintain, agricultural and mining output and also that of secondary industry. Also included in the priority class are credits, which will directly benefit the export trade, and credits designed to facilitate the progressive and orderly liquidation of existing industrial stocks... Credit will in no circumstances be made available for the carrying of supplies of non-essential imported goods, while requests by importers for finance after the placing of orders will be critically examined (Commerce, cited in Bond 1998: 66).

The Bank of Rhodesia and Nyasaland for the new Central African Federation was established in 1956 (Richards, 1956). Three other banks were later established in the colony; the Netherlands Bank of South Africa (which opened in 1951), National and Grindlays Bank (1953), and the Ottoman Bank (1958). By the end of the decade, altogether the five banks had opened 220 branches in 60 towns (Pearson and Taylor, 1963:14). A major boost to the money market was the commencement of regular government sales of Treasury Bills in 1957. Also new on the scene were a few development corporations providing medium and long-term venture financing. In 1960 the Federation also established an Industrial Development Corporation, supported by the Reserve Bank and the Commonwealth Development Finance Corporation (Barber, 1961: 167). The state also introduced supervisory controls with the Banks Act of 1956 and 1959 introducing both reserve requirements and liquid asset requirements. [125] Subsequently, the state further introduced tighter currency and exchange controls in 1961 and 1963 respectively.

---

125. Initially, for commercial banks, 8 per cent of demand deposits and 3 per cent of term deposits were to be held with the reserve bank, although the demand deposit requirement was relaxed to 6 per cent in 1960 as recession set in. Furthermore, 25 per cent of all bank assets, and 20 per cent of other financial institutions' assets, had to be in liquid form, although only from mid-1962.

Notwithstanding the fact that by 1960 annual local savings of approximately £60 million ─ representing a relatively substantial 21 per cent of Southern Rhodesia's GDP ─ were sufficient to finance 70 to 80 per cent of new capital formation, access to foreign loans was considered increasingly essential by the government (Bond, 1998:56). During the 1950s, £72 million in official debt was issued on the London bond market as against £60 million on the local capital market (Bond, 1998: 56). Total foreign and local public debt increased from £27 million in 1946 to £137 million in 1954, and two-thirds of the total domestic investment of nearly £300 million during those years was derived from international sources. In the late 1950s private corporations also became more active international borrowers, with an average of £23.5 million in net new annual foreign debt (Thompson and Woodruff, 1954: 171). Among the overseas funds were US$140 million in World Bank project loans during the 1950s and early 1960s (Bond, 1998:56). The Bank's largest single loan project ever through the mid-1950s was the US$80 million lent for the £114 million Kariba Dam (with a volume four times greater than the second biggest dam on earth at the time) (Bond, 1998:56). Roads, public works, water systems, railways, electricity, iron and steel, and a national airline all considered essential for the rapid expansion, relied on foreign funding.

New housing credit accumulation opportunities also opened in the wake of the increase in numbers of black workers in urban mining centres. This was deemed a politically essential strategy to weaken black resistance through divide and rule. The state encouraged financiers to tear down traditional barriers to black housing or small business credit although little progress was recorded on this front. As Davies and Dewar remark (1989: 48), 'what was being achieved was the co-optation of a black property owning class which would favour stability and oppose resistance to the existing social order.' Loans were also extended to black farmers although such loans would always be far smaller (at roughly £50 each) than those received by the 80 per cent of white farmers who borrowed from the Land Bank (Bond, 1998:70). This deliberate policy of squeezing of loans to black farmers was ultimately aimed at avoiding black competition with white agriculture (Davies and Dewar, 1989). However, while it was strategic to suppress black competition, the strategy concurrently harmed the development and expansion of domestic demand necessary to sustain a high growth political economy during the colonial era.

The Unilateral Declaration of Independence in 1965 featured a shift in the Rhodesian economy's general sectoral orientation of accumulation. Finance was at the heart of the shift, but this time in a dominated, not dominant way. The state introduced controls that effectively prevented capital flight including exchange control restrictions, which encouraged capital accumulation in a direction determined by the state. Handford (1976: 18) revealed how successful the countervailing efforts had been:

> When the full story of the 'whisking away' of considerably more than half of the fixed and liquid Rhodesian reserves in London is eventually told, it will read like a James Bond thriller. Weary officials of the Reserve Bank and of the Treasury regard the secret removal, only a matter of hours before the Independence Proclamation, as the auspicious start of Rhodesia's counter-attack against the British sanctions... Probably the biggest British miscalculation of all was on the extent of the funds, which would be available once money was bottled up inside Rhodesia through the operation of the closed economy.

Exchange controls trapped not only local financial resources and the profits of multinational corporations, but also existing bank deposits of non-residents, which by the late 1970s accounted for a third of the stock of surplus funds that banks had available for loans. According to Clarke (1980: 325), the system of financial autarchy was in place convincingly by the late 1960s:

> The controls worked, especially when combined with buoyant growth conditions in the economy associated with high net white immigration (and rising mortgage demand), rapid industrial development through diversification (and demand for hire purchase and leasing facilities), and expanded primary sector output. All these developments widened the base of the institutions, led to diversification within them, increased intra-sectoral linkages and flows, and strengthened the financial sector's structure.

The success of the strategy hinged on state planning capacity to direct investment in a manner conducive to development. The Reserve Bank assumed responsibility for overall coordination of exchange control in 1965. With financial capital under the firm control of the state, it was the resurgence of manufacturing ─ responsible for a quarter of national output by that stage ─ that powered the 1966-74 boom in which annual national output growth averaged 9.5 per cent. It is important, however, to understand some of the preconditions for this centrally-directed economic

dynamism: the powerful yet flexible state economic policy apparatus, the cohesion and class solidarity of industrialists, existing manufacturing production overcapacity, and the availability of cheap, repressed labour (Bond, 1998:86). South African banks offered support in the evasion of sanctions and in lubricating anonymous trade (Clarke, 1980: 104), while London's *Sunday Times* investigations also established that from 1972, imports of steel-making equipment were being financed by Swiss and Austrian banks.

Short and medium-term cooperation between the state and the major financial institutions was an integral component of initial post-Unilateral Declaration of Independence economic successes. 'British-controlled banks in Rhodesia, presumably not wishing business to foreign banks, put their foreign currencies in South Africa before the Unilateral Declaration of Independence, and it appeared that this helped them to extend credit against blocked accounts in Southern Rhodesia,' (Handford 1976: 18). In the words of top Barclays bank officials (Crossley and Blandford, 1975: 251-252), 'Unilateral Declaration of Independence had in effect been anticipated and made no change in the administration of the bank's affairs save that London could no longer approve nor reject proposals put forward by Salisbury.' Similarly Seidman (1986: 65) also notes, 'the foreign banks became more closely interlinked, not only with each other but also with other financial institutions, on account of their collaboration in the face of United Nations sanctions, to mobilise locally generated investable surpluses, primarily to finance the transnational corporate affiliates expanding activities in the modern sector.'

The manner in which the state intervened to stimulate production across the key economic sector during the Unilateral Declaration of Independence is worth some comment. From late 1965, the state focused unprecedented resources on controlling external account balances, encouraging immigration of skilled white males, ensuring labour market stability, cementing land inequality, expanding police and military control, and subsidising all manner of white business ventures. This entailed waiving overseas firms' production rights, licensing arrangements and trademarks, as well as other constraints against technology transfer. The state spending also included new investments in transport (especially rail and airlines), energy, posts and telecommunications, and purchasing and marketing authorities (Kadhani, 1986:

104-105). The combination of state controls, public works programmes and aid from neighbouring states, including sanctions-busting transport arrangements, loans and other assistance from South Africa and Portuguese-ruled Mozambique enabled the regime to navigate the impact of sanctions and war until the country's independence in 1980.

The Post –Independence State and Banking Sector: 1980 – 1990

At independence in 1980, Zimbabwe had a sophisticated banking and financial market inherited from the colonial era, with commercial banks mostly foreign owned and a central bank that had been inherited from the Central Bank of Rhodesia and Nyasaland at the winding up of the Federation. Suspicious of international finance capital and yet recognising its significant economic role, the state did not seek to interfere with the banking and finance sector. Instead state intervention was aimed in part at buying a small piece of the banking system through state shareholding with limited attention directed at providing policy instruments to expand financial intermediation and access for previously marginalised indigenous black capital.[126]

The state acquired Nedbank's 61 per cent majority interest in Rhobank in a deal which observers saw as a 'generous takeover offer'[127] (*Financial Gazette*, January 30, 1981: 12). The state in 1981 also partnered with the Bank of Credit and Commerce International acquiring a 47 per cent shareholder in the local subsidiary (Bond, 1998: 135). The bank was later taken over by the state and renamed the Commercial Bank of Zimbabwe when the Bank of Credit and Commerce International collapsed in 1991 over allegations of continent-wide unethical business practices. The state also gained a leading stake in Fidelity Life Assurance of Zimbabwe in 1988 following the sale of shares by Legal and General Society of London through the state-owned Zimbabwe Reinsurance Group. In addition, the state initiated the Zimbabwe Development Bank with a 51 per cent controlling stake in 1983

[126] At the low end of the market a Credit Guarantee Corporation was supported, though in a half-hearted manner, offering small businesses collateral to their commercial bank lenders (Bond, 1998: 135).
[127] The government of Zimbabwe bought 4, 506 878 shares at 590c (15c less than the quoted price of 605c on the Zimbabwe Stock Exchange).

to make loans to medium and large-scale businesses. Support to the Industrial Development Corporation formed by the colonial regime to advance its state capitalism projects during the Unilateral Declaration of Independence period was also continued.

The state interventions focused on ownership through the state rather than liberalising the sector for indigenous participation. In the first decade of independence, no indigenous bank was licensed and there was no evidence that the government had any indigenous economic participation reform plan for the banking and finance sectors (Masuko, 2010). Stringent laws and regulations that restricted entrance of indigenous players in the sector were maintained. As a result, the colonial structure of the financial sector remained intact, and the sector continued to be dominated by multinational banks such as Barclays Bank and Standard Chartered Bank (Makina, 2009). Indigenous blacks struggled to access business loans in part due to the racial biases embedded within the inherited white banking institutions still trapped in the colonial regime mentality and stringent lending conditions that disqualified majority new black business entrepreneurs. Black access to business finance was a long-standing problem predating independence. Even as free enterprise-oriented reforms escalated in the late 1970s, the credit barrier proved nearly insurmountable. Over a three-year post-independence period through early 1983, 'bank credit to black entrepreneurs amounted to a meagre 414 loans for Z$2.25 million (most for the retail trade)' (Chimombe, 1983: 109), accounting for less than three per cent of total loans issued. In its editorial the *Financial Gazette* (28, October, 1993) pointedly noted:

> It is increasingly becoming difficult to do business when one is black in Zimbabwe. Financial institutions, most of which are white-dominated, have used their economic power effectively. They have pulled the plugs on corporations headed by blacks and imposed onerous conditions to keep the financial tap flowing to the same executives. The effect of this has been to thoroughly humiliate black executives, most of whom have been caught by the current harsh financing environment. On the other hand handsome rescue packages amounting to spoon-feeding have been put in place for whites in similar positions. White mismanagement and general financial problems have been tolerated and encouraged through an unlimited and unconditional availability of loan funding. The banks and the white community will vehemently deny that there is racism. But this is a futile exercise. If they deny its existence then they clearly do not understand the predicament of their black countrymen.

Racial discrimination in the banking system remained a real phenomenon, though probably no more so than in other parts of the white-controlled economy. Barclays, Zimbank and Standard Chartered all eventually opened small business loan departments to serve emergent black firms, but such incremental institutional change did not make much difference. Part of the problem, it was alleged, was the race and class composition of high-ranking bank officials.[128] The claims featured prominently in several indigenous lobby group pronouncements during the period.[129] It would appear that despite indigenous black lobby pressures, reforms were stalled both by a combination of international finance capital resistance and reluctance by the state, as the ruling elite feared the development of an independent indigenous black capital that could pose a threat to its power interests. State-owned banks equally proved impotent, constrained by pathologies of patronage and corruption. For example, according to the World Bank the Zimbabwe government inherited a Development Finance Company, founded with $3 million in 1979 to make loans to black small-scale enterprises, but which 'dissipated its resources during the regime immediately preceding independence by making politically-motivated loans, many of which had to be written off' (World Bank, 1986: 5).

Constrained by a racially skewed banking system and corruption, the state failed to stir financial intermediation to support a high-growth political economy. While the money markets were awash with funds and the banks underlent, investment levels were wholly inadequate to the task of maintaining the capital stock intact, let alone generating the 200,000 new jobs needed each year.[130] Although this alone cannot explain the economic stagnation in the following decade it certainly accounts for its share of the inherent challenges constraining growth in the post-independence period.

[128] Although affirmative action facilitated greater inclusion of blacks in formal sector employment, it was largely in government where blacks accelerated faster to positions of influence. In the private financial sectors, higher positions of influence remained firmly dominated by whites. Black lobby groups advocated for institutional reform; indigenisation of shareholding and appointment of black chief executive officers and managers.

[129] For example in 1992, Strive Masiiwa, then a vigorous black empowerment campaigner, demanded that Standard Bank appoint a black chief executive arguing that the bank was too conservative (*Financial Gazette*, 12 January 1994).

[130] Estimates given by the Minister of Finance Bernard Chidzero in the 1980s (various fiscal policy statements 1981 – 1989).

Zimbabwe had posted impressive growth rates, 10.7 per cent in 1980 and 12.5 per cent in 1982, but by 1985 the economy went on a downward spiral recording declining average growth rates until late 1989 (Shumba, 2010: 2). By 1990, on the backdrop of escalating domestic and international debt, the state succumbed to pressure for economic structural adjustment reforms sponsored by the Bretton Woods institutions, the IMF and WB.

Following the adoption of the Economic Structural Adjustment Program in 1990 and the amendment of the Banking Act (24:01), the financial sector was liberalised and deregulated. Concurrently, the founding of the Indigenous Business Development Corporation (IBDC) in 1990 also increased traction for reforms to enable greater access to business loans for black entrepreneurs. Entry barriers were eased leading to increased participation of both autonomous indigenous players as well as opening avenues for politically connected accumulation. Indigenous banking entrepreneurs opted for less costly financial institutions in terms of both initial capital requirements and working capital. For example, a merchant bank would require less staff, would not need banking halls, and would have no need to deal in costly small retail deposits, which would reduce overheads and reduce the time to register profits (Business Council of Zimbabwe (BCZ), 2011). The period 1991-1999 therefore gave rise to indigenous players in the banking and financial services sector. The number of banking institutions increased from 10 before amendment of the banking act in 1991 to 30 by 1999. Table 7.1 below shows the new banking institutions formed between 1991 and 1999.

Table 7.1: New banking institutions formed 1991 - 1999

Institutions Formed[131]	**Type of Banking Institution**	**Year of registration**	**Political Linkages**
1. Intermarket Discount House	Discount House	1991	No political links established
2. Zimbabwe Building Society	Building Society	1992	No political links established
3. National Merchant Bank of Zimbabwe	Merchant Bank	1994	Founder Ariston Chambati was a ZANU-PF technocrat and later Minister of Finance
4. National Discount House	Discount House	1994	No political links established
5. United Merchant Bank	Merchant Bank	1995	Roger Boka ZANU-PF aligned businessmen closely connected to President R. Mugabe
6. Tetrad Securities	Discount House	1996	No political links established
7. First National Building Society	Building Society	1996	No political links established
8. Rapid Securities	Discount House	1997	No political links established
9. Prudential Discount House (changed name to Global Investment House in 2000)	Discount House	1997	No political links established
10. Kingdom Financial Services	Merchant Bank	1997	No political links established
11. Time Bank	Commercial Bank	1997	No political links established
12. First Banking Corporation	Commercial Bank	1997	Owned by ZANU-PF
13. Trust Banking Corporation	Merchant Bank	1999	No political links established
Metropolitan bank	Commercial bank	1999	Founded by Enock Kamushinga ZANU-PF aligned businessman close to President Mugabe

[131]Discount Houses are financial institutions devoted to trading in money market securities in the secondary market. Merchant Banks are banks that deal in (but are not limited to) international finance, long-term loans for companies and underwriting. A Commercial bank is a type of bank that provides services such as accepting deposits, making business loans, and offering basic investment products. Building societies are financial organisations, which pay interest on investments by members, and lend capital for the purchase or improvement of houses.

Institutions Closed	Year closed	Political Linkages
1. United Merchant Bank	1998	
2. Genesis Bank	1998	Linked to Saviour Kasukuwere, ZANU-PF Cabinet Minister

Source: Reserve Bank of Zimbabwe Annual Reports, Various Issues

Most of the first entrants emerged from independent bankers for example, Jeff Munzwimbo, Royal Bank founder; Nigel Chanakira, Kingdom Bank; William Nyemba Trust Bank; and Vingirayi, Intermarket. Outside this class of bankers other new players reflected the dominance of political elite connections setting the basis for predation. The state facilitated accumulation avenues for ruling party linked businessmen. For example, the first indigenous bank to be granted a commercial operating license, the United Merchant Bank (UMB) was owned by Roger Boka, a businessman aligned to ZANU-PF who built his empire initially through substantial loans from government controlled financial institutions at low rates and with almost no collateral (Companion, 2011). His empire collapsed in 1998 at the backdrop of serious maladministration and generous loans to many cabinet ministers, politburo members and other political businessmen. Although, he flouted almost all banking regulations according to the inquiry and declared a 'specified person' in Zimbabwe for having traded fake commercial paper in the name of the government owned parastatal, Cold Storage Company (CSC) and having illegally transferred US$21 million of depositors funds to his offshore personal accounts, he was never prosecuted for any charges. Instead of ensuring maintenance of law and a functioning justice delivery system the power elite captured the state to facilitate criminalised accumulation avenues with impunity.

Timebank, which also soon followed the same fate, had two ZANU-PF cabinet ministers fingered in the collapse of the bank. In its report on 'Failed Banking Institutions', the Reserve Bank of Zimbabwe (RBZ) identified the then Board Chairperson, Eng. Munacho Mutezo and Francis Nhema, former ZANU-PF Indigenisation and Empowerment Minister (also founding Managing Director of the Zimbabwe Building Society (ZBS)) as beneficiaries of loans, which partly led to the

collapse of the bank. Francis Nhema married[132] the daughter of the late Vice President Joshua Nkomo, Louise Nkomo nee Nhema. His political appointment is viewed as a way of appeasing the family of former vice-President Joshua Nkomo, who had died a year before Nhema's appointment. According to the RBZ (2005:18) report:

> Indirect and direct loans to the chairman of the board Mr. Mutezo (of Authentic Engineering) and Mr. FD Nhema (of Streisand) comprised 60 per cent and 22 per cent respectively of the bank's capital…These facilities were not performing and represented a potential loss to the bank.

Timebank exhibited analogous structural weaknesses characterised by Non-Performing Insider Loans[133] to cabinet ministers. Similar to most criminal instances where politically connected elites are involved, although its Directors were arrested, none of them were convicted. The bank was forced to shut down in 2004 at the backdrop of serious liquidity challenges.

The other banks including Zimbabwe Building Society, Genesis Investment Bank, National Merchant of Zimbabwe (later renamed NMB), Metropolitan Bank, First National Building Society and First Banking Corporation had strong ZANU-PF political support (*SW Radio Africa*, 02 August 2012).

Zimbabwe Building Society was founded by a consortium of insurance companies and what were described as unnamed businessmen and 'big guns' in ZANU-PF (Bond, 1998:142). Meanwhile, National Merchant of Zimbabwe founding chairperson, Ariston Chambati was a ZANU-PF technocrat and later Minister of Finance. Enock Kamushinda, a former ZANU-PF stalwart and close friend to President Mugabe, was founder of the Metropolitan bank (later renamed Metbank) (*New Zimbabwe,* 18 October 2013). Kamushinda was later forced out by the Reserve Bank in exchange for a $20 billion loan injection to recapitalise the bank at the height of the bank's financial troubles in 2003 (*The Zimbabwe Independent*, 16 September

[132]The marriage broke down in 2013 through divorce.

[133] A Nonperforming Insider Loan (NPIL) is the sum of borrowed money upon which the debtor, internal to the company, has not made his or her scheduled payments for at least 90 days. A nonperforming loan is either in default or close to being in default. Once a loan is nonperforming, the odds that it will be repaid in full are considered to be substantially lower (*Investopedia*).

2005). Genesis Investment Bank Limited had strong links to Saviour Kasukuwere, ZANU-PF Political Commissar and Local Government Minister. Starting as a low-ranking member of the Central Intelligence Organisation (CIO) in the late 1980's, very little is known about how Kasukuwere built his business empire. His empire included ComOil (Pvt) Ltd, an oil procurement company, Migdale Holdings ltd and Allen Wack and Shepherd. His bank voluntarily surrendered its banking license in 2012 after the bank failed to meet capital requirements. ZANU-PF also owns shareholding in First Banking Corporation through one of the party's investment vehicles, Zidlee Enterprises, which also controls the duty free shops at the Airport of Zimbabwe, (*Nehanda Radio*, 26 June 2012).

Therefore, beyond economic liberalisation and the call to facilitate indigenous participation, the opening up of the banking sector set up gateways for predation. These observations run against the commonly held logic that liberalisation reforms will limit the state and erode the excesses of the ruling elite through market competitiveness. As Fatton (1992) has argued, it is more likely, that the ruling elite will be reluctant to adopt principles of market rationality when they know fully well that their continued capacity to rule depends on their use of the state as a predatory means to acquire wealth and build political clienteles. Consequently, neo-liberal reforms rather than an omnipotent panacea provided opportunities that set up the basis and consolidation of predation in Zimbabwe. The ruling elite took advantage of the liberalisation reforms to facilitate entry of politically connected players into the country's banking sector. Further, in response to loss of popular support and increased resistance to increased food prices, the state deepened patronage and violence.

The Crisis and RBZ Quasi-fiscal Operations: 2000-2007

In response to deepening economic crisis marked by an acute fall in production levels, shortage of basic commodities and constrained fiscal space, the state through the Reserve Bank of Zimbabwe launched highly inflationary quasi-fiscal operations.[134]

[134] Quasi-fiscal facilities were highly inflationary as they were largely financed from money printing thus driving money supply growth to unprecedented high levels.

The country exploded into hyperinflation[135] as money growth accelerated while national output declined. The appointment of Gideon Gono to the helm of the central bank in 2003 after the controversial 2002 presidential elections was largely seen as highly political within the finance sector (Interview, respondent no. 10, 27 March 2014). Gono's credentials were affixed largely to his relations as personal banker and financial advisor to the first family. His appointment was seen as ensuring much needed control over the financial sector and the central bank printing press at time of severe economic depression and depleted fiscal capacity. President Mugabe's open criticisms of then Minister of Finance, Herbert Murerwa, arguing for tighter control of the printing press, signalled ZANU-PF's insatiable appetite for seignorage power. Table 7.2 below presents a summary of the Reserve Bank quasi-fiscal facilities between, 2000 and 2007:

Table 7.2: Reserve Bank of Zimbabwe quasi-fiscal operations 2000 - 2007

Productive Sector Facility (PSF), 2000	The PSF was initially introduced in 2000 to support the Export and Productive Sectors of the economy, of which the agriculture sector would receive 35.5 per cent. The facility was extended to other sectors of the economy in 2004. The interest rate on the facility was initially hugely subsidised.
Parastatals and Local Authorities Reorientation Programme (PLARP), 2005	The Parastatals and Local Authorities Reorientation Programme (PLARP) was introduced in 2005 in order to improve the viability and efficiency of parastatals and local authorities within the auspices of the envisaged turnaround programme. The programme focus was to promote good corporate governance and to stir parastatals and local authorities on a more sustainable path through increases in profitability and enhanced operational efficiency.
Agricultural Sector Productivity Enhancement Facility (ASPEF), 2006	ASPEF was a successor financing facility to the PSF. The facility was a targeted support facility meant to enhance support productivity in the agricultural and export sectors through provision of concessional funding to support capital and working capital requirements.
Farm Mechanisation Programme (FMP), 2007	The RBZ embarked on the FMP in 2007. The thrust of the programme entailed the procurement of all-inclusive farming equipment targeted at mechanising both communal and commercial farmers. The FMP was also aimed at improving efficiency and productivity in the farming sector with the ultimate

[135] The hyperinflation environment that peaked at an annual inflation rate of 231 million per cent in July 2008 and an unpublished 3.2 quintillion per cent in December 2008, (Hanke, 2008).

	goal of enhancing agricultural output through efficient land utilisation and timely land preparation.
Basic Commodities Supply Side Intervention (BACOSSI), 2007	The Basic Commodities Supply Side Intervention Programme was introduced in 2007 in order to invoke supply side response. Under the BACOSSI Facility, primary, secondary and tertiary producers and suppliers in targeted key sectors had access to concessional production-linked financial support for working capital requirements. The funding was specifically designed to generate positive supply responses.

Source: RBZ Annual reports various (2000 – 2007)

Five of the six programmes were in practice designed to dispense patronage. The programmes' official design assumption was that declining productivity and output on the newly resettled farms was the absence of capital and hence the need for state interventionist measures. Yet the outcomes revealed that rather than serving the interests of the officially intended beneficiaries, the programmes benefitted the ruling elite.[136] On the Farm Mechanisation Programme, *NewsDay* pointedly observed that:

> 'The ZANU-PF government introduced the farm mechanisation programme [supposedly] to benefit the masses, but was marred in controversy as it ended up benefiting those with close links to the system…In 2013, former RBZ Governor Gideon Gono refused to disclose the names of the beneficiaries of the farm implements to parliament when he appeared before the agriculture portfolio committee.'

More succinctly, former Deputy Prime Minister, Arthur Mutambara, disputing claims that he had benefitted from the Farm Mechanisation Programme, asserted that:

> 'The so-called Agricultural Mechanisation program is nothing but shameless abuse of taxpayer's money in pursuit of cheap propaganda, while satisfying a few cronies to the detriment of the generality of the people,' (*Newzimbabwe.com*, 11 December, 2009)

[136] For example, leading ZANU-PF politicians were notable beneficiaries of the Farm Mechanisation Programme while the government claimed to empower the masses. The list of leading beneficiaries include the late former Agriculture minister Kumbirai Kangai; Higher and Tertiary Education, Science and Technology Development minister Olivia Muchena; ZANU-PF senior official in Harare province Noah Mangondo; former Chitungwiza executive mayor Joseph Macheka; Chikomba East ZANU-PF MP Edgar Mbwembwe; Justice Paddington Garwe and the late Harare Governor David Karimanzira, (*NewsDay*, 03 February 2014).

The expansive nature of these quasi-fiscal operations at a time when national output was dropping generated severe hyperinflation that made a severely negative impact upon the operations of business across the economy. The very patronage driven programmes meant to prop up political support had simultaneously harmed the economy and consequent predatory capacity of the state itself. The closures of businesses across the economy triggered massive unemployment, dwindling fiscal capacity and the state failed to meet basic minimum public service delivery obligations including a decent civil service salary.[137]

Post 2000s State and Banking Sector Crisis

In the post-2000s, the state intensified its indigenisation and empowerment crusade that saw increasing number of indigenous investors awarded banking licenses. Table 7.3 below presents 12 new banking institutions formed during the period 2000-2008.

Table 7.3: New banking institutions formed during the economic recession period 2000 - 2008

Banking Institution	**Type of Banking Institution**	**Year of registration**
Institutions Formed		
1. Interfin Merchant Bank	Merchant Bank	2000
2. Agricultural Bank of Zimbabwe (Agribank)	Commercial Bank	2000
3. TrustFin	Finance House	2000
4. Century Bank	Commercial Bank	2000
5. Trust Banking Corporation	Commercial Bank	2000
6. Renaissance Merchant Bank	Merchant Bank	2001
7. Intermarket Banking Corporation	Commercial Bank	2001
8. Royal Bank of Zimbabwe Limited	Commercial Bank	2002
9. Premier Discount House	Discount House	2002
10. Barbican Bank Limited	Commercial Bank	2002
11. Sunpol Finance	Finance House	2003
12. Leasing Company of Zimbabwe	Finance House	2006
13. Metropolitan bank	Commercial bank	

RBZ reports, 2000 - 2007

[137] By 2007, minimum civil service salaries for teachers, nurses, police and soldiers could barely buy a loaf of bread.

The irony is that although a significant number of indigenous players had now entered the banking industry, the onset of hyper-inflation now made the tasks of juggling investments and cash demands hugely complex. Behind the veil of empowerment rhetoric, a number of new players awarded banking licenses had political support from the ruling elite. This important route opened up accumulation avenues through access to precious foreign currency and loans that would be worthless at the time of maturation. For instance, Intermarket Banking Corporation including its founder Mr. N.M. Vingirayi funded (retired) General Mujuru's TRS Mujuru acquisition of shares in Willdale Holdings Limited (Willdale), which were on offer from Anglo America Corporation of Zimbabwe (Anglo). Of the total 21.98 share acquisition, Intermarket funded Retired General Mujuru's TRS Mujuru Limited 17.08 per cent share acquisition, contributing 89 per cent. The initial funding was provided as follows:

Table 7.4: Funding provided to TRS Mujuru

Funded By	Shares	Values	Percentage
Intermarket Banking Corporation	275,750,663	264,408,841.67	16.03 per cent
TRS Mujuru	88,888,889	80,000,000.00	5.17 per cent
N. M. Vingirayi	13,451,832	12,106,648.83	0.78 per cent
Total	378,091,384	356,515,490.00	21.98 per cent

Source: Confidential memo

Strangely, given the banks' meticulous lending process, the Intermarket bank was initially offered proceeds from the sale of land held by General Mujuru in the Goromonzi peri-urban area, which successive interviews revealed, did not have title deeds until the period the bank was placed under curatorship (Interview, Respondent no. 10, 27 March 2014). The Intermarket founder is widely believed to have been into the deal to fund General Mujuru in return for political protection fearing persecution for alleged links with the opposition. The case manifests the strong links between the state, military and capital in predatory settings. Even then the deal could not ensure safety, as the Intermarket bank was set up for failure after withdrawal from the inter-bank facility for alleged financial distress.[138] The state abused its supervisory powers

[138] An observer questioned the Central Bank decision citing political persecution (Interview, Respondent no. 10, 27 March 2014).

targeting autonomous or indigenous businesses perceived to be aligned to the opposition to stifle political challenge.

Yet, the banking sub-sector on its own also faced a number of exogenous challenges that affected public confidence in the financial system. In mid-2003, the economy experienced a severe shortage of bank notes. The major causes of the cash crisis included high inflation levels, currency denominations which had become too small and a high demand for liquid cash required by the public to purchase basic commodities that were mostly accessible on the informal market. It was difficult for the public to withdraw their earnings and deposits from the banks. The state gave preferential treatment to the military and paid its salaries in cash at the barracks (Interview, Respondent no. 4, 28 February 2014). Indeed Bratton (2014) notes that in times of economic crisis, the ruling coalition shrinks down its coercive core. Predatory states 'will always accord special treatments to the armed forces in order to maintain their essential loyalty: even if civil servants sometimes go unpaid, every effort is made to compensate the military' (Bratton, 2014:7).

As the banking crisis deteriorated, some banking institutions responded to the unstable macroeconomic environment by shifting from their traditional banking business into non-traditional activities such as investments in property development, buying and selling of commodities, trading in shares on the stock exchange, as well as dealing on the foreign exchange parallel market (Muranda, 2006). The central bank claimed that leveraging on non-traditional activities was financial indiscipline and responded with clampdown and disincentives that at best worsened the situation.[139] The consequences triggered far-reaching impacts that threatened the viability of the banking sector and the predatory state. Banks came under pressure from depositors, while the central bank also failed to sustain the overnight lending facility and consequently, the interbank market collapsed and most banks (with the exception of international banks) failed to manage cash withdrawal demands. Public confidence in the banks plummeted, spawning a massive withdrawal of funds by depositors from both affected institutions and those that were sound. All indigenous owned banks were

[139] For example, the Reserve Bank responded by increasing statutory reserve requirements in a sector already grappling with liquidity challenges.

affected as deposits shifted to foreign owned banks, which were perceived to be stable and sound.

The capital position of most banks had been eroded by inflation. The country soon suffered its worst banking crisis in 2004 when a total of nine indigenously owned financial institutions namely; Barbican Bank Limited, CFX Bank Limited, CFX Merchant Bank, Intermarket Banking Corporation Limited, Intermarket Building Society, Intermarket Discount house, Royal Bank, Time Bank, and Trust bank were placed under curatorship by the Reserve Bank (Mupamhadzi, 2013). In the same year, Barbican Asset Management, Century Discount House and Rapid discount house were also placed under liquidation. First National Building Society was subsequently placed under liquidation in 2005 (RBZ, 2012). One interviewee likened the Governor of the Central Bank to a Bill Cosby show comedy.

> In the comedy, an old sick lady is resting in a wheel chair fastened against the wall. Unnoticed, Bill Cosby unfastens the chair and allows it to roll to the edge of the balcony, almost to the point of falling over. He, (Bill Cosby) then suddenly rushes to rescue the situation and postures himself as compassionate and helpful [sic] (Interview, Respondent no. 10, 27 March 2014).

The respondent claimed that while the banking sector was experiencing challenges, they remained in a sound financial position until the Central Bank Governor criminalised foreign banking and non-traditional inflation hedging investments such as building materials. With the state under pressure from hyperinflationary challenges and increasing popular discontent, the Central Bank Governor needed to shift the blame away from the state. The Governor claimed that non-traditional investments were a show of financial indiscipline and that the banking sector was itself responsible for the financial crisis. The Governor then set up a Troubled Banks Facility, which benefitted favoured banks, rendering some 'failed' and placing them under liquidation and curatorship ostensibly to weed out financial rot. Table 7.5 below shows the list of financial institutions either closed or placed under curatorship between, 2001 and 2008.

Table 7.5: Financial institutions closed and put under curatorship 2001 - 2008

Banking Institution	**Type of Banking Institution**	**Closed/Put under Curatorship**	**Year**
1. Genesis Investment Bank	Merchant Bank	Curatorship	2002
2. ENG Capital Investments (Pvt) Ltd	Asset Management Company	Collapsed	2003
3. First National Building Society	Building Society	Curatorship	2003
4. Barbican Bank Limited	Commercial Bank	Curatorship	2004
5. Century Discount House	Discount House	Liquidation	2004
6. CFX Bank Limited	Commercial Bank	Curatorship	2004
7. CFX Merchant Bank	Merchant Bank	Curatorship	2004
8. Intermarket Banking Corporation Limited	Commercial Bank	Curatorship	2004
9. Intermarket Building Society	Building Society	Curatorship	2004
10. Royal Bank of Zimbabwe Limited	Commercial Bank	Curatorship	2004
11. Time Bank Zimbabwe Limited	Commercial Bank	Curatorship	2004
12. Trust Bank Corporation Limited	Commercial Bank	Curatorship	2004
13. Barbican Asset Management	Asset Management Company	Liquidation	2004
14. Rapid Discount Hose	Discount House	Liquidation	2004
15. Intermarket Discount House	Discount House	Curatorship	2004
16. CFX Asset Management	Asset Management Company	Curatorship	2004
17. Intermarket Discount House	Discount House	Curatorship	2004

Source: RBZ Annual Reports for 2001-2008

The failure of so many banks is unprecedented. Fearing the growing opposition coalition, most of the indigenous banks that lacked ruling elite political support were targeted and persecuted. Mutumwa Mawere[140] saw the Central Bank Governor's actions as criminalising rational economic behaviour and deliberately targeting benign autonomous businessmen to ensure they behaved 'appropriately' in the run-up to elections in 2005 and 2008, (*NewZimbabwe.com*, 11 December 2009). Mawere likened the Central Bank Governor, to a 'Warlord' or 'Gangster' persecuting genuine autonomous businessmen with the support of the state machinery. Concurring with Mawere's observations, the closure of Jeff Munzvimbi's Royal Bank, William Nyemba's Trust Bank, Francis Zimuto and Julius Makoni's National Merchant Bank,

[140] Exiled Zimbabwean businessman now living in South Africa after a fall-out with the ruling elite.

Moses Chingwena's Century Bank and Nicholas Vingirayi's Intermarket Bank manifest pervasive state sponsored persecution of automous and perceived opposition aligned bankers than alleged unsound financial position warranting either curatorship or liquidation (Interview, Respondent no. 10, 27 March 2014).

The ruling elite's rapaciousness also struck back, triggering failure of its own controlled banks. In turn, this signalled potential limits of the reproduction capacity of the predatory accumulation model. By pillaging its own controlled banking institutions, the power elite not only destroyed its continued access to banking sector liquidity but also crippled financial intermediation to stimulate production in other sectors of the economy. In 2012, Interfin, linked to Central Intelligence Organisation (CIO) boss, Happyton Bonyongwe through family business Brinski Investments (Private), (*Zimbabwe Independent*, 07 September 2012), was put under curatorship due to severe viability concerns. In addition, Genesis Bank, connected to the former Minister of Indigenisation and Economic Empowerment Saviour Kasukuwere and Royal bank, voluntarily surrendered their licenses after failing to meet the minimum capital threshold (Mupamhadzi, 2013). A general and striking feature of the failure of most indigenous banks shows overindulgence of insider loans. For example, according to the Reserve Bank of Zimbabwe report on the failure of Renaissance Merchant Bank in 2011, the collapse of the bank represented a pillaging scandal in which the bank owners, working in cahoots with a pliant management, looted the bank to a shell. Thus predatory accumulation ultimately undermines its own capacity to continue to predate. The owners of Renaissance Bank granted themselves huge loans that were non-performing, leading to the bank collapse. The last RBZ published disaggregated loans to deposit ratio per individual banks reveals the lending appetite of indigenous banks. Table 7.6 below shows Zimbabwe banking institutions by Total Loans and overdrafts, Total Deposits and Loans to Deposit Ratio as at 31 December 2010.

Table 7.6: Zimbabwe banking institutions by total loans to deposit ratio as at 31 December 2010

Name of Institution	**Total Loans and Overdrafts (US$M)**	**Total Deposits (US$M)**	**Loans to Deposits Ratio per cent**
Agribank	30.3	24.7	122
BancABC	129	211.4	61
Barclays	43.6	172	25
Commercial Bank of Zimbabwe	431.7	572.9	75
CFX	0.00	0.00	0
First banking Corporation	73.5	134.9	55
IBC	-	-	-
Kingdom	101.7	111.3	91
MBCA	86.6	68.4	127
Metropolitan	29.1	44	66
NMB	62	87.9	71
Stanbic	100.5	296.6	34
Standard Chartered	110.5	218	51
TN	36.7	53.8	68
ZABG	1.5	14.3	11
ZB Bank	72.7	102.1	71
Merchant Banks			
Genesis	1.6	1.5	109
Interfin	132	126.5	104
NDH	-	-	-
Premier	17.1	44.7	38
Rennaissance	64.9	6.4	104
Tetrad	33.3	37.3	89
Building Societies			
Central African Building Society	58.2	118.8	49
Commercial Bank of Zimbabwe Building Society	18.9	10.4	181
First Banking Corporation Building Society	7.2	7	103
ZB Building Society	3.4	7.8	44

Source: Reserve Bank of Zimbabwe, Monetary Policy Statement, and January 2011

While none of the international banks imposed more than a 55 per cent Loan to Deposit Ratio, 15 indigenous banks were over 60 per cent. Indigenous banks' loan books were bloated by predatory ruling elite Non-Preforming Insider loans.

The central bank inspection reports on the failed banks in Zimbabwe concluded that the reasons for the collapse of indigenous banks included the following; concentrated shareholding, weak corporate governance, owner-managed/ controlled and insider loans, and abuse of depositors' funds. The closure of banks had egregious social and economic consequences. Depositors were stripped of their savings by a politically connected vampire business elite. Mambondiani (2012) argues that the approach of the central bank was insipid and, at worst, a case of 'wilful blindness.' The bankers responsible for creating the mess were allowed to walk scot-free and enjoy their loot in the comfort of their mansions built on stolen depositors hard earned incomes. Meanwhile, autonomous bankers or those sympathetic to the opposition were persecuted. The brazen plunder and pervasive collapse of several indigenous banking institutions threatened the sustainability of predatory accumulation.

By May 2013, there were 24 banking institutions in the country, of which only seven (29 per cent) were foreign owned and internationally active banks. The 24 banking institutions were constituted as follows; Commercial Banks (17), Merchant Banks (2), Building Societies (4) and Savings Bank (1). In addition, there were 164 licenced Microfinance Institutions (MFIs), 53 Money lending Institutions (MLIs) and 16 Asset Management Companies (AMCs), all indigenously owned. Below table 7.7 summarises ownership of Zimbabwe's financial sector as at 31 May 2013.

Table 7.7: Ownership outlook of Zimbabwe financial sector as at 31 May 2013

Type	Total Number of Institutions	Locally Owned	Foreign Owned
Banking Institutions	24	17	7
MFIs	164	164	-
MLIs	53	53	-
AMCs	16	16	-
Totals	250	250	-
Proportions	100 per cent	97 per cent	3 per cent

Source: RBZ, 2013

Out of the foreign-controlled banking institutions, Standard Chartered (100 per cent foreign), Barclays (68 per cent foreign), Stanbic (100 per cent foreign) and MBCA (76 per cent foreign) have historically been foreign-owned. Indeed, despite the

continued overtures to indigenise the banking sector, the sector was already indigenised. In 2013, then Minister of Indigenisation, Saviour Kasukuwere and Governor of the Reserve Bank, Gideon Gono, publicly disagreed over application of the 51 per cent indigenisation thresholds to foreign banks. More laconically, in the RBZ Statement released in May 2013 titled 'Consequences of implementing the current indigenisation framework on the banking sector part 1' Gono bemoaned that;

> Of particular concern to us as Monetary Authorities would be any attempts to forcibly push the envelope of indigenisation into the delicate area of banking and finance. To this end, we call upon those with interests in the financial sector to approach the Central Bank with their applications for new banking licenses. It is important to note that this comment comes against a background of reported incidences involving well connected personalities who are positioning themselves to muscle into certain mining, manufacturing, financial and other entities that are currently performing well and contributing to the foreign currency inflows of the country (RBZ, 2013: 6).

The Governors' statement further exposes the potential limits to predation in an implicit acknowledgement of the disastrous impacts of indigenisation and risks of ultimate collapse. Ironically, Minister Kasukuwere is linked to Genesis bank, which failed and shut doors after failing to meet recapitalisation requirements. Table 7.8 below summarises foreign owned banks and corresponding shareholding in Zimbabwe as at May 2013.

Table 7.8: Foreign owned banks and corresponding shareholding in Zimbabwe as at 31 May 2013

Foreign controlled Bank	**Per centage foreign ownership**
Standard Chartered	100
Barclays	68
Stanbic	100
MBCA	76
CABS	100
Premier	54
Metropolitan	60
BancABC	53

Sources: RBZ Statement, May 2013

The seven foreign owned banks (3 per cent) commanded US$ 250 million, a terribly small amount accounting for 36 per cent of the sector's US$ 700 million paid-up capital of which 64 per cent (US$ 450 million) was held by 97 per cent of the market players who were indigenous, (RBZ, 2013). In terms of deposits, indigenous banks cumulatively held about US$ 3.0 billion in total deposits while the foreign owned institutions held US$ 1.3 billion of total deposits. And in terms of the loan book, out of a total market book of US$3.6 billion, indigenous owned banks had a loan book of about US$ 2.7 billion (75 per cent) while the seven foreign owned banks had extended loans of about US900 million (25 per cent), (RBZ, 2013). It remains both ironic and not uncommon that while indigenous banks commanded a lower proportion of total deposits, they had higher loan to deposit ratios compared to foreign banks. Total bank Insider Loans stood at US$175.3 with 67 per cent of the amount regarded as non-performing accruing to indigenous banks (Interview, Respondent no. 5, 03 March 2014)

In the post-2013 Inclusive Government period, the state's indigenisation mantra continued to threaten the banking sector viability and yet ironically in so doing threatening its own survival and capacity to glean personal profits. Public confidence in the banking sector plummeted as this accumulation avenue stripped bank deposits and failed to compensate depositors. Due to the low confidence in the banking sub-sector, the public largely keep their foreign currency outside the formal banking system. As at January 2014, the Reserve Bank of Zimbabwe estimated that an estimated US$2 billion was circulating outside the formal banking system (RBZ, 2014). The situation contributes to low savings that are critical for investment mobilisation and stimulating economic growth especially for a country battling with low foreign direct investment. Consequently, the financial services sector contribution to economic growth declined by more than 50 per cent to an average of 4.1 per cent from its peak of 8.4 per cent between 1991 and 1999 (*Zimbabwe Situation*, 03 October 2013).

Conclusion

The colonial state fostered largely collaborative relationships with international finance capital to facilitate development of the financial sector and

financing projects. However the state has shown a gradual shift towards predation further away from independence. In the immediate post-independence period, indigenous black participation remained largely excluded by international financial capital resistance and state's reluctant commitment to develop an independent indigenous capital. However, in the 1990s, the state liberalised the economy and opened up opportunities for politically linked businessmen. Contrary to Moyo's depiction of the influence of international capital 'infiltrated bureaucrats' (1992:4) economic liberalisation set up opportunities for predation. The entrance of a new crop of bankers in the face of hyperinflationary environment is ironic. This new crop of bankers was involved in criminal activities in close alliance with political elites. The harm to the country's banking and finance sector would be very deep and long lasting. Public confidence in the banking sector eroded to its lowest. The chapter also highlights the potential limits of predation. By undermining a functional economy, the ruling elite rapaciousness can go so far to the extent of damaging the state's predatory capacity. The continued indigenisation overtures in the banking and finance sector threaten the remaining pillar of stability provided by international banks. Therefore, as ironically lamented by the RBZ in 2011 a reckless and unstructured indigenisation process can have severe impacts, if not work against the interests of the ruling elite and trigger implosion.

Chapter Eight:

Transport and Energy Sectors

Introduction

The colonial administration took important steps to provide basic facilities for economic development of the country in line with the class interests of the ruling white minority. Public works especially in road building and railway were carried out on a large scale: several state enterprises were founded in the 1930s and early 1940s, including the electricity power stations. Hence in 1980, the new state inherited developed transport and energy sectors that supported the best performing industrial hub in Sub Saharan Africa outside South Africa. However, by the late 1990s, the transport and energy sectors had been run down as the strategic sector parastatals provided important sites of accumulation for the ruling party patronage network. Where the state did open up private participation, notably in the energy sectors, the military and politically connected elites were the most notable new entrants. In the passenger transport sub sector the security services benefitted from both evading tax and collecting 'instant tax,' while in the goods transport they were actively involved in facilitating cross border business interests. This chapter discusses the role of the state in mediating the changing patterns of accumulation and consequent implications for the nature of the state, military and business relations.

The Transport Sector

As early as 1901, the British South Africa Company administration developed a railway line from its base in Bulawayo through to Chegutu to support white business interests in large-scale mining operations and farming activities. By 1902, the railway line expansion programme linked Bulawayo and Mutare via Harare as well as to the east coast. Indeed, for the better part of its existence, the fortunes of Hwange colliery (viewed as strategic to the economic well-being of the whole colony and the war effort, 1914 to 1918), lay with the railway both as a consumer and transporter of coal (Mawowa, 2013). The coal-powered steam engine rail, the bedrock of the country's transport system, was the biggest consumer of coal from Hwange. In

addition, due to challenges in recruiting local African labour, following desertions from unfavourable mine working conditions, the railway transport provided important form of transport to migrants from Zambia, Malawi and Mozambique to work at Hwange colliery and gold mines in Matebeleland and the Midlands (Thompson and Woodruff, 1953, 66).

Then, following the choice of self-governing status in 1923, the colonial state further expanded road and railway to facilitate the importation of equipment and an easier link between the mines and the markets. Notably the state expanded and developed a railway signalling and communication system linking the Democratic DRC and Zambia to Botswana, Mozambique and its ports of Beira and Maputo, and South Africa and its ports of Durban, Richards Bay and Port Elizabeth (BCZ, 2011). The railway also provided cost effective rail road links between Malawi and South Africa through Harare (Blantyre to Harare by road and onwards by rail); Lusaka and the port of Beira through Harare (Blantyre to Harare by road and rail from Harare to Beira); and Lusaka and the port of Durban through Harare (the road from Lusaka to Harare and rail from Harare to Durban) (BCZ, 2011). The railway network also connected all major mines and collection points for agricultural sectors. The state also provided locomotive goods and passenger trains to facilitate the movement of raw materials and labour in urban industrial centres such as Harare. In the road infrastructure development the settler colonial state invested in the development of trunk roads linking provincial towns and regional capitals to facilitate movement of goods and labour. Table 8.1 below shows major roads constructed by the settler colonial government, distance and average years by 2008.

Table 8.1: Regional trunk road network by distance and average years as at 2008

Road	Linking Neighbouring Country	Distance (Kilometers)	Age (years)
Harare – Mutare	Mozambique	262.8	44
Harare – Masvingo	South Africa	292.3	49
Harare- Gweru	-	275.3	47
Gweru – Bulawayo	-	164	47
Bulawayo - Beitbridge	South Africa	321.7	47
Bulawayo – Plumtree	Botswana	110.4	49
Bulawayo - Victoria Falls	Zambia/ Botswana	438.8	49

Source: Ministry of Transport, Communication and Infrastructure Development, Department of Roads, 2008

The road network covered a total of 1865.3 kilometers compared to 1349 kilometers developed by the post-independence government by 2010. The settler colonial state investments in the commercial transport to support the emerging agro-economy, manufacturing and industrial sectors were linked to the colonial state's international trade objectives to promote the country's exports.

In the passenger transport business, black indigenous entrepreneurs were largely restricted to rural passenger transportation. The Road Service Board granted preferential permits to African applicants for rural bus service, seen as an important part of developing an African middle class that would protect the interests of the colonial state. Black indigenous transport entrepreneurs, who handled mainly rural passenger transport, benefited from growing number of Africans commuting between their work places in town and rural areas where they lived. The favourable economic situation allowed modest profit margins (Wild, 1997: 184). Among the indigenous pioneers in the sector were independent entrepreneurs such as Paul Matambanadzo, Mernard Kupara Chanakira, Ben Mucheche, Richard Makoni, Benard Vito, E. K Chitiyo, Zvanyanya Chidavaenzi, Isaac Samuriwo, Josephat Ruredzo, Stephen Gondo, Gorge Tawengwa, Peter Kambasha, Richard Murape, and Kadhani (BCZ, 2011). By 1960 indigenous operators constituted 43 per cent of all the registered passenger transport operators and 9 per cent of the goods transport operators. However, due to limited access to capital indigenous entrepreneurs' businesses remained small and fragile, always on the brink of bankruptcy (Wild, 1997).

Commercial cargo transport was dominated by white companies who had privileged access to capital to build up an efficient fleet, business and organisational skills to provide reliable freight services and prompt delivery. The major players in the road haulage sub-sector included Cargo, Welson Transport, Colbro, J. J Transport and Pioneer. Table 8.2 below shows the proportion of indigenous entrepreneurs in the transport market measured in numbers of Road Service Permits (RSP) granted in Rhodesia between 1940-1964.

Table 8.2: Proportion of indigenous entrepreneurs in the transport sector measured by numbers of Road Service Permits granted in Rhodesia 1940 - 1964

Year	Passenger Transport		Goods Transport		Total	
	Permits	Share of Indigenous, per cent	Permits	Share of Indigenous, per cent	Permits	Share of Indigenous, per cent
1940-44	102	19	15	15	117	9
1945-49	391	37	102	6	493	18
1950-54	879	46	238	5	1 135	18
1955-59	1 065	44	632	10	1 697	19
1960-64	1 607	43	662	9	2 269	20

Source: Wild, 1997: 12

Similar to all profitable economic activities, the colonial state's racial segregation policies limited indigenous African participation in lucrative commercial transport ventures. Indigenous participation in the commercial transport sector constituted a mere 20 per cent, mainly dominated by rural passenger transport permits. Only in unfavourable ventures for whites did the colonial state facilitate entry of indigenous Africans, notable in the passenger transport sector linking commercial hubs and rural areas. The rural passenger transport was largely unfavourable due to the poor state of rural roads, limited business volumes and insecure for white commercial interests.

At independence in 1980, the state initially maintained continuities with the colonial state by retaining monopoly role as the sole authority responsible for funding key infrastructure projects such as road development. The state undertook key developmental infrastructure projects including the expansion of road network at the backdrop of derived demand from the increasing economic activities. Notably, the state developed new trunk roads totalling over 1349 kilometres aimed at improving local market access and opening new regional and international trade routes. Table 8.3 shows new regional trunk road networks by distance and average age in years by 2008.

Table 8.3: New regional trunk road network by distance and average years as at 2008

Road	Linking Neighbouring Country	Distance (Km)	Age yrs.
Harare- Chirundu	Zambia	352.1	23
Harare- Nyamapanda	Mozambique	237.5	27
Mvuma- Gweru	-	82.8	18
Masvingo- Beitbridge	South Africa	321.7	27
Mutare – Forbes Boarder	Mozambique	8.3	27
Rutenga - Boli - Sango	Mozambique	150	>20
Chivhu – Nyazura	-	196.6	19
Note: - Implies roads linking provincial capitals			

Source: Ministry of Transport, Communication and Infrastructure Development, Department of Roads, 2008

Enabling infrastructure, including efficient transportation is necessary for a developmental state to support industrialisation. Given the high cost of infrastructure projects, the state or working in joint collaboration with the private sector should support the development and maintenance of enabling infrastructure. However with worsening economic situation the state capacity to maintain the road network severely deteriorated. In the 1990s the treasury allocation barely met the required routine maintenance costs. Then by the 2000s with the heightening of economic meltdown and drying up of international aid, state road development agencies like District Development Fund were unable to replace their equipment fleet, most of which had reached the end of their useful economic life. The roads sector suffered from under-funding. For instance in 2005, the total annual requirement for maintenance by all road authorities was about US$160 million, but the combined budget allocation for all the road authorities and road Fund was about US$10 million equalling 6 per cent of the full maintenance requirement (Zimbabwe National Road Administration, 2005). Consequently, national road infrastructure deteriorated gravely. Most roads constructed in the 1960s had passed their design life of 20 years by far. By 2009, the Zimbabwe National Road Administration estimated that it required about US$ 2 billion to rehabilitate the roads including road signage, road furniture, street lighting, drainage and carriageway marking (*Southern Eye*, 18 March 2014). One interview respondent remarked:

> Public transport maintenance is not up to date, the population has outgrown the infrastructure, roads are overtaken by growth of cities, and the hierarchy of roads has been overtaken by events. There is need for expansion of the road network and reducing transport conflicts (accidents and delays) [sic] (Interview, Respondent no. 15, 23 August 2014)

Despite earlier resistance to outright privatisation of strategic parastatals (including transport and energy), in 2010, the government liberalised the sector and invited private participation through Public Private Partnerships (PPPs). The state formed a joint venture company, Infralink, through the Zimbabwe National Road Administration and a South Africa partner, Group Five International of South Africa, to rehabilitate and expand the Plumtree-Mutare highway covering 820 kilometers. The state in joint collaboration with private capital facilitated a mega transport infrastructure rehabilitation project. Under the partnership, the state owned parastatal, Zimbabwe National Road Administration held a controlling stake of 70 per cent shareholding while Group Five owned the remaining 30 per cent. Given the dilapidated state of major roads in the country the deal was a major step towards resuscitation of the country's failing road infrastructure. However, accompanying the state and private capital joint venture, the deal opened new accumulation avenues for ZANU-PF patronage network. Companies with strong links to ZANU-PF elites were involved in project management, the supply of quarry, cement, steel and electrical engineering including the hiring out of key road equipment. The state welcomed privatisation to create new patronage avenues for its clients. For example, along the Harare to Mutare stretch, indigenous companies such as Utare - a consortium between Bitcon owned by Oliver Chidau a ZANU-PF linked businessman and Tarcon owned by Supa Mandiwanzira, ZANU-PF deputy minister of Media and Information, - Madz owned by Chistopher Madzingira husband to President Mugabe wife's sister, and EarthSet owned by Robert Mhlanga, a former Vice Air Marshal were subcontracted to do work on some 80 kilometer stretches of the highway. The companies failed to deliver, rocked by allegations of financial abuse, leading to termination of subcontract agreements by December 2013 (Interview, Respondent no. 2, 12 February 2014).

In the rail and air transport subsectors, the post-independence state maintained a monopoly through State Owned Enterprises. The state maintained sole ownership of commercial transportation in the rail transport sector through the National Railways of Zimbabwe, and airlines through the wholly owned government parastatal, Air

Zimbabwe. However, a notable post-independence feature of the running of State Owned Enterprises has been the appointments to the management boards based on political motivation rather than based on merit. The military became the distinct beneficiary of this form of patronage when most senior civil servants deserted in the 2000s following severe economic decline, hyperinflation and poor working conditions. The state responded with appeasements to serving and retired senior military officers with lucrative positions in key parastatals, including the National Railways of Zimbabwe, in return for loyalty and support. Amongst those appointed, retired Air Commodore Michael Karakadzai was appointed General Manager of National Railways of Zimbabwe. An anonymous commentator complained on social media:

> There (at the National Railways of Zimbabwe) is a separate payroll being used for ghost workers. The actual salary bill is not more than US$3 million but they lie that it is US$4.5 million. Inflation of invoices is business of the day and who can stop them. Management's children are staying lavishly overseas attending universities. Army personnel do come and collect fuel at National Railways of Zimbabwe pumps. They come in droves to collect diesel for their farms. Now who will stop them? This is all happening whilst employees are not receiving their pay (Anonymous, 23, June 2014).

By allotting senior parastatal management jobs on the basis of political support and loyalty, the state was able to dispense patronage to ensure political support. The National Railways of Zimbabwe was run down. Despite holding a virtual monopoly over the freight and passenger traffic in the country, National Railways of Zimbabwe incurred a net deficit of close to US$100 million per year, constituting about 65 per cent of the parastatal's gross revenue and 3.5 per cent of Zimbabwe's national output. By 2009, only 40 per cent of the locomotive fleet was working although characterised by high failure rate and unreliability (BCZ, 2011). The Railway board was struggling to pay its workers who had gone for months without pay.

Similarly, the ruling elite plundered Air Zimbabwe. The state awarded tenders to provide accumulation avenues for ruling party and its politically connected crony businessmen. The tender to construct the Harare International Airport is one of the major political corruption scandals involving Air Zimbabwe in the 1990s. The tender,

awarded to Air Habour Technologies, was brokered by Leo Mugabe (President Mugabe's nephew), acting together with ZIDCO Holdings, the commercial arm of the ruling party. In return Air Habour Technologies funded the construction of a private residence for President Robert Mugabe (Zava, 2000). Zava also noted that Air Habour Technologies owner Yamani donated US $50,000 to ZANU-PF and made payments to two senior cabinet ministers, Herbert Murerwa, then Minister of Finance, and the former Minister of Transport and Energy Enos Chikowore. Following successive years of run-down the national airline grappled to provide service. By 2010, the airline had a grounded a fleet of 8 aircraft (2 Boeing 767-200ER, 3 Boeing 737-200, and 3 MA 60) and suffered huge debt overhang and undercapitalisation. The situation had knock-down effects on the country's productive sectors and down-stream industries such as tourism and commerce.

Meanwhile, in the passenger transport business, there has been a gradual increase of middle and senior level police officers owning commuter buses and private taxis. Presenting before the parliamentary portfolio committee on Transport and Infrastructure development in 2010, the Greater Harare Association of Commuter Omnibus Operators Chairperson, Cosmas Mbojani claimed that the Zimbabwe Republic Police officers owned 50 per cent of commuter omnibuses servicing Harare routes. Mbojani complained that the police officers benefited from unfair competition as they were evading tax and were susceptible to conflict of interest. In an interview with the *NewsDay*, Mbojani asserted that:

> The problem we experience is that some of them (traffic police) can be deployed to supervise routes where their own commuter buses operate and in such circumstances they give hell to our drivers and cause unnecessary delays to ensure their own vehicles benefit more from the business (*NewsDay*, 28 January 2014).

Police roadblocks were used to penalise motorists by demanding bribes. One interview respondent concluded that 'The police officers see corruption avenues as benefits to supplement their meagre earnings[141] in exchange for their political

[141] Civil servants in Zimbabwe have been grossly underpaid with their salary hardly enough to buy a loaf of bread during the hyper-inflation era. However, with dollarization civil service earnings had improved averaging a minimum of US$300 per month.

allegiance to the ruling party.' In a situation where the state has been turned into a vehicle for personal accumulation, even those that are charged with maintenance of law flout bureaucratic rules and create opportunities for personal gain in a fashion reminiscent to the DRC under Mobutu Sese Seko. The appropriation of the state into an agent of private accumulation at different levels in government is blowing away of the boundaries of legality.

Energy Sector: New Sites for Accumulation

Arrighi (1966) argued that unlike other colonial states south of the Sahara it would appear the white settler regime in Rhodesia was oriented towards long-term development. The state constructed the first thermal power stations in the country by 1938. In 1955, under the Central African Federation, the central authority initiated a 'remarkable feat of engineering creating the largest human-built dam on the planet at the time and costing £114 million' with loans from the World Bank to be repaid in part through taxes from mine houses. The Kariba dam project investment would provide electricity generation capacity to support largely mining interests. The dam was completed in 1958, although according to Bond and Manyanya (2002), it may be impossible to determine whether Kariba was developmentally efficient (in comparison to the opportunity cost of the money invested), due to inadequate available data. In addition, the state bought out the British South Africa Company interests in coal and constructed the Hwange thermal power station by 1970, the second largest power generation plant after Kariba (*The Insider*, 28 November 2013).

In 1980, the new black elites inherited an economy with robust energy infrastructure that serviced needs of the country's industrial sector. The government through the Electricity Act of 1985 introduced the Zimbabwe Electrical Supply Authority as a virtual monopoly in generation, distribution and sales of electricity in the country. The ruling elite embraced a state centered development model espoused by its predecessor as the new state elites sought to take charge of the economy albeit balancing with the constraints imposed by its white capitalist alliance. Indeed across key sectors of the economy, not much significant progress on a wide scale was made to facilitate inclusion of the previously marginalised blacks with the exception of the

public service. Instead, the state favoured an alliance with domestic white and international capital. The 1982 controversial loan to expand the Hwange Power Station suggests a close relationship between the state and mining capital (Mawowa, 2013). In that year, the government secured a US $458 million loan from the World Bank and other western private lenders for a 440-watt extension of the Hwange Power Station. A report by Jubilee UK notes that this project was actually the idea of the Anglo-American Corporation.

> At the time demand for coal from the field was falling, and Anglo American Corporation was looking for alternative buyers: getting the Zimbabwean public electricity company to build a power station was their number one option. The power station was due to use coal with a high ash content, which Anglo American Corporation were struggling to sell to other buyers (Jones, 2011: 15).

However, upon the completion of the project, demand for electricity was less than projected. To keep Anglo American Corporation afloat, the Zimbabwean government obtained electricity from the coal plant rather than the Kariba dam. This reflects significant misappropriation of resources that would have been otherwise directed towards productivity enhancing priorities. Even then, despite the improved power generation capacity, the state would not expand energy distribution outside the cities to facilitate access by indigenous small to medium enterprises then largely confined to the country's rural areas. By restricting expansion of electricity to many small to medium enterprises, the state undermined the development and growth of indigenous entrepreneurship. Bond and Manyanya (2002) also observe the irony, that despite the fact that although Zimbabwean citizens bore the cost of double taxation to fund the Kariba project; direct taxes to the colonial regime and World Bank loan repayment, by 1987, only 20 per cent of households were electrified.

Following the adoption of the Economic Structural Adjustment Program, the government published a White Paper on Power Sector Reform in 1999. The paper envisaged restructuring and unbundling of the state energy parastatal, leading first to the creation of commercialised public-sector 'business units' out of the Zimbabwe Electricity Supply Commission's generation and distribution activities, followed by revision of tariffs to make the 'business units' economically viable in line with earlier IMF/WB policy advice. The unbundling process saw the creation of the Zimbabwe

Power Company and the opening up of the generation sector to allow independent power producers to produce power for sale. The Zimbabwe Electricity Transmission Company was established on the transmission side as the single buyer, being mandated to plan, construct and operate the transmission grid. The Zimbabwe Power Company was also given the responsibility of buying power from local and external generation entities and performing the system operations functions. The distribution and retail business was given to the Zimbabwe Electricity Distribution Company.

The Economic Structural Adjustment Program marked the turning point of government policy towards liberalisation in the energy sector. However, despite opening up the space for private players, no new private players entered the space due the capital-intensive nature of the electricity generation industry against governments' unpredictable policies, especially in the late 1990s. For example, the RioZim electricity generation project was reportedly expected to cost close to US$3 billion, a significant amount (*ZimMetro*, 18, March 2014). Only two independent power producers were producing to supplement their internal demand, Hippo Valley Estates and Triangle Sugar Limited. In addition, the government retained the control of prices below the production cost, as the sole buyer and distributor. According to the Zimbabwe Electricity Supply Authority, the cost of electricity generation in 2010 stood at US16 c/KWh. After factoring in the cost of transmission the electricity tariff came to US20 c/KWh, while the parastatal was charging US7.5 c/KWh. The government interventionist price policies sought to appease a growing discontented mass whose allegiance was shifting towards the opposition.

As the legitimacy of the ruling party deteriorated, following increasing revelations of corruption scandals and growing hardship for the masses bred discontent, the state pursued a patronage driven rural electrification programme to appease the rural voters in a bid to regain popular support. The rural electrification programme was a major policy shift to expand access to electricity to households and indigenous small to medium enterprises in rural townships by the state under pressure to rekindle waning support base. Ironically in this instance state-driven patronage programmes served more than simply to dispense patronage as the expanded access facilitated greater indigenous economic participation. The rural electrification programme supported development indigenous small to medium indigenous entrepreneurs.

Typical services provided by these small and medium scale enterprises included automotive, electrical, electronic, and general repairs, welding and spray-painting, milling, carpentry, secretarial services and general retail sales of hardware, groceries, meat and alcoholic beverages (Mapako and Prasad, Undated). However, there was no significant investment in internal electricity generation capacity, at a time when the demand for electricity was expanding, estimated at an average annual rate of 2.5 per cent. As a result, by the 2000s, Zimbabwe was struggling to meet its energy requirements for its productive sectors.

The Hwange Colliery, the country's largest coal producer, struggled to maintain generation let alone pay its workers. Billy Rautenbach, Vice President Emmerson Mnagagwa's perceived business ally, secured shareholding through clandestine dealings with ZANU-PF (*The Herald*, 31 March 2014). According to *The Zimbabwean* (01 November 2013), Hwange colliery is owned by the government of Zimbabwe, which controls 37 per cent, and top ZANU-PF politicians, including financial backers, Nicholas Van Hoogstraten and Billy Rautenbach. Hwange provides Zimbabwe's energy needs, with 72 per cent of the coal mined from its coalfields going directly towards the generation of electricity at Hwange Power Station. In early 2014, Temba Mliswa, ZANU-PF Mashonaland West chairperson and Member of Parliament, claimed a US$165 million 'facilitation fee' for aiding Billy to set-up the Chisumbanje ethanol plant, buy platinum reserves held by Unki Platinum Mine, and shareholding at Hwange Colliery (*The Herald*, April 2 2014). Such practices epitomise the use of personal networks and corruption for business opportunities in predatory settings.

Meanwhile, by orchestrating the collapse of the rule of law during the land reform in the 2000s and intensifying the economic indigenisation rhetoric, the state negatively impacted on the country's investment risk profile and potential to attract international capital – a key source of investment. Contributing to a parliamentary debate on the energy situation in the country, Mr. Eddie Cross, opposition Bulawayo South Member of Parliament told the house:

> Mr. Speaker, the Sengwa [power] project has been on the books for some time, promoted by a major international company based in London, Rio Tinto. There is no question of any kind of restrictions on Rio Tinto regarding this investment. Rio Tinto is not proceeding with this investment simply because of the risk profile of Zimbabwe. Part of that risk profile is indigenisation. There is no investor in the world that is going to put a dollar on the table and have fifty-one cents taken by ZANU-PF. For that reason, Sengwa has not proceeded. The same applies to Binga. Plans for the thermal station are being funded by the French. Again, there is no question of any restrictions on the financiers of this; it is the risk profile of Zimbabwe that is impeding these investments, (*The Insider,* 28 November 2013).

It is important to clarify that the 'taken over by ZANU-PF' that is implied here is not the literal sense of the indigenisation law but rather an investor is forced to cede 51 per cent to a predominantly ZANU-PF linked business elite through sale of shares, employee and community share ownership schemes. For instance, the implementation of the indigenisation law in the mining sector has largely benefitted ZANU-PF politically connected elites (see chapter six on mining). Meanwhile, the state failed to expand and let alone maintain the ageing electricity generation infrastructure to support economic production. In the 2000s, Zimbabwe was experiencing chronic power shortages to meet both the domestic and industry demands as often characterised by incessant power outages and blackouts, while limited generation capacity was cited as the reason for the extensive load shedding programme. In 2010 electricity demand stood at 2100 Mega Watts (MW) against the available capacity of 1,310 MW leaving a shortfall of 790 MW. Table 8.4 shows how the available capacity is distributed among the major power stations and how these power stations have been performing between 2000 and 2010.

Table 8.4: Electricity distribution patterns in Zimbabwe in comparison to installed capacity 2000 - 2010

Category	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Installed capacity (MW)											
Hwange	920	920	920	920	920	920	920	920	920	920	920
Kariba	694	722	736	750	750	750	750	750	750	750	750
Small Thermals	290	290	290	290	290	290	290	290	290	290	290
Total	**1904**	**1932**	**1946**	**1960**	**1960**	**1960**	**1960**	**1960**	**1960**	**1960**	**1 960**
Available Capacity											
Hwange	496	716	659	498	583	579	435	421	388	287	500
Kariba	511	531	588	701	723	725	711	727	747	746	750
Small Thermals	133	105	101	43	110	42	26	26	34	13	60
Total	**1140**	**1352**	**1348**	**1242**	**1416**	**1346**	**1172**	**1174**	**1169**	**1046**	**1 310**
Per cent of installed capacity	59.9	70	69.3	63.4	72.2	68.7	59.8	59.9	59.6	53.4	66.8
Peak demand	**1986**	**2013**	**2028**	**2007**	**2069**	**2066**	**1904**	**1758**	**1429**	**1403**	**2 100**
Supply Deficit	**(846)**	**(661)**	**(680)**	**(765)**	**(653)**	**(720)**	**(732)**	**(584)**	**(260)**	**(357)**	**(790)**

Source: African Development Bank (AfDB), 2010: 169

The ruling elite driven patronage impacted negatively the viability of the state owned parastatal which failed to service its debt from the Hydro Caborra Bassa of Mozambique. As at end of December 2013, the country's Hydro Caborra Bassa debt had risen to US$80 million (*Nehanda Radio*, 16 March 2012). Ironically, ahead of the 2013 national elections in the same year, the ruling elites were aggressively pushing for the slashing of utility bills ostensibly to relieve citizens of the debt burden accrued during the hyperinflation era. By July 2013 a few days leading to the elections, the state scrapped local authority utility debts. Notably, senior ZANU-PF and military elites were highly indebted and hence were the major beneficiaries of the populist policy programmes meant to drum up ruling party support. ZANU-PF ministers and senior military elites were not paying for electricity bills for their extensive business empires and private homes.

An investigation by the *Daily News* in 2011 revealed that senior government officials who cumulatively owed the Zimbabwe Electricity Supply Authority huge electricity bills included, President Mugabe and his close associates, former Defence Minister Emmerson Mnangagwa (Vice President), Minister of State in the President's Office Didymus Mutasa, State Security Minister Sydney Sekeramayi, Information and Publicity Minister Webster Shamu, Indigenisation and Economic Empowerment minister Saviour Kasukuwere, Higher Education Minister Stan Mudenge, Mugabe's deputy John Nkomo, presidential spokesperson George Charamba, Zimbabwe Defence Forces commander Constantine Chiwenga, Air Force commander Air Marshall Perrance Shiri and Central Intelligence Organisation director-general Happyton Bonyongwe. President Mugabe and the first family cumulatively owed the parastatal over US$350,000.00 in unpaid utility bills (*Nehanda Radio*, 16 March 2012). Table 8.5 below shows some names and positions of senior government officials and amounts owed to ZESA as at 31 December 2011.

Table 8.5: Names and positions of senior government officials and amounts owed to ZESA as at 31 December 2011

Name and Position	**Properties**	**Amount owed (US$)**
Robert Mugabe President	Foyle Farm plus a cottage and Gushungo Dairy Estates	$143 667,33
	Gwebi Woodlot 1st Farm	$24 901,05
	Sigaro Farm 1st PO, 2nd PO, 3rd PO and 4th PO	$78 218,71
Grace Mugabe First Lady	Iron Mask Cottage, Iron Mask 2nd POIN, Iron Mask 3rd POIN, Mazowe Wholesalers, Annant Cottage, Iron Mask Farm 5th, 6th, 7th and 8th	$98 306,60
Emmerson Mnangagwa Cabinet Minister	Various businesses	$240 824,03
Nicholas Goche Cabinet Minister	Ceres Farm and businesses that include grinding mills, a farm store and a service station	$158 245,52
Happyton Bonyongwe, CIO Director General	Various businesses	$350 989,48
Perrance Shiri Air Marshall	Hopdale Farm	$26 947,70
Augustine Chihuri, Police Commissioner General	Inyika Farm	$106 778,25

Source: *Daily News* in 2011

Cumulatively, senior military and ZANU-PF political elites owed the Zimbabwe Electricity Supply Authority a total of US$1,122,100.42. Meanwhile the parastatal was struggling to service its monthly debt obligations and maintenance work at the Kariba power plant to meet economic and domestic electricity demands. The subordination of national interests by personal interests as the ruling elite enjoyed unpaid electricity while the parastatal was struggling with a debt overhang and failing to meet the national energy demands impacted on the both the capability enhancing social and economic sectors. Socially, many academic institutions and hospitals suffered load shedding, which impacted on academic performance and public health delivery respectively. The economic costs include reduction in capacity utilisation and output. In a study by the International Energy Agency, energy was included in the production functions of some developing countries for 1981–2000 period and it was concluded that energy played the important role in economic growth compared to other variables, which take part in the production function in countries, which are at intermediate stages of economic development (Erbaykal, 2008:1). According to CZI, (2010), the falling capacity utilisation levels and the sluggish response to the improvements in the economy can be attributed to erratic power supplies amongst other factors. Electricity shortage was the major factor behind capacity under-utilisation in Zimbabwe's productive sectors in the post 2000s.

Meanwhile the liquid fuels industry is constrained by lack of crude oil reserves. The settler colonial state invested in the Feruka pipeline in 1966 that conveyed fuel imports through Mozambique's Beira corridor, using the 408 km long pipeline to Msasa Depot in the capital, Harare (*Financial Gazette*, September 25, 2014). In the post-independence period, the state maintained the strategic role of sole importer of liquid fuels through a government wholly owned parastatal, the National Oil Company of Zimbabwe (NOCZIM). The state owned parastatal remained the sole authority charged with the procurement and distribution of petroleum products to marketing companies in Zimbabwe.

However, similar to the fate of other parastatals, state control of the strategic oil parastatal facilitated unfettered access to fuel by the ruling ZANU-PF executive members, government ministers and members of parliament. The parastatal was run down by grand corruption cases involving most senior government officials. For

example, in 1999, senior government officials misappropriated Z$1,4 billion meant for fuel procurement through corruption in what became known as the 'NOCZIM scandal' (UNDP, 2000). One of the managers allegedly prejudiced National Oil Company of Zimbabwe of Z$802 million whilst the Permanent Secretary for the Ministry of Transport was implicated to the tune of Z$642 million. The two Vice-Presidents and a parliamentarian, Phillip Chiyangwa (Mugabe's nephew) were also implicated in the scandal. The state also dispensed patronage through providing ZANU-PF cabinet ministers access to fuel from the state parastatal at subsidized prices and then selling it at the parallel market at higher prices. Among those alleged to have diverted fuel to the black market included government ministers, Mike Nyambuya and Oppah Muchinguri, Manicaland Governor Tinaye Chigudu, ZANU-PF legislator Enock Porusingazi, ZANU-PF party's Central Committee Member Esau Mupfumi, and Mutare businessman and Member of Parliament for Mutare South Fred Kanzama. Although the government investigated the scandal, the investigations were largely window-dressing as no one was arrested nor the report made public. Those responsible were never brought to account for the brazen looting of state resources. Corruption scandals were reduced to mere rhetoric without any serious attempts at censor and instead constitute part of the reward system to various ZANU-PF party and officials in governmental positions.

In the 2000s, the country faced serious fuel shortages, which tremendously affected economic activities. The state failed to maintain the ageing Feruka pipeline, thus all fuel imports were done by road. Between 2000 and 2003, the state attempted to mobilise international lines of credit to alleviate the precarious fuel situation including deals with 'friendly country investors': Kuwait-based Independent Petroleum Group (IPG), Libya, and the 'Look East' policy which saw the country entering into at least 15 deals worth millions of dollars with the Chinese, Iranians and other Asians, mostly on fuel, mining, electricity and communications. The arrangements however quickly collapsed following repeated failure by the government to honour its obligated contributions due to foreign currency shortages. In 2003, the state deregulated the fuel industry to allow private participation by companies in the liquid fuels sector. This saw the entrance of some indigenous companies such FSI, Exor, Comoil, Royal Oil, Country Petroleum, Redan Petroleum,

Sakunda Energy and others. The opening up of private participation mobilised private indigenous capital leading to an improvement in the fuel supplies on the market.

However, similar to other sectors, the opening of private participation in the liquid fuels opened space for expanding patronage accumulation avenues. In 2008, the government through the state-owned parastatal Agriculture Rural Development Association (ARDA) initiated an ethanol project, Green Fuels under a joint venture arrangement with two private companies, Ratings and Macdom, (*Daily News*, 31 March 2014). The project was valued at US$2 billion, the largest investment in Zimbabwe over a decade, and seen as one of Africa's largest ethanol projects. At its peak the project will have capacity to produce 100 million litres of ethanol per year, enough to supplement 50 per cent of Zimbabwe's petroleum needs and alleviate the country's import bill. As a renewable source of energy (bio-fuel) the project is a major milestone since the country's independence towards development of sustainable and green energy. The project employs over 9,000 workers and upon completion by 2020 is expected to employ 35,000 workers and will have the capacity to generate 86 Mega Watts of electricity energy to supplement the country's electricity.

However, the project was embroiled in controversy for disempowering the surrounding communities by grabbing over 40,000 hectares of land without compensation through the assistance of ZANU-PF politicians. Furthermore, the ownership of the project was also subject to intense debate in both parliament and cabinet after it emerged that the government owned a trivial shareholding. At its inception the government appointed a Cabinet Committee headed by Deputy Prime Minister Arthur Mutambara to recommend the operational modalities. The committee recommended 51 per cent government shareholding in line with the indigenisation law. Government equity would be backed by 40,000 hectares of land, equipment, and value-enhancing instruments such as mandatory blending. However, despite the 51 per cent minimum indigenisation thresholds and committee recommendations, it later turned out that government owned an inconsequential 10 per cent shareholding. A 90 per cent controlling stake was owned by a network of private players with political connections including, Billy Rautenbach through Green Fuels. The project was granted an unparalleled market advantage through initially 10 per cent (later increased

to 15 per cent) mandatory blending license issued by the government as provided under Statutory Instrument (SI) 17 of 2013 to guarantee profitability.

The 15 per cent mandatory blending legislated by government was seen as granting monopoly power for the ethanol project to guarantee returns to ZANU-PF's patronage network. In December 2013, a Zimbabwean citizen, Thabani Mpofu, represented by Tendai Biti, took the government to the constitutional court arguing that the monopoly and blending ratios do not promote fair competition and are not in the interest of motorists after it emerged that the 15 per cent mandatory blending was not advisable for Nissan run engine cars. Mpofu also argued that, 'There was also further prejudice in the pricing of the anhydrous ethanol blended fuel. Whereas the international process of the anhydrous ethanol is generally $0,60, the respondent (Green fuels) was selling its fuel for $0,95 per litre' (*Radio VOP*, 27 December 2013). However, the application had not been finalised and by 2014 government was pushing for mandatory 20 per cent blending. This followed information revealed after disputes over mandatory bending between the then opposition Energy Minister, Elton Mangona and the Agricultural Rural Development Authority spilled in the public domain. It emerged that the project had produced ethanol in excess of the company's storage capacity, thus it was desperate to dispose the product (*Daily News*, 9 December 2013).

In early 2014, the state also concluded a major deal with a South African-owned Mining, Oil and Gas Services Company[142] over the construction of a second fuel pipeline from Beira to Harare valued at US$1 billion. The pipeline will have the capacity to move 500 million litres of fuel a month. The plan, according to project documents, entails building connecting pipelines to Malawi, Zambia, Botswana and the DRC. Under the proposed deal, the government and Pipeline Empowerment Consortium, an indigenous business vehicle, are set to get a 50 per cent stake (*The Sunday Mail*, 05 January 2014). The Zimbabwe Defense Forces was also given interests for the provision of security during the construction of the pipeline due to Renamo disturbances in Mozambique (*Daily News*, 31 January 2014). Affirmative Actions Group, a ZANU-PF linked empowerment lobby including ZANU-PF heavy

[142] Mining, Oil and Gas Services Company is a subsidiary of Royal Bafokeng Holdings with a net asset value of about US$5 billion.

weights, David Chapfika and Philip Chiyangwa, were the other leading shareholders of Pipeline Empowerment Consortium. In Mozambique, the project will work with a company called COGS, which is jointly owned by Mining, Oil and Gas Services Company and its Mozambican partners. It is chaired by former president Joaquim Chissano.

Conclusion

The pre-independence colonial state actively pursued a state capitalism that saw nationalisation and heavy investments in the transport and energy sectors regarded as the economic enablers. The state sought to promote the interests of a white class coalition, which included agrarian and mining capital. The state through inwardly oriented development strategy supported industrial transformation through expansionary public work programmes. At independence in 1980, the state inherited a developed transport and energy infrastructure. The ruling elite initially maintained developmental interventionism in the strategic sectors of the economy and forged an alliance with domestic and international white capital. Most indigenous blacks remained largely excluded from economic participating in the energy and commercial transport sectors. However, as the economy slowed down in the late 1990s, state parastatals failed to maintain and expand economic enabling infrastructure in the transport and energy sectors. In response to loss of popular support in the late 1990s, the state deepened predatory behaviour, rewarding military elites with strategic positions in state parastatals in return for loyalty and support. One might also argue that the shift towards neoliberalism instigated widespread disgruntlement that triggered predatory behaviour. The consequences of this patronage route were grievous as the infrastructure in the strategic sectors gravely deteriorated. In the 2000s, the railway service collapsed and the national airliner was grounded, while in the energy sectors the country failed to meet the energy and fuel demands to support economic activities.

Chapter Nine:

Conclusion

Introduction

The study examines the modes of accumulation of the power elite across the key sectors of the economy to help explain the anti-developmental outcomes in Zimbabwe. Contrary to developmental state conceptions in terms of its core characteristics - bureaucratic coherence and capacity; embedded autonomy; disciplinary capacity; democratic and accountable governance - the state in Zimbabwe and its relations with business and society can be best understood by the logic of the predatory state. However, despite a number of earlier contributions (e.g. Bayart, Ellis and Hibou 1999; Chabal and Daloz 1999; Evans 1989, 1995; and Bratton, 2014), the study points to gaps in terms of understanding the core characteristics of the predatory state and how it functions. The thesis builds on the developmental state theories, earlier studies of the concept of the predatory state as well as relevant post-colonial state literatures in order to contribute knowledge on the characteristics of a predatory state. Using Zimbabwe as my case, I suggest a more systematic analysis of the predatory state by focusing on relations among the state, military, and business. In this chapter I discuss the characteristics of the predatory state developed in light of the Zimbabwean example.

The analysis developed in this study goes beyond earlier characterisations that view a predatory state as simply the 'opposite of a developmental state' (Evans, 1989; 1995). The burdens of this thesis have thus been to both develop building on earlier contributions on the notion of the predatory state and empirical work on Zimbabwe which examines the nature of the state, military and business relationship over a range of economic sectors and time. In this study, the number of economic sectors - land and agriculture, mining, transport and energy, and banking and finance - provide a wide spectrum to make generalisations, while the historical analysis of the colonial era enables us to grasp the changing logics of the nature of the state and business relationship over time. I argue that the colonial state exhibited more, albeit

authoritarian and racialised developmental features than the post-independence state and the further away from independence, the less developmental the state became.

The failure to discover the second 'Rand' led to the development of an interventionist state to support the diversification of economic activities, notably agriculture and manufacturing. However, by subjugating indigenous blacks into cheap labour and restricting growth of indigenous capital, the colonial mode of development lacked a necessary internal dynamic to sustain economic development. In order to generate demand, the formation of the Federation of Rhodesia and Nyasaland and the Second World War proved vital for Rhodesian mining and manufacturing output. In addition, the war of liberation conspired to galvanise 'national mobilisation' between the state keen to protect white interests, domestic white capital fearing the dismantling of colonially bequeathed privileges and international capital trapped in the colony. The pact effected a developmental 'triple alliance' that defied international sanctions against the Rhodesian regime. The Rhodesian economy grew phenomenally at an average of 7 per cent between 1965 and 1973 until the economy eventually began to deteriorate under the effects of the war (Hull (1978: 35).

At independence, Zimbabwe inherited a fairly institutionalised state and a diversified economy albeit constrained by legacies of the colonial mode of development. The state undertook a number of social and economic tasks with incredible success including expansion of the health and education sectors and provision of incentives to boost mining and agricultural production. Yet, the manner in which the transition was delivered ushered critical compromises during the first 10 years of independence, especially property rights that insulated whites against arbitrary takeover, particularly of land. Meanwhile fearing white capital flight and lacking the skills to manage the economy, the new political elites forged an alliance with white agrarian and international capital while indigenous black capital remained marginalised. In the agriculture and mining sectors operations remained dominated by domestic white and international capital respectively. The economy thus failed to transform the colonial mode of economic accumulation for example, through the expansion of black entrepreneurship into the mainstream economy. The ruling elite feared the development of an autonomous indigenous class, which could pose a political threat to its political ambitions.

By the 1990s, following declining growth and rising budget deficits, the state undertook an 'economic structural adjustment programme' under the aegis of the IMF and World Bank. Yet, the growing unemployment, poverty, increasing cases of corruption in government and frustrations over the worsening economic situation triggered demonstrations in 1997. These were initially the workers protesting against job losses and increasing costs of basic commodities, followed by the war veterans over abuse of the compensation fund. State policies turned capricious to appease restive constituencies for political support and sustain patronage. The omnipresence of the military in both the economic and political arenas was unparalleled. The intervention in the DRC and the violent land takeovers epitomised the use of violence and coercion in patronage based accumulation and political consolidation. The guise of the indigenisation and black economic empowerment programmes has served the narrow parasitic interests of the power elite. The ruling elite opened opportunities for parasitic accumulation from one sector to another across land, banking, mining, transport and energy sectors. Because the class of ruling military-political elite and its associated businessmen was parasitic, most acquired business interests did not succeed.

The consequences were devastating: the collapse of indigenously owned banks triggered by hyperinflation and parasitic tendencies dented confidence in the financial system; in the mining sectors indigenisation opened up opportunities for 'trusted' regional and international investors in association with the military and a politically connected local business class whose operations lacked transparency; the manufacturing sector suffered chronic under-capacity utilisation due to lack of both domestic and foreign investment as investors feared compulsory take-over of their investments through the indigenisation and empowerment regulations; the transport and energy sectors deteriorated gravely due to under-funding and corruption and the once towering agriculture sector degenerated from a net exporter to a perennial importer in order to meet national food requirements.

Four points are worthy stressing. Firstly, the manufacturing sector is conspicuously absent. This points to the rentier nature of the predatory state, i.e. it is based on resource extraction as opposed to manufacturing. The changing structure of

the economy, away from the significance of the manufacturing sector pre-independence, to the dominance of resource based extraction post-independence, is associated with this predatory shift. To be sure, the manufacturing sector is estimated to have lost a cumulative 92 per cent by 2008. Secondly, the implications of the absence of the manufacturing sector illuminate the deficiency of production strategies, a uniform feature across the desperate sectors. In fact, the main aim of policy (such as indigenisation and empowerment programmes) is to channel rents to members of the ruling elite. Thirdly, each sector reveals a different kind of extraction (form asset stripping in state parastatals to expropriation of white owned farms), the benefits of which accrue to the military-political elite. Finally, the state needs cooperation with foreign capital (in this case, Chinese and South African) to generate foreign exchange and tax revenue to support essential government functions. Therefore, foreign capital is allowed to participate in the sharing of resource rents.

The development of Zimbabwe's predatory state can be characterised in terms of four distinct phases. The state during the colonial period 1890 to 1980 exhibited features of a racialised authoritarian 'developmental state.' This is followed by a 'nascent inclusive developmental state' in the immediate post-independence, albeit with signs of predatory characteristics. The period 1990 to 1997 can be viewed as a period of transition from nascent developmentalism towards a full blown predatory state. Finally the post-1997 marked the major turning point into outright predatory shift and consolidation in the post-2000. In the remaining part of the conclusion I discuss the predatory state under three overlapping and complimentary characteristics (1) the nature of the state focussing on the party and military relationship, (2) the state and business relationship shaped by embedded domination and capture, and (3) state-society relations shaped by embedded authoritarianism.

Party-State and Military Dominance

It is no wonder that traditional political economy approaches such as neo-patrimonialism on the complexion of the state in Africa show their limitations in explaining Zimbabwe's trajectory. Unlike then Zaire and Nigeria for example, where a system of indirect rule relied on very lean state structures tailor-made to facilitate

extraction of resources, settler colonial capitalist development in Rhodesia accounted for the development of an emerging bureaucratic apparatus and non-primary commodity sectors such as agro-industry and manufacturing, as in South Africa. However, in the post-independence era, ruling class accumulation and the political reproduction project relies on patronage and personalistic relations that account for the rapid erosion of nascent bureaucratic norms. The political party provides 'legitimate' access to the state, while reliance on violence to accumulate and to control opposition places the military at the centre of politics and economy. The attendant political economy has thus produced at the very top a predatory power elite, composed of the ruling ZANU-PF political elites, military elites and politically linked parasitic businessmen and, at the bottom, a dependent social base sustained by patronage and a civil society sustained by donors.

Two major ways in which the party and military dominate the state stand out: (1) political deployment aimed at control of key state institutions and (2) the use of military force to accumulate personal wealth.

Political deployment is not unique to Africa, neither is it unique to authoritarian states as it also occurs in modern democracies (Southall, 2013). What distinguishes political deployment in a predatory state setting is that political party credentials or personal relations take precedence over professional competencies and very often deployees put the party business or interests of the ruling elite above the state. This logic runs against 'Weberian' bureaucratic rationality, which emphasises meritocratic-based recruitments and bureaucratic insulation from particularistic interests. Yet, the imperative of civil service transformation[143] in post-independence Africa via political deployment of party cadres to all key state institutions enabled control of the levers of power for political and personal advantages for the ruling elite and their associates. Southall (2013: 135) has summarised the developmental implications of civil service transformation in South Africa:

> The outcome of deployment has been: subordination of supposedly constitutionally independent institutions to the African National Congress (ANC); preference for political disposition over competence regarding

[143] Transformation of the civil service was recognised as a political imperative to transform the civil service to service the broader needs of society.

> appointments to a wide range of bodies, ranging from parastatals to hospitals to local government, resulting in inefficiency and failures of 'service delivery'; a turnover of top positions in the public service and parastatals leading to perpetual crises of leadership.

Zimbabwe reflects more grievous and far-reaching consequences: notably, post 2000, military and party based deployments to key organs - electoral management bodies, the judiciary, prison services and key parastatals such as the Grain marketing Board, National Oil Company of Zimbabwe, National Railways of Zimbabwe, National Indigenisation and Economic Empowerment Board and military-style operations such as '*Dzikisai mitengo*' (Reduce Prices) and '*Murambastiva*' (Restore Order) - served the ruling elite's political reproduction objective and personal accumulation interests. By rewarding party cadres, serving and retired military personnel with access to parastatal jobs and state resources, the state created patronage opportunities leading to the failure of several State Owned Enterprises. The ruling party 'deployees' were able to manipulate supposedly collective goods to reward key political constituencies. The pursuit of dirigiste policies and redistribution has served to legitimate the ruling elite and patronage based accumulation rather than state claimed developmental and empowerment goals.

Meanwhile, the control of security and justice organs enabled the ruling elite to deploy violence toward political opposition with impunity. Yet, in a modern democracy the role of the military is conceived as that of protecting a country against foreign threat or foreign intervention. However, practice also diverges significantly across the globe and historically the military has also played a significant role in economic development.[144] However, in Africa, unlike the use of the military in the classic Asian developmental states to repress domestic labour or the 'American military business complex'[145] where the military plays a key role in the provision of

[144] For instance it was in the army that the ancients first developed a complete wages system, so too was the use of machinery on a larger scale. Even the special value of metals and their use as money appears to have been originally based on their military significance (Marx to Engels, 25 September 1857. *Selected correspondence*, pp. 98-9).

[145] In the US, the interests of the political elites converge with military and economic elites and encourage continuous expansion of military spending rising to what President Eisenhower termed the rising dominance of the 'American military-

stimulus demand, the use of the military in both domestic and international contexts predominantly reflects predatory logic and cold war politics.

In their quest to preserve power, the ruling elites have turned to the military to prey on society. The military elites are rewarded by numerous business opportunities to retain their loyalty and support. The Angolan case is illustrative. During the civil war in Angola, the MPLA government rewarded its generals with the opportunity to purchase interests in mining ventures. The Partnership Africa Canada (2007:6) observed that in Angola the generals were participating in the mining joint ventures through private Angolan partners and owned shares in private security companies. In Egypt, similarly, to consolidate his power, President Hosni Mubarak granted military licenses to establish companies, building new factories and cultivating vast farms that had untaxed, unaudited special autonomous status (Springborg, 1989). The last ten years of Mubarak's reign saw army officers, especially retired generals and colonels, occupying high administrative positions in the bureaucracy and the public sector and further expanding their profitable military businesses. President Mubarak was toppled in 2010 by popular protests following poor economic performance, growing poverty and unemployment.

In the international context, the use of the military reflects an extension of cold war patron-client relations particularly before 1989 and predatory accumulation logic. Indeed, the thesis about 'criminalisation' of the state in Africa turns on the importance within Africa of a growing number of international mafia-type operations in the guise of international interventions and peacekeeping missions. Attempts to reduce civil conflicts under the guise of African intervention forces have opened up new opportunities for predatory accumulation in the context of depleting domestic patronage resources. The involvement of African peacekeeping forces in countries like Sierra Leone and Liberia has led to claims that some foreign contingents, such as the Nigerian, have facilitated the internationalisation of illicit trade or criminal activities (Chabal and Daloz, 1999:89). Zimbabwe's military intervention in the DRC in the 1990s (discussed in chapter six) raised similar claims.

---

industrial complex' (Baran and Sweezy, 1966) and according to Mills (1956: 212), converge in a 'power elite.'

However, both the '*Criminalisation of the State in Africa'* (Bayart, Ellis and Hibou, 1999) and '*Africa Works: Disorder as a Political Instrument'* (Chabal and Daloz, 1999) theses emphasise the importance of central authority. These approaches have mostly focussed on the collapse of the central authority such as then in Zaire, Sudan Central African Republic, Burundi Angola and Sierra Leone or rather the 'poor sedimentation of the post-colonial political order' to explain the instrumentalisation of conflict (Chabal and Daloz, 1999: 82). What is rather striking for Zimbabwe is that though it was popular and common in the post 2000s to refer to the country as a failed state,[146] central authority did not collapse. Between 2000 and 2008, the state was confronted with arguably one of the worst economic crises in history. It would suggest that the Zimbabwe's predatory state is therefore more robust and resilient. In fact, the state never lost the monopoly of organised violence but rather still managed to instrumentalise military force to further the accumulation needs of the ruling elite and its emerging class of party linked entrepreneurs.

The use of military force and coercion both domestically associated with the land reform and the diamonds in Eastern Zimbabwe and regionally associated with the intervention in the DRC has been a distinct phenomenon in the power elite accumulation project. High-ranking serving and retired military officers and senior members of the ruling party benefitted with multiple farms in return for loyalty and support in contrast to the state claimed one-person-one-farm policy. In the DRC intervention, the deployment of state resources towards war at a time when the economy was ebbing in the late 1990s epitomised the subordination of the imperative of peace and priority investment in growth enhancing investments towards a narrow ruling elite interest accumulation project.

Two features stand out for the predatory state more generally in terms of the nature of the state. The party and military dominate the state. Political deployments to the state subvert 'Weberian' notions of bureaucratic autonomy and rationality. Rather than distinction, there is no separation between the ruling political party and the state. To be sure, bureaucracy, state policy formulation and implementation are

[146] This term is associated with the late Professor Masipula Sithole (1990:452) and was an elaboration of Larry W. Bowman's thesis that white Rhodesian settler political conflict took place 'within a democratic process.'

subordinated to the imperatives of ruling party political and accumulation interests. The canons of political deployments also enable the ruling party to deploy the military force to control opposition and broad society. The state invests in the hyper-development of repressive apparatuses as the dominant political force. This gives rise to military omnipresence, driven both by idiosyncratic and institutional interests. The coalition between the political and military elites is mutually symbiotic: political elites gain support from the coalition to maintain their power while the military elites gain prestige, influence and material rewards.

State and Business Relationship Shaped by Domination and Capture

The 'developmental state' model associated with the East Asian and some African countries has emphasised state disciplinary capacity supplied by a strong Weberian bureaucracy and close collaboration between the state and capital as essential building blocks for economic transformation and development. Such state business coalitions play an instrumental role in both uniting the various public and private actors in defining development priorities and mobilising resources and support towards national priorities for achieving development goals. Yet in a predatory setting, the absence of a Weberian bureaucracy has been 'profitable for the ruling elite' in that it has allowed the elites to take advantage of state structures to further their personal accumulation goals (Chabal and Daloz, 1999: 14). Meanwhile any semblance of disciplinary capacity often harbours political persecution of autonomous business rather than directed at inducing productive behaviours from capital. Narrow political and personalistic relations as opposed to institutional norms define state and business relations.

In *Business and the State in Southern Africa*, Taylor (2007) observes that state-business relations in Southern Africa have emerged and thrived as long as the ruling elites found political benefit. However, these coalitions, when they have thrived such as in Zimbabwe (1980 to 2000), Namibia (to date) and South Africa (presently declining), have served to preserve the status quo more than to manage structural economic transformation (Taylor, 2007: 2003). Indeed, the ruling elite in post-independence Zimbabwe forged an alliance with white agrarian and international capital until the late 1990s when political pressure increased the costs of the pact with

white agrarian capital. The coalition collapsed as the state orchestrated violent land seizure ostensibly to redistribute land to the masses. The collapse of collaborative relationships with white capital was substituted by state relationships with a class of military, political and parasitic ruling party linked businessmen that undermined national development.

To be sure, contrary to state proclaimed broad-based empowerment goals, a small indigenous ruling elite in collaboration with 'trusted' international capital - notably Chinese and South African investors - who did not challenge the regime's questionable democratic and accountability credentials are the major winners. These alliances were involved in opaque operations characterised by lack of revenue transparency and declarations to the treasury, notably in the Marange diamond mining syndicates. The state official coffers were gravely constrained while the military and ZANU-PF political elites involved in these syndicates demonstrated suspicious ostentation and lavish spending.[147] Meanwhile indigenous business elites falling out of favour with the ruling elite were persecuted and their investments taken over by the state. Raftopolous and Compagnon (2004:20) argue that the Zimbabwean state feared that an autonomous black private sector would provide alternative power bases. Thus far, the attack on autonomous independent capital [148] in Zimbabwe not only constrained domestic resource mobilisation potential but also negatively impacted on the country's investment climate. Notably, with the exception of mining investments

[147] Robert Mhlanga, chairperson of Mbada Diamonds one of the biggest diamond mining companies spent R185 million in cash acquiring prime real estate on the Durban north coast and in one of the plushest areas of Sandton in Johannesburg as well as a R200-million mansion on a hillside overlooking the prestigious Zimbali golf estate in Ballito, KwaZulu-Natal within two years. In the preceding 18 months he bought three properties for a combined R60-million, including a penthouse suite in Umhlanga Rocks, a pair of mansions almost opposite one another in Hyde Park, Sandton and another sprawling property on the Umhlanga beachfront for R25-million (*Mail and Guardian*, 12 July 2012). Also discussed in chapter six, former Minister of Mines and Mining development Obert Mpofu bought the Zimbabwe Allied Banking Group (ZABG) for $27,8 million in cash.

[148] In the banking sector, as observed by an Interview Respondent, the RBZ instigated closures of the Royal Bank, Trust Bank, National Merchant Bank, Century Bank and Intermarket Bank were all politically motivated. Mutumwa Mawere, a Zimbabwean businessman's mining empire also suffered the same fate after he fell out with the ruling ZANU-PF party. His business was taken over by the state in 2004, after he was accused for various crimes and labelled a 'sell-out' by the ruling party (discussed in chapter six).

driven by the commodity boom in the post 2000s, investment in other sectors of the economy such as manufacturing declined. The repression of autonomous business also exposes the irony and limitation of the state driven economic indigenisation and empowerment approaches in the 2000s. As Peter Evans (1979) suggests, one of the roles of the 'triple alliance' of the state, international and local elites was to provide a source of capital in the successful industrialisation of Brazil.

However in predatory states Weberian bureaucratic norms do not exist, but rather capital relations are characterised by personal rather than institutional relations for security and access to state policy incentives. The case of the Intermarket Bank discussed in chapter seven where the financial institution banked its security through funding Retired General Mujuru's shareholding in Willdale Investments Limited and the granting of market advantages through mandatory ethanol blending to ruling ZANU-PF linked businessman Billy Rautenbach's Green Fuels are illustrative. Evans (1995: 47) concludes that when personalism dominates relations rather than ones which are predictable, rule governed bureaucratic behaviour, the development of a bourgeoisie oriented towards long-term productive investment is almost an impossibility. Both cases highlighted in the thesis demonstrate this point. The Intermarket bank in Zimbabwe later collapsed while the Green Fuels was embroiled in controversy over land dispossessions with surrounding communities. Meanwhile, the future of the company's monopoly privileges hung in the balance after court challenges over contravening fair competition.

In terms of state relationship with capital: the predatory state shares features of embeddedness with business albeit characterised by domination and capture. The marginal zones of autonomy with business exist but largely as an arena for powerful international capital regarded as strategic for state survival. In fact the 'developmental state embeddedness' is unnecessary, if not undesirable. The goal of the predatory state is not to facilitate economic transformation and development. Rather, the ruling political-military class is concerned with personal wealth accumulation and political reproduction as its essential goals. The state dominates business through suppression and dispossession of autonomous indigenous capital; meanwhile capital security is largely secured through personal and political connections with the ruling elite. The party provides access to the state and incentives. In return, business channels some of

the rents it accesses through the state back to the ruling party to guarantee security and continued access to incentives. This route undermines economic growth and development. Firstly, the power elite has a short-term perspective as opposed to 'rational profit making,' which allows for long-term investment. Secondly, the mutually corrupt relationship between the ruling elite and business undermines state capacity to discipline business and encourage productive activities. Meanwhile, by suppressing the growth of indigenous capital the predatory state also undermines the potential role of domestic driven investment and resource mobilisation including the contribution to the country's fiscus. In the end, the predatory state can undermine its own capacity leading to its eventual implosion.

State Society Relations Shaped by Violence and Patronage

The emphasis on democracy both as a goal and principal means of achieving development is underscored by Armatya Sen (1999). To place emphasis on democracy is to stress the point that development is co-produced and co-owned by the society for whom it is meant to serve. In that way the development process gains societal legitimacy and its outcomes sustainable. Evans (2014: 223) therefore argues that:

> The septic kind of 'embeddedness' or 'state-society synergy' that was crucial to the twentieth century industrial transformation – dense networks of ties connecting the state to industrial elites – will have to be replaced by much more 'bottom up' set of state society ties to secure development success in the 21st century.

Therefore, just as involvement of private elites in determining investment priorities and implementation of development projects is recognised as key for higher rates of accumulation and economic transformation, so too and even more so, the involvement of society is vital in the 'efficient allocation of expanding investments' (Evans, 2014: 233) and joint implementation. However, as Evans (2014) further notes, the information required for the task of capability expansion is gathered from constituencies that are numerous and less organised than business. Such a task would require democratic political institutions and a dense state-society interaction to guide and facilitate successful outcomes. Williams (2014: 14) therefore suggests that the

strengthening of participatory and representative forms of democracy should be recognised as vital in order to provide enabling institutions that structure state-society relations towards the realisation of such goals.

Yet, in *Democratic Rollback: The Resurgence of the Predatory State*, Larry Diamond (2008) warns of creeping democratic recession, and the rise of predatory states, threatening both nascent and established democracies. Zimbabwe's story is characteristic, where the use of force to control citizens and electoral manipulation[149] have extinguished even the basic form of electoral democracy that should enable citizens to choose their would-be political representatives. The concept of citizenship appears relegated; citizens are only 'citizens' in name, deprived of the very minimum channels for political representation. To be sure, citizens are clients of the ruling elite, which dispenses patronage resources in return for loyalty and political support (Mamdani, 1996). Even when such resources are dispensed, insecurity for example lack of title on allocated land, is instrumentalised to ensure continued dependency and loyalty. The use of land redistribution and informal small-scale gold mining to further patronage goals in Zimbabwe is typical. Beneficiaries can be easily disposed as soon as they shift political allegiance or subordinated to the interests of some individual(s) in higher political office.

The nature of the predatory state accumulation logic necessarily results in economic failure, which triggers strong political opposition to the ruling elite. The deterioration of the Zimbabwean economy in the late 1990s, and consequent unemployment triggered social unrest culminating in the formation of a broad political coalition in 1999 to confront the ruling party. In response the ruling elite intensified patronage and violence to sustain its political regeneration. As the state coffers became depleted, the ruling elite turned to short-term programmes to dispense patronage for political support. Typically the various short-term quasi-fiscal operations by the Reserve Bank of Zimbabwe and coercive operations targeted at reducing prices of basic commodities at a time when the economy suffered record hyperinflation demonstrate this motive as beyond any measure of developmental rationality. In addition the state pursued redistribution rhetoric to appease the masses

[149] The use of this term with reference to Zimbabwe is associated with Eldred V. Masunungure (2014: 96)

even though such programmes rarely benefit the broader society beyond the ruling party elite and its social base.

When opposition parties emerge to challenge the worsening social and economic conditions - growing inequality and injustices, - the state is viciously deployed violence to control citizens and destroy the opposition. Scholars fear that indeed even nascent democracies such as South Africa and Namibia (Southall, 2013) and Ghana (Diamond, 2008) may follow the same road as Zimbabwe. In Namibia, civil society groupings are too weak, mostly constrained by dependence and lack of funds and when they have differed with the government they have been denounced by the ruling SWAPO as unpatriotic and marginalised (Southall, 2013: 185). In South Africa too, the upsurge of social protests and often heavy-handed state response that epitomised its repression when protesting mine workers were killed during the Marikana massacre[150] paints a gloomy picture for the future of democracy.

Often when the predatory state is under fire it appropriates what Claude Ake (1998) termed 'defensive radicalism,' branding the opposition as an enemy of the state and masses, hindering the economic and social transformation programmes of the state. The instrumentalisation of derogatory language labelling the opposition as 'sell outs' or 'puppets of the west' often dominates the narrative and justification for exclusion and the use of military force, ostensibly to defend the state against foreign interests. The use of violence to crush political opposition is well demonstrated in chapter four; the orchestrated campaign of terror against the MDC in the 2008 is the worst form of electoral violence witnessed in Zimbabwe, outside of the *Gukurahundi* in the early 1980s. Such practices are consistent with predatory rule elsewhere. For instance, in 2002, the Nigerian government under Obasanjo accused organised labour under the umbrella of the Nigerian Labour Congress (NLC), 'of running a parallel government,' when the labour body called out its members for general strike and protest against the increase in petroleum products and proposed removal of subsidies (Omoyibho, 2012: 31). The effect of the violence is to exclude and marginalise important constituencies in the country's development process.

[150] The Marikana massacre is considered the single most lethal use of force by South African security forces in the post apartheid era against civilians. It resulted in the deaths of 34 striking miners.

Finally, in terms of the relationship with broader society more generally, the predatory state exhibits characteristics of a deeply embedded form of authoritarianism characterised by use of violence and patronage. The state penetrates deep in society to control citizens and opposition. The use of violence and patronage are the main forms of ensuring control over society and the opposition. Elections are only held to give a veneer of legitimacy. Electoral manipulation techniques include: change of electoral laws to favour the ruling party; partisan influence in state media coverage; partisan application of the law targeting opposition campaigns; intimidation of opposition supporters; manipulation of voter education; registration to favour ruling party constituencies; and vote buying. Typically patronage manifest in short-term programmes meant to drum up political support irrespective of the impact on the economy. Citizens lack independence of thought and action as they are trapped in vertical chains of dependency. Meanwhile, the symbiotic relationship between the ruling and military elites reinforces the deployment of violence to ward off opposition challenge. The opposition and civil society spaces that could provide alternative spaces to challenge the excesses of the power elite are persecuted and suppressed.

Developmental Versus Predatory States

Whereas the difference between the twentieth century developmental state and the predatory state has been subject of considerable attention in this study, the distinction between the twenty-first century developmental state[151] and the predatory state deserves clarification. How do we distinguish between the version of the twentieth century developmental state and a predatory state in terms of state structure and relationship with society to make sense of the structural variations with developmental trajectories? I would argue that in terms of characteristics both the early version of the developmental state and the predatory state demonstrate

[151] The early version of the developmental state is associated with countries such as South Korea under Park Chung Hee (1962 – 1979) and Brazil under Estado Novo (1937-1945) and the military dictatorship (1964-1985) displayed more authoritarian politics and greater penetration of state authority.

substantial authoritarian tendencies and powerful role of personal networks.[152] However, they differ substantially in terms of relationship with business actors and the nature of the relations with the military.

The twentieth century developmental state combined the use of disciplinary capacity with incentives to foster productive alliances with business while predatory state relations with business are parasitic rather than production oriented, hence they achieve opposite developmental outcomes. The nature of the relations with the military is also divergent in that the use of the military in the twentieth century developmental state was oriented towards a national project rather than personal accumulation. For instance, in the 'Asian classical developmental states model', the military played an effective role to control and repress the domestic labour to keep the costs of production low to attain industry competitiveness. Yet under a predatory state, the use of the military violence mirrors personalistic accumulation interests of the power elite. Table 9.1 below summarises the characteristics of the twenty-fist century developmental state and the predatory state.

[152] During South Korea's high growth industrialization, Park Chung Hee for example enjoyed closer personal ties with two of the most important leading largest businesses, Hyundai and Daewoo, thus Kohli (2004: 97) finds it difficult to disentangle the role of state defined public purpose of growth from the role of private profit motives and of crony capitalism. However, the state was always in command; it never lost its disciplinary capacity. For instance when businesses failed to meet set target, they were punished through withdrawal of incentives. The state's compulsions were pervasive and real (Kohli, 2004: 97).

Table 9 1: Developmental versus predatory state characteristics

Characteristics	Twenty-first century developmental state	Predatory state
1. Nature of the state	Weberian bureaucratic rationality: meritocratic-based recruitment and promotion, impersonality and rational decision-making processes.	Party and military dominance in the state: political deployments aimed at controlling key state institutions (including the military) to facilitate access to personal wealth and power.
2. State relationship with broader society	Embedded autonomy: state-society relations are shaped by democratic and participatory forms of governance. The state provides institutions that facilitate and mobilise citizen participation to galvanise development.	Violence and patronage: state-society relations are shaped by authoritarianism and patronage. Citizens live under insecurity, fear and dependency, which robs them autonomy of thought and action.
3. Forms of control over society	The state secures legitimacy through the rule of law and citizen participation.	The ruling class deploys short-term programmes for political support and uses of violence to control citizens and opposition.
4. State relationship with business	Embedded autonomy: the state collaborates with capital yet retaining autonomy to formulate and pursue developmental goals. The deployment of incentives is supported by disciplinary capacity to ensure a competitive market based economy that drives national development priorities.	Domination and capture: the state is captured by the ruling class, which preys on autonomous capital and civil society fearing centres of power, which can challenge the ruling class veracity. The state substitutes the market, deploys of violence and incentives to facilitate ruling elite accumulation interests.
5. Forms of control over capital	Capital security ensured by bureaucratic impartiality that provides predictable enforcement of contracts.	Capital security relies on political and personal relations.

Conclusion

This thesis has engaged the debate on the construction and reproduction of the predatory state, its core characteristics and how it functions. It argues that predatory state cannot be understood simply as the opposite of a developmental state or a product of poor state institutionalisation as proffered by scholars of the 'post-colonial

state,' 'neo-patrimonialism' or 'criminalisation.' Instead, I argue that the predatory state is a ruling class anti-developmental accumulation and reproduction project that relies on violence and patronage to control society.

In response to declining economic performance and growing political threats, the Zimbabwean state increasingly assumed predatory characteristics. The combined dominance of the ruling party and military in the state facilitated pervasive anti-developmental accumulation that undermined the development potential, leading to popular discontentment. Facing serious challenges from the political opposition, the state dispensed patronage driven short-term programmes that further weakened the economy. At the same time, the state fostered alliance with politically connected class of parasitic businessmen entangled into regional and international networks of crime. Meanwhile, the state repressed the development of civil society and autonomous capital, which could provide alternative power bases to challenge the anti-developmental excesses. The increasing political threats gave way to the growing power and influence of the military, which deployed violence in order to control the opposition and society. The military received political rewards in the form of business opportunities, parastatal jobs and access to state resources in return for political support and loyalty. Therefore, rather than absence, the predatory state manifests a strong central authority and institutionalised regime of control and anti-developmental accumulation.

However, a fundamental question emerges as to whether the modes of accumulation of the predatory state undermine its own capacity to continue its predatory practices. The parasitic nature of accumulation is oriented towards opportunistic short-term rather than long-term production, often leading to implosion of the predatory state. There is a strong argument to make that the predatory state requires an economy which continues to function at a minimum level in order to allow the elite to engage in predatory practices, that is, a predatory state has to be 'sustainable.' The alternative is that the elite simply loot the economy until it becomes unsustainable. It would suggest that (1) the predatory state accumulation model is inherently unsustainable and (2) once unsustainability is reached the elite undermine the capacity of the economy to continue to function at a minimum level as resources dry-out. As patronage resources shrink, the political elite coalesce around a smaller

set of actors. The process may not be smooth, but often mediated by acrimonious infighting within the ruling class. In Zimbabwe, the party elite and military coalition coalesced over the years excluding key business constituencies and civil society.

References

Books and Articles

Abdi, A. A. (2000). The criminalisation of the state in Africa. *Canadian Journal of African Studies*, 34 (2): 454 – 456.

Afrobarometer. 2005. Policy Paper. 25. August. Afrobarometer.

Aguilar, A. G. and Campuzano, E. P. 2009. Informal sector. *International Encyclopedia of Human Geography*, 367–371.

Ake, C. 1978. *Revolutionary pressures in Africa.* London: Zed Press.

Alexander, J. 1994. State, peasantry and resettlement in Zimbabwe. *Review of African Political Economy*, 21 (61): 325–345.

- 2003. Squatters, veterans and the state in Zimbabwe. In A. Hammar et al., (Ed.), *Zimbabwe's unfinished business: Rethinking land, state and nation in the context of crisis*. Harare: Weaver Press, 83–117.
- 2006. *The unsettled land: state-making and the politics of land in Zimbabwe 1893- 2003*. Harare Oxford, and Athens: James Curry, Weaver Press, Ohio University Press.

Amsden, A. 1989. *Asia's next giant: South Korea and late industrialisation.* New York: Oxford University Press.

- 1992. A theory of government intervention in late industrialisation. In L. Putterman, and D. Reuschemeyer (Ed.), *State and market in development: Synergy or rivalry?* Boulder, CO: Lynne Reinner.

Arrighi G. 1966. The political economy of Rhodesia. *New Left Review,* 1 (39): 35-65.

Baran, P. A. and Sweezy, P. M. 1966. *Monopoly capital. An essay on the American economic and social order*. Bungay: The Chauser Press.

Barber, W. J. 1961. *The economy of British Central Africa.* London: Oxford University press.

Basin. In, C. Godfrey, E. Manzungu, D. Mushayavanhu, and D. Shoko, (Ed.), *Managing common property in an age of globalization*, 21 – 39. Harare: Weaver Press.

Bayart, J.F., Ellis, S. and Hibou, B. 1999. *The criminalization of the state in Africa*. London: James Currey.

Berndt, E. R. and C. J. Morrison. 1981. Capacity utilisation measures: Underlying economic theory and alternative approach. *American Economic Review*, 71 (2): 48-57.

Bhebhe, 2004. *Simon Vengesai Muzenda and the struggle for and liberation of Zimbabwe*. Gweru: Mambo Press.

Boeije, H. 2002. A purposeful approach to the constant comparative method in the analysis of qualitative interviews. *Quality and Quantity*, 36: 391-409.

Bond, P. 1998. *Uneven Zimbabwe: A study of finance, development and underdevelopment. Trenton*: Africa World Press.

Bond, P. and Manyanya, M. 2002. *Zimbabwe's plunge: exhausted nationalism, neoliberalism and the struggle for social justice.* Harare: Weaver press.

Bonello, J. 2010. The development of early settler identity in Southern Rhodesia: 1890 – 1914. *The International Journal of African Historical Studies*, 43 (2): 341 - 367

Bonner, A., and Tolhurst, G. 2002. Insider-outsider perspectives of participant observation. *Nurse Researcher*, 9(4): 7-19.

Bowman, L. W. 1973. *Politics in Rhodesia: White power in an African state*. Cambridge: Harvard University press.

Bracking, S. 2003. The political economy of chronic poverty. Working paper no. 23. *Institute for Development Policy and Management*. University of Manchester.

Bratton, M. 2014. *Power politics in Zimbabwe*. London: Lynne Reinner publishers and Kwazulu Natal: UKZN Press

– 1980. The public service in Zimbabwe. *Political Science Quarterly*, XCV: 441-464

Bratton, M. and Masunungure, E. 2011. The anatomy of political predation: leaders, elites and coalitions in Zimbabwe, 1980-2010. *Development Leadership Program (DLP)*

Burawoy, M. 1998. The extended case method. *Sociological Theory*, 16 (1): 4 - 33

Burgess, S. 1986. Exploring society. New York: Longman.

Business Council of Zimbabwe (BCZ). 2011. Summary report on indigenisation and economic empowerment in Zimbabwe: A strategy for wealth and employment creation for poverty reduction. *BCZ.* Harare.

BusinessMap. 2001. Investor survey 2001: Opportunities in waiting. Johannesburg, *BusinessMap*.

Callaghy, T. 1984. *The state-society struggle: Zaire in comparative perspective.* New York: Columbia University Press.

Campbell, H. 2003. *Reclaiming Zimbabwe - an exhaustion of the Patriarchal Model of Liberation.* David Philips Publishers.

Cardoso and Falleto. 1979. *Dependency and development in Latin America*. Trans by Marjory and Mattingly Urquid. Berkeley and Los Angels: University of California Press.

Carmody, P. 1998. Neoclassical practice and the collapse of industry in Zimbabwe: The case of textiles, clothing, and footwear. *Economic Geography*, 74(4) (October 1998): 319-343.

Catholic Commission for Justice and Peace (CCJP) 1997. Report on the 1980's disturbance in Matabeleland and the Midlands. *CCJP*. March 1997.

Chabal, P. and Daloz, J. P. 1999. *Africa works: Disorder as a political instrument.* London: James Currey.

Chazovachii, B. & Basure, H. 2013. Livelihood resilience and small-scale mining: The case of gold panning in Mberengwa, Zimbabwe. *Zimbabwe Journal of Technology*, 1(9): 50-80.

Chibber, V. 2014. The developmental state in retrospect and prospect: Lessons from India and South Korea. In M. Williams (Ed.), *The end of the developmental state?* 30 -54. Durban: University of KwaZulu-Natal Press.

– 2002. Bureaucratic rationality and the developmental state. *American Journal of Sociology* 107 (4): 951-89.

Chigumira, G. 2000. Financial liberalisation in Zimbabwe. *PhD*. Glasgow: Strathclde University.

Chigumira, G. and Masiyandima, N. 2003. Did financial sector reform result in increased savings and lending for SMEs and the poor? *Paper prepared for International Labour Organisation (ILO).*

Chimombe, T. 1983. Financing small-scale industry in Zimbabwe: present policies and structures to assist small-scale industries. *Present situation and development perspectives of Santander.* Madrid: Confederación Española de 220.

Chitiyo, K and Rupiya, M. 2005. Tracking Zimbabwe's political history: The Zimbabwe's defense force from 1980 - 2005. In M. Rupiya (Ed.), *Evolutions and Revolutions: A contemporary History of Militaries in Southern Africa*. Pretoria: Institute for Security Studies (ISS).

Clarke, D. 1980. *Foreign companies and international investment in Zimbabwe.* Gwelo: Mambo Pres.

Clay, H. 1930. *Report on Industrial Relations in Southern Rhodesia*. C.S.R. 3.

Cliffe, L. 1981. Zimbabwe's political inheritance. In C. Stoneman (Ed.), *Zimbabwe's inheritance*, 8 – 35. Harare: College Press.

Compagnon, D. 2011. *A predictable tragedy: Robert Mugabe and the collapse of Zimbabwe.* Philadelphia: University of Pennsylvania Press.

Confederation of Zimbabwe Industries (CZI). 2010. The Confederation of Zimbabwe Industries (CZI) 2010 Manufacturing Survey. *CZI.*

Creswell, J., W. 2002. *Research design: Qualitative, quantitative, and mixed methods approaches*. Thousand Oaks, CA.: Sage Publications, Inc.

Crisis in Zimbabwe Coalition. 2011. The Military factor in Zimbabwe's political and electoral affairs. *Crisis in Zimbabwe Coalition.*

Crossly, J. and Blandford, J. 1975. *The DCO story.* London: Barclays Bank International Limited.

Crummey, D. 1986. *Banditry, rebellion and social protest in Africa.* Portsmouth: Heinemann.

Da Rin, M. and Hellmann, T. 2002. *Banks as catalysts for industrialisation*. G.S.B: Stanford University.

Davies, R. J. and Dewar, N. 1989. Adaptive or structural transformation? The case of Harare, Zimbabwe housing system. *Social Dynamics.* 15 (1).

Denscombe, M. 2003. *The good research guide.* Berkshire: Open University Press.

Diamond, L. 2008. Democratic roll-back. *Foreign Affairs*, 87 (2): 36-48.

– 1987. Class formation in the swollen African state. *The Journal of Modern African Studies,* 25 (4): 567-590.

Domhoff, W. G. 1971. *The higher circles: The governing class in America*. New York: Vintage books.

Dorman, S. R. 2001. Inclusion and exclusion: NGOs and politics in Zimbabwe. *PhD thesis.* Department of Politics and International Relations. London: University of Oxford.

Erbaykal E. 2008. Disaggregate energy consumption and economic growth: Evidence from Turkey. *International Research Journal of Finance and Economics.*

Evans, P. 2014. The developmental state: Divergent responses to modern economic theory and the twenty-first century economy. In M. Williams (Ed.), *The end of*

the developmental state? 220 -240. Durban: University of KwaZulu-Natal Press.

– 1995. *Embedded autonomy: States and industrial transformation.* Princeton: Princeton University Press.

- 1992. Predatory, developmental and other apparatuses: A comparative political economy and adjustment. In S. Haggard and R. Kaufman (Ed.), *The politics of economic adjustment: International constraints, distribute politics and the state*, 139-181. N.J.: Princeton: University Press.

- 1979. *Dependent Development: the alliance of multinational, state, and local capital in Brazil*. Princeton, NJ: Princeton University Press.

Ewald, J. 1997. The international political economy of structural adjustment. The case of Tanzania and cotton, coffee and maize cultivation in Geita and Arumeru District. *Peace and Development Studies.* Göteborg University.

Fangjun, Cao. 2009. Modernisation theory and China's road to modernisation. *Chinese studies in history,* 43 (1): 7-16.

Fanon, F. 1974. *The wretched of the earth.* London: Penguin.

Farrel, H. and Quiggin, J. 2011. Consensus, dissensus and economic ideas: The rise and fall of Keynesianism during the economic crisis? *School of Economic and Political Science*: University of Queensland.

Fatton, R. 1992. *State and civil society in Africa.* Boulder, Colorado: Lynne Reinner Publishers.

Fay, B. 1987. *Critical social science.* Polity Press.

Frankel, S. H. 1938. *Capital investment in Africa.* Oxford: Oxford University Press.

Friedrich Ebert Stiftung, 1998. *Social security systems in rural Zimbabwe.* Harare: Friedrich Ebert Stiftung

– 1997. Post-independence landreform in Zimbabwe: Controversies and impact on the economy. *Friedrich Ebert Stiftung*

Fukuyama, F. 1992. *The end of history and the last man*. Toronto: Maxwell Macmillan.

Games, D. 2004a. A Nation in turmoil – The experience of South African firms doing business in Zimbabwe. *SAIIA Business in Africa Report*, 8. Braamfontein, 2006.

– 2004b. The experience of South African firms doing business in Africa: A Preliminary Survey and Analysis. *SAIIA Business in Africa Research Project Report*, 1. Braamfontein, 2004.

Garfinkel, H. 1957. *Studies in ethnomethodology.* Polity Press.

Gereffi, G, Humphrey J, Kaplinsky R and Sturgeon T J. 2001. Introduction: Globalisation, Value Chains and Development. *Institute of Development Studies, IDS Bulletin* 32 (3).

Gerth, H. H. and Mills, W. 1991. *From Max Weber essays in sociology.* Routledge.

Gershenkron, A. 1962. *Economic backwardness in historical perspective*. Cambridge: Mass.: Belknap.

Global Witness. 2012. Diamonds: A good deal for Zimbabwe? February 2012. *Global Witness*.

– 2002. Branching out: Zimbabwe's resource colonialism in the Democratic Republic of Congo (DRC). *Global Witness*. Retrieved from http://www.swradioafrica.com/Documents/globalwitnessreportonzim-DRC.pdf)

Gono, G. 2007. Promoting Indigenous Economic Empowerment. *Address to the Extraordinary Session of ZANU-PF Congress. Harare. 14 December 2007.*

Good, K. 1976. Settler colonialism: Economic development and class formation. *Journal of Modern African Studies*, 14(4): 597-620.

Goodsell, T. L. 2013. The interpretative tradition in social science. *Paper presented at the National Council on Family Relations*. San Antonio: Texas, 7 November.

Gould, D. 1979. The administration of underdevelopment. In Zaire G. Gran (Ed), *The political economy of underdevelopment*. New York: Praeger.

Greene, M. J. 2014. On the inside looking in: Methodological insights and challenges in conducting insider research. *The qualitative report*, 19 (29): 1 – 13.

Gunning, J., Hoddinott, J., Kinsey, B. and Owen, T. 2000. Revisiting Forever gained: income dynamics in resettlement areas of Zimbabwe, 1983-1996. *Journal of Development Studies*, 36 (6): 131 - 54.

Handford, J. 1976. *Portrait of an economy under sanctions, 1965 – 1975*. Salisbury: Mercury Press.

Hanke, H. S. 2008. How to Kill Zimbabwe's Hyperinflation. *Institute for Global Dialogue.* Johannesburg: Acumen Publishing Solutions.

Hanlon, J., Manjengwa, J., and Smart, T. 2013. *Zimbabwe takes back its land.* [Online]. Retrieved from http://www.openbooks.tig.org.za/Mugabe/Zimbabwe_Takes_Back_its_Land_book_pages_1-11.pdf. [Accessed 21 September 2014.

Harbeson, J. W. 1981. Land and rural development in Zimbabwe: A preliminary assessment. *Harare: United States Agency for International Development (USAID).*

Harvey, C. 1998. The limited impact of financial sector reforms in Zimbabwe. (Mimeo).

Hawkins, T. 2009. The mining sector in Zimbabwe and its potential contribution to recovery. *Working paper, no. 1. United Nations Development Programme, Zimbabwe (UNDP/ Zimbabwe).*

Hazlewood, A (1967). The formation of Federation and dissolution in Central Africa. In *African Integration and Disintegration*. Case studies in economic and political union. London: OUP.

Herbst, J. 1990. *State politics in Zimbabwe.* Harare: University of Zimbabwe Publications.

Hettne, B. 1995. *Development theory and the three worlds: Towards an international political economy of development* (2.ed.). Harlow: New York: Longman.

Hewitt-Taylor, J. 2002. Insider knowledge: Issues in insider research. *Nursing Standard*, 16(46): 33-35.

Holloway, E., L.1997. Structures for the analysis and teaching of supervision. In C. E Watkins, Jnr. (Ed), *Handbook for Psychotherapy Supervision*, 249 – 276. New York: Willey.

Hull, G. 1978. The political economy of Zimbabwe: Implications for the internal settlement. *Africa Today*, 25 (2): 27 - 44

International Crisis Group (ICG). 2005. Zimbabwe's Operation Murambatsvina: The tipping point. *Africa Report*, 97, 17 August 2005.

International Institute for Environment and Development (IIED). 2011. The informal economy: *A premier for development professionals on the importance of the informal economy in developing countries.* London: IIED.

International Labour Office (ILO). 2002. Women and men in the informal economy: A statistical picture. *Employment Sector*. ILO: Geneva.

Johnson, C. 1982. *MITI and the Japanese miracle: The growth of industrial policy, 1925 – 1975*. Stanford, CA: Standard University Press.

– 1999. The developmental state: Odyssey of a concept. In, M. Woo-Cummings (Ed.), *The Developmental state.* Ithaca, NY: Cornell University Press.

Jones, T. 2011. *Uncovering Zimbabwe's debt, the case for a democratic solution to the unjust debt burden*. Report by Jubilee Debt Campaign: UK.

Kadhani, X. 1986. The economy: Issues, problems, prospects. In I. Mandaza (Ed.), *Zimbabwe: The political economy of transition, 1980 – 86*. Dakar: CODESRIA.

Kagarlitsky, B. 1989. *The thinking reed.* London: Verso Editions.

Kang, D. C. 2003. Getting Asia Wrong: The need for new analytical frameworks. *International Security* 27: 57-85.

Kanyenze, G., Kondo, T, Chitambara, P., and Martens, J. 2011. *Beyond the enclave: Towards a pro-poor and inclusive development strategy for Zimbabwe.* Harare: Weaver Press.

Kinsey, B. 2003. Comparative economic performance of Zimbabwe's resettlement models. In M. Roth and F. Gonese (Ed.), *Delivering land and securing rural livelihoods: post-independence land reform and resettlement in Zimbabwe.* Harare: University of Zimbabwe and Madison: University of Wisconsin-Madison.

Kirk, T. 1975. Politics and violence in Rhodesia. *African Affairs*, 74 (294): 3 - 38

Knutsson, B. 2009. The Intellectual history of development: Towards widening potential repertoire. Perspectives no. 13. *School of Global Studies.* Göteborgs University.

Kohli, A. 2004. *State-directed development. Political power and industrialisation in the Global Periphery*. Cambridge: Cambridge University Press.

Kriger, N. 2012. ZANU-PF politics under Zimbabwe's 'power-sharing' government [Special issue]. *Journal of contemporary African studies*, 30 (1): 11 – 16.

Kuhn, T. 1962. *The structure of scientific revolutions.* Chicago: University of Chicago Press.

Kurebwa, J. 2000. *Sanctions on Rhodesia (Zimbabwe): Collective security or international conspiracy.* Harare: University of Zimbabwe publications.

Lakatos, I. 1978. *The methodology of scientific research programmes.* Cambridge: Cambridge University Press.

Lassiter, J. E. 2000. African culture and personality: Bad social science, effective social activism, or a call to reinvent ethnology? *African Studies Quarterly*, 3 (3): 1-21.

Leftwich, A. 2009. Analysing the politics of state business relations: A methodological concept note on the historical institutionalist approach. Discuss paper series, 23. IPPG Discussion Papers. *IDPM, School of Environment and Development.* University of Manchester

Levi, M. 1981. The theory of predatory rule. *Politics and society*, 10 (4): 431 – 442.

Lewis, P. 1996. From prebendalism to predation: The political economy of decline in Nigeria. *Journal of Modern African Studies*, 34 (1): 79-103.

Lewis, W. A. 1977. *The evolution of the International Economic Order*. Princeton, N. J.: Princeton University Press.

Leys, C. 1959. *European politics in Southern Rhodesia*. Oxford: Clarendon.

MacGaffey, J. 1986. Women and class formation in a dependent economy: The Kisangani entrepreneurs. In C Robertson and I Berger (Ed.), *Women in Zaire*. Cambridge: Cambridge University Press.

Machingaidze, V. 1981. Company rule and agricultural development: The case of BSA Company in Southern Rhodesia 1908 – 1923. In *The societies of Sothern Africa in the 19th and 20th centuries*. Collected seminar papers, 24: 49 – 62. London: University of London.

Magure, B. 2012. Foreign investment, black economic empowerment and militarized patronage politics in Zimbabwe [Special issue]. *Journal of Contemporary African Studies,* 30 (1): 67 – 82.

Makina, D. 2009. Recovery of the financial sector and building financial inclusiveness. *Comprehensive Economic Recovery in Zimbabwe Working Paper Series, 5.* Harare: UNDP.

Makochekanwa, A. 2007. A dynamic inquiry into the causes of hyperinflation in Zimbabwe. *Department of Economics Working Paper Series*. Pretoria: University of Pretoria.

Makumbe, J. 2003. ZANU-PF: A party in transition?, In R. Cornwall (Ed.), *Zimbabwe's turmoil: Problems and prospects*. Pretoria: Institute for Security Studies.

Mambondiani, L. 2011. *Renaissance Merchant Bank collapse: A failure of regulation.* Newzimbabwe website.

Mamdani, M. 1996. *Citizen and subject: Contemporary Africa and the legacy of colonialism.* Princeton, New Jersey: Princeton University Press.

Mandaza, I. 1986. Introduction: The political economy of transition. In I. Mandaza, I. (Ed), *Zimbabwe: The political Economy of transition 1980-1986*. Dakar: CODESRIA: 1-20.

Mapako, M. and Prasad, G. *Undated.* Rural electrification in Zimbabwe reduces poverty by targeting income-generating activities. *Unpublished paper*. Retrieved from http://www.erc.uct.ac.za/Research/publications/07Mapako-Prasad%20Rural%20electrfication%20Zimbabwe.pdf).

Marcouiller, D. & Douglas, L. 1995. The black hole of graft: The predatory state and the informal economy. *American Economic Review*, 85(3): 630-46.

Markovitz, I. L. 1987. *Studies in power and class in Africa.* New York: Oxford University Press.

Marongwe, N. 2009. Interrogating Zimbabwe's Fast Track Land Reform and Resettlement Programme (FTLRP): A focus on beneficiary selection. *PhD.* University of the Western Cape, 2009.

Marx, K. 1857. Max to Engels, 25 September *Selected correspondence*: 98-9.

Masiiwa M. 2001. The Fast Track Resettlement Programme (FTLRP) in Zimbabwe and options for enhanced civil society participation. *Working Paper 45*. Harare: Friedrich-Ebert- Stiftung.

- 2004. *Land reform programme in Zimbabwe: Disparity between policy design and implementation*. Harare: University of Zimbabwe.

Masuko, L. 2010. *Implementing Indigenization in Zimbabwe-policy choices*. Ministry of Economic Planning and Investment Promotion.

Masunungure, E. V. (2009). A militarised election: The June 27 presidential run-off. In E. V. Masunungure (Ed.), *Defying the winds of change: Zimbabwe's 2000 elections,* 79-97. Harare: Weaver Press.

- 2014. The 'menu of manipulation' and the 2013 Zimbabwe elections: Towards explaining the 'technical knockout'. *Journal of African Elections,* 13 (2): 95-121.

Masunungure, E. V. and Shumba, J. M. 2012. Introduction. In E. V. Masunungure and J. M. Shumba (Ed.), *Zimbabwe: Mired in Transition,* XI-XXX. Harare: Weaver Press.

Mawowa, S. 2013. Political economy of crisis, mining and accumulation in Zimbabwe. *PhD*. University of KwaZulu Natal.

– 2008. Tapping into the chaos: Crisis, state and accumulation in Zimbabwe. *Masters Thesis*. University of Kwazulu Natal.

McMichael, P. 1996. *Development and social change: A global perspective*. Thousand Oaks, CA.: Pine Forge.

Médard, J.-F. 1991. L'État néo-patrimonial en Afrique noire. In J.-F Médard (Ed.), *États d'Afrique Noire*. Formations, Mécanismes et Crise. Paris: Karthala, 323-353.

Michael, T. M. and Bonnett, H. 2004. The comparative politics of corruption: Accounting for the East Asian paradox in empirical studies of corruption, growth and investment. *World Development*, 32 (6): 999 – 1017.

Migdal, J. 1988. *Strong societies and weak States: State-society relations and state capabilities in the Third World*. Princeton: Princeton University Press.

Miles, M. B. and Huberman, A.M. 1994. *Qualitative Data Analysis: An Expanded Sourcebook*. Second Edition. Thousand Oaks, CA: Sage.

Mills, C. W. 2000. *The power elite*. Ney York: Oxford University Press.

Ministry of Finance, 1998. *Budget statement*. Harare: Ministry of Finance.

Ministry of Finance, 1997. *Budget statement*. Harare: Ministry of Finance.

Ministry of Finance, 1993. *Comptroller and Auditor-General report*. Harare: Ministry of Finance.

Ministry of Finance, Economic Planning and Development. 1986. *Zimbabwe, socio-economic review of Zimbabwe*. Harare: Government Printers.

Ministry of Transport, Communication and Infrastructure Development, Department of Roads. 2008.

Mkandawire, T. 2001. Thinking about developmental states in Africa. *Cambridge journal of economics*, 25 (3): 289-313.

Moore, D. 2012. Progress, power and violent accumulation in Zimbabwe [Special issue]. *Journal of contemporary African studies*, 30 (1): 1 – 9.

Moyo, S. 2011. Land concentration and accumulation after redistributive reform in post-settler Zimbabwe. *Review of African Political Economy*, 38 (128): 257-276.

– 2006. Land redistribution experiences in Zimbabwe 1998 – 2004. In M. Rukuni et al., (Ed.), *Zimbabwe agricultural revolution revisited*. Harare: University of Zimbabwe Publications, 143–160.
– 2001. The land occupation movement in Zimbabwe: Contradictions of Neoliberalism, Millennium. *Journal of International Studies*, (30) 2: 311-30.
– 1998. The land acquisition process in Zimbabwe. Harare: *United Nations Development Programme (UNDP).*
– 1995. *The land question in Zimbabwe.* Harare: SAPES Books.

Mugabe, M. 2012. ZANU chefs get fatter as povo suffers in Save Valley. *Unpublished paper.*

Mupamhadzi, D. 2013. Financial sector development, inclusion and banking crises in Zimbabwe, 1991-2012. *Unpublished paper.*

Muranda, Z. 2006. Financial distress and corporate governance in Zimbabwean banks. *Corporate Governance,* 6 No 5: 643 – 654.

Murapa, R. 1977. Geography, race, class and power in Rhodesia. *Working paper, Council for the Development of Economic and Social Research in Africa, presented at the Conference on the special problems of landlocked and least developed countries in Africa*, University of Zambia, Lusaka, 27-31 July.

Musavengana, T. 2012. Security sector: No transition without transformation. *Open Society Initiative for Southern Africa publications*. Rosebank: OSISA.

Naing, M. 2012. Upgrading Zimbabwe's bureaucratic quality. In E. V. Masunungure and J. M. Shumba (Ed.), *Zimbabwe: Mired in transition*, 205 – 229. Harare.: Weaver Press

Ndlovu-Gatsheni, S. J. 2008. Nation building in Zimbabwe and the challenges of Ndebele particularism. *African Journal on Conflict Resolution*, 8 (3): 27- 55.
– 2007. Re-thinking the colonial encounter in Zimbabwe in the early twentieth century. *Journal of Southern African Studies*, 33 (1): 173 – 91.
– 2006. Nationalist-Military Alliance in Zimbabwe and the Fate of Democracy. *African Journal on Conflict Resolution,* 6 (1): 49-80.

Nerfin, M. 1977. *Another development: Approaches and strategies*. Uppsala: Dag Hammarskjöld foundation [Dag Hammarskjölds minnesfond].

Neuman, W. L. 2006. *Social research methods: Quantitative and qualitative approaches*. Sixth edition. Boston: Allyn and Bacon.

– 2003. *Social research methods: Quantitative and qualitative approaches.* Fifth edition. Boston: Allyn and Bacon.

Ngwenya, M. 2001. A view from the pan--farms and prices. *MDC Mailing List*, 5 October.

Nicolas, S. M. 1994. The state and development of Africa capitalism in Zimbabwe. In B. Berman and C. Leys (Ed.), *African capitalists in Africa development*, 95 – 113. Boulder: Lynne Reinner.

Ninsin, K. A. 1998. Three levels of state reordering: The structural aspects. In D. Rothchild and N. Chazan (Ed.), *The precarious balance: State and society in Africa,* 265-281. Boulder: Westview Press.

Nisbet, R. A. 1969. *Social change and history: Aspects of the western theory of development.* New York: Oxford Univ. Pr.

Ohnesorge, J. 2007. Northeast Asia's developmental states and the problem of rights: Challenges for a new developmental state? *Paper presented at the Conference on Asian constitutionalism in Transition,* University of Siena, Italy Dec 2007.

Omoyibo, K. U. 2012. Marxism and the Nigerian state. *European Scientific Journal*, 8 (11): 20-33.

Ostrom, E. 1996. Crossing the great divide: Coproduction, synergy and development. *World Development,* 24(6): 1073-1087.

Palmer, R. 1990. Land reform in Zimbabwe, 1980-1990. *African Affairs.*

Parker, L. D. 2012. Qualitative management accounting research: Assessing deliverables and relevance, *Critical Perspectives on Accounting*, 23(1): 54-70.

Partnership Africa Canada (PAC). (2012). Reap what you sow: Greed and Corruption in Zimbabwe's Marange Diamond Fields. *PAC.* Retrieved from <www.pacweb.org>.

– 2007. Diamond Industry Annual Review: Republic of Angola. *PAC.* Retrieved from <www.pac- web.org>.

Patten, S. 2001. Democratizing the institutions of policy-making: Democratic consultation and participatory administration. *Journal of Canadian Studies* 35 (4): 221-239.

Patton, J. 2002. *Qualitative research and evaluation methods.* London.: Sage Publications, Inc.

Pearson, D. S. and Taylor W. L. 1963. Break-Up: Some economic consequences for the Rhodesias and Nyasaland. *The Phoenix Group,* 15-21.

Peet, R. and Watts, M. 2004. *Liberation ecologies: Environment, development, social movements*. London: Routledge.

Philips, J., Hammond, J., Samuels, L. H., and Swynnerton, R. J. M. 1962. The development of the economic resources of Southern Rhodesia with particular reference to the role of African Agriculture. *Report of the Advisory Committee*. Salisbury: Mardon Rhodesia Printers.

Phillips, J, Hammond, J, Samuels, L H, and Swynnerton, R J M. 1962. The development of the economic resources of Southern Rhodesia with particular reference to the role of African agriculture. *Report of the Advisory Committee.* Salisbury: Government Printers.

Phimister, I. 1998. *An Economic and social economic history of Zimbabwe, 1890 – 1948: Capital accumulation and class struggle.* London: Longman Inc.

– 1992. Coal, crisis and class struggle: Wankie Colliery, 1918 – 22. In *The Journal for African History,* 33 (1): 65-86. Cambridge: Cambridge University Press.

– 1988. *An economic and social economic history of Zimbabwe, 1890 – 1948: Capital Accumulation and Class Struggle*. London: Longman Inc.

– 1977. White miners in historical perspective: Southern Rhodesia, 1890-1953. *Journal of Southern African Studies,* 3 (2): 187-206.

– 1976. The reconstruction of the Southern Rhodesian gold mining industry, 1903 –1910. In *The Economic History Review, New Series,* 29(3): 465 – 481.

– 1973. The 'Spanish' influenza pandemic of I918 and its impact on the Southern Rhodesian mining industry. *Central African Journal of Medicine,* XIX: 143-148.

Porteli, J. 2008. Researching a secondary school in Malta. In P. Sikes & A. Potts (Eds.), *Researching education from the inside* (pp. 80–94). New York, NY: Routledge.

Power, M. 2002. Enlightenment and the era of modernity. In V. Desai & R. B. Potter (Eds.), *The Companion to Development Studies*. London: Hodder Arnold.

Press Release. African Consolidate Resources. 1939. *Marange Update*. 8 November 2010.

Quimpo, N. G. (2009). The Philippines: predatory regime, growing authoritarian features. *The Pacific Review*, 22 (3): 335 – 353.

Raftopolous, B. 2013. The 2013 elections in Zimbabwe: The end of an era. *Journal of Southern African Studies*, 39 (4): 971-988.

– 1999. Problematising Nationalism in Zimbabwe: A Historiographical Review. *Zambezi*, 36 (2).

– 1996. Fighting for control: the indigenisation debate in Zimbabwe. *Southern Africa Report* 11 (4): 3 – 7.

Ravenhill, J. 1986. *Africa in economic crisis.* New York: Columbia University Press.

Reynolds, L. G. 1985. *Economic growth in the Third World, 1850 – 1990.* New Haven, Conn: Yale University Press.

Rist, G. 1997. *The history of development: from Western origins to global faith*. London: Zed.

Robertson, J. 2012. Indigenisation regulations continue to prevent economic recovery. *Zimbabwe, Robertson Economic Information Services*, July 2012. Retrieved: http://www.mikecampbellfoundation.com/images/Downloads/Indigenisation%20blocks%20recovery%20John%20R%2026%20July%2012.pdf.

- 2011. Statistics on the Zimbabwean economy. www.slidenet/Sokwanele/ zimbabwe-economy-october-2012, accessed 28 December 2012.

Rock, M. T., and Bonnet, H. 2004. The comparative politics of corruption: Accounting for the East Asian paradox, in empirical studies of corruption, growth and development. *World Development*, 32 (6): 999–1017.

Ross, L. Loayza, N. and Beck, T. 1999. Financial intermediation and growth: causality and causes. *Journal* of Monetary Economics, 16 (1): 31-77.

Rostow, W. W. 1960. *The stages of economic growth: A non-communist manifesto*. Cambridge: Cambridge at the University Press.

Sachikonye, L. 2016. Corruption and the political landscape in Zimbabwe. *Paper submitted for the Transparency International Zimbabwe, Annual State of Corruption report.* Transparency International Zimbabwe

- 2012. *Zimbabwe's lost decade: Politics, development and society*. Harare: Weaver Press.

- 2011. *When a state turns on its citizens. Institutionalised violence and political culture.* Harare: Weaver Press.

- 2003. Land reform for poverty reduction? Social exclusion and farm workers in Zimbabwe. *Paper prepared for a conference on 'Staying poor: Chronic poverty and development policy organized by the IDMP*. Manchester University, April 2003.

Sandbrook, R. 2005. Origins of the democratic developmental state: Interrogating Mauritius. *Canadian Journal of African Studies*, 39 (3): 549-581.

Saunders, R. 2008. Crisis, capital, compromise: Mining and empowerment in Zimbabwe. *African sociological review* 12 (1): 67-89.

2007. Briefing Note: Mining and Crisis in Zimbabwe. *Paper prepared for Fatal Transactions Campaign and Netherlands Institute of Southern Africa.*

Saunders, M., Lewis, P. and Thornhill, A. 2009. *Research methods for business students*. London: Pearson Education.

Schneider, B. R. and Doner. R. F. 2000. The new institutional economics, business associations, and development. *Brazilian Journal of Political Economy,* 20: 1865-1925.

Scoones, I., Marongwe, N., Mavedzenge, B., Mahenehene, J., Murimbarimba, F. and Sukume, C. 2010. *Zimbabwe's land reform: Myths and realities*. London: James Currey.

Scruton, R. 1982. *A dictionary of political thought.* London: Macmillan.

Selby, A. 2006. Commercial farmers and the state: Interest group politics and landreform in Zimbabwe. *PhD*. University of Oxford.

Seidman, A. 1986. *Money, banking and public finance in Africa.* London: Zed press

Sen, A. 1999. *Development as freedom*. Oxford: Oxford University Press.

Shale, V. 2006. Operation Murambatsvina: The Dynamics and escalation of Zimbabwean intra-state conflict. *African Journal on Conflict Resolution,* 6 (2) 107-126.

Shoko, D. 2002. Small-scale mining and alluvial gold panning within the Zambezi. Retrieved from http://www.ddiglobal.org/login/resources/ssm-and-alluvial-gold-panning-within-zambezi-basin.pdf[Accessed 23 September 2013]

Shumba, J. M. 2010. *Analysis of Government Expenditure in Driving Economic Growth in Zimbabwe between 1980 and 1998*. Lambert Academic Publishing (LAP).

Sithole, M. 1999. *Zimbabwe: Struggles within the struggle*. Second Edition, Harare: Rujeko Publishers.

Sithole, M. and Makumbe, J. 1997. Elections in Zimbabwe: The ZANU-PF hegemony and its incipient decline. *African Journal of Political Science*, 2 (1): 122-139.

Smith, T. 1979. The underdevelopment of development literature: The case of dependency theory. *World politics*, 31(2): 247-88.

Solidarity Peace Trust. 2006. Operation Taguta/ Sisuthi – Command agriculture in Zimbabwe: Its impact on rural communities in Matebeleland, April 2006 Retrieved from: www.solidritypeacetrust.org/reports/operation_taguta.pdf. [Accessed 24 September 2012].

Southall, R. 2013. *Liberation movements in power: Party and state in Southern Africa*. Scottsville: University of KwaZulu-Natal Press.

Springborg, R. 1989. Mubarak's Egypt: Fragmentation of the political order. Boulder, CO: *Westview Press,* 95-133.

Stiff, P. 2000. *Cry Zimbabwe independence: Twenty years on*. Alberon: Galago.

Taylor, S. D. 2007. *Business and the state in Southern Africa: The politics of economic reform.* Boulder: Lynne Rienner.

Tendi, B. 2013. Ideology, civilian authority and Zimbabwe military. *Unpublished paper.*

Thompson, C. H., and Woodruff, H. W. 1953. *Economic development in Rhodesia and Nyasaland*. London: Dennis Dobson Limited.

Thorbecke, E. 2006. *The evolution of the development doctrine*, 1950 - 2005: United Nations University. World Institute for Development Economics Research.

Toman, M. and Jemelkova, B. 2003. Energy and economic development: An Assessment of the state of knowledge. *The Energy Journal*, 24 (4): 93 – 112.

Toye, J. 2007. Modern Bureaucracy. In H. - J. Chang (Ed.), *Institutional change and economic development,* 75-94. Tokyo: United Nations University Press.

Turner, R. 1971. The relevance of contemporary radical thought. In P. Randal (Ed.), *Directions of change in Southern African politics*, 72 – 85. Johannesburg: Spro-Cas.

Turner, T. and Young, C. 1985. *The rise and decline of the Zairian state*. University of Wisconsin Press.

United Nations (UN). 2002. Final report of the panel of experts on the illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo, 16 October 2002. *UN report.* Retrieved from

http://www.afrol.com/Countries/DRC/documents/un_resources_2002_govt_zim.htm.

United Nations Development Programme (UNDP). 2008. Comprehensive economic recovery in Zimbabwe. *UNDP Zimbabwe Economic Recovery Series.* Harare: UNDP.

– 2002. Zimbabwe land reform and resettlement: Assessment and suggested framework for the future. *Human Development Report 2000, Zimbabwe.* Interim Mission Report. Harare: UNDP.

– *2000. Human Development Report 2000: Zimbabwe*. Harare: UNDP.

United Nations Industrial Development Organisation (UNIDO). 2007. Empowering Small-Scale Miners in Zimbabwe: An Overview of Recommendations from the Global Mercury Project. *UNIDO.*

van Den Boom, R. 1999. *Africa's crisis: A crisis of modernity*. Brooklyn, NY

van Onselen, C. 1980. *Chibaro: African mine labour in Southern Rhodesia 1900 – 1933*. Johannesburg: Ravan Press.

van De Wale, N. and Bratton, M. 1997. *Democratic experiments in Africa: Regime transitions in comparative perspectives.* Cambridge: Cambridge University Press

Veritas. 2011. *Bill Watch,* 13/2011, June 6.

Wade, R. 1998. The Asian debt-and-development crisis of 1997?: Causes and consequences. *World Development,* 26: 1535-1553.

Whisker, G. 2001. *The post graduate research handbook*. Hampshire: Palgrave.

Widner, J., A. (1993). *The rise of a party state in Kenya. From Harambee! To Nyayo!*. Califonia: University of California Press.

Wild, V. 1997. *Profit not for profit's sake: History and business culture of Africa entrepreneurs in Zimbabwe*. Harare: Baobab.

Williams, M. 2014. Rethinking the developmental State in the 21st Century. In M. Williams (Ed.), *The End of the developmental state?* 1-29. Durban: University of KwaZulu-Natal Press.

Wilson, N. H. 1933. *Rhodesia history*. Polity Press.

Wisker, G. 2001. *The post graduate research handbook*. Hampshire: Palgrave.

Wolcott, H.F. 1994. Transforming qualitative data: Description, analysis, and interpretation. Thousand Oaks, CA: Sage.

Wolf, R. D. 1974. *The economics of colonialism: Britain and Kenya, 1870 -1930*. News Haven and London.

Woo, J. 1991. *Race to the swift: State and finance in Korean industrialization*. New York: Columbia University Press.

Woo-Cummings, M. (1999). *The Developmental state.* Ithaca, NY: Cornell University Press.

Woods, N. 2001. IPE in the age of globalization. In J. Baylis and S. Smith (Ed.), *The globalization of world politics*, 277-298. Oxford University Press.

World Bank (WB). 1986. Zimbabwe staff appraisal report: Small-scale enterprise project. *Regional Projects Department, Eastern and Southern Africa Regional Office. WB.*

World Commission on Environment and Development. 1987. *Our common future*. London: Oxford University Press.

Zava, J. 2000. *Daily News was wrong* [online]. Retrieved from: http://groups.yahoo.com/group/zimsite/message/8202. [Accessed 11 September 2012].

Zimbabwe Institute, (ZI). 2008. The security-military business complex and the transition in Zimbabwe. *Zimbabwe Institute publications.* Cape Town: ZI.

Zolberg, A. 1966. *Creating political order: The party-states of West Africa.* Chicago: Rand McNally.

Government publications

Central Statistical Office, (CSO). Various. *National Income and Expenditure Report.*

Central Statistical Office, (CSO). *Statistical Yearbook.* Harare: Government Printers

Competition and Tariff Commission. 2010. Annual reports. http://www.competition.co.zw [Accessed, 5 October 2013]

House of Commons Parliamentary Papers, 23 May 1984

Reserve Bank of Zimbabwe. 2014. Press statement by the Monetary Policy Committee of the Reserve Bank of Zimbabwe. RBZ

– 2004-2011. Monetary policy statements and supplements. Harare: Government printers

– 1994 to 2008. Annual Reports. Harare: Government printers

Rhodesia Chamber of Mines Incorporating Act, Chapter 199

Ministry of Defense, 1997. National Defense Policy

Ministry of Finance, Economic Planning and Development, 1990. Budget statement. Harare: Government printers

– 1987. Budget statement. Harare: Government printers

ZINARA. 2005. Latest news. www.zinara.co.zw[Accessed, 27 September 2013]

Financial Gazette

Financial Gazette, March 13, 1981. Invest in Zimbabwe says Canadian business report.

Financial Gazette, March 13, 1981. Air Zimbabwe seeks UN training aid.

Financial Gazette, January 30, 1981. NRZ deficit due to low tariff rates

Financial Gazette, January 30, 1981 pp12. Rhodbank deal the best kept financial secret in years

Financial Gazette, April 3, 1981. Experts forecast downturn for local economy after 1980 boom

Financial Gazette, May 15, 1981. Worries over coal price decision

Financial Gazette, June 5, 1981. Mining industry is not a 'pot of gold'

Financial Gazette, September 4, 1981. CFU responsible or 360,000 people and 850,000 million dollars

Financial Gazette, October 2, 1981. Minister angers famers

Financial Gazette, December 18 1981. Mining groups fear new policy

Financial Gazette, February 19, 1982. Mining gloom

Financial Gazette, February 19, 1982. Price freeze confusing business

Financial Gazette, February 12, 1982. Zimbabwe is No 6 in African credit rating

Financial Gazette, September 24, 1982. Souring costs may force Lancaster Steel closure

Financial Gazette, November 12, 1982. Critical mining industry is now being reviewed by government

Financial Gazette, February 19, 1982. Million land deals for resettlement

Financial Gazette, November 18, 1983. Resettlement plan 'could destroy agriculture'

Financial Gazette, April 04, 1982. $25m loans to save jobs

Financial Gazette, September 9, 1983. Dr Chidzero discusses his budget

Financial Gazette, March 30, 1984. Dr Chidzero's measures – his statement in full

Financial Gazette, September 20, 1985. Mining fund kitty ‘not enough’ to keep mines going

Financial Gazette, February 01, 1985. Land tenure and investments safe PM tells farmers

Financial Gazette, September 12, 1986. Government participation in the mining sector

Financial Gazette, January 22, 1988. Public servants to contribute to ZANU-PF HQ fund

Financial Gazette, May 19, 1989. Gradual change the key to new economic era

Financial Gazette, July 21, 1989. Government is using land issue for political gain

Financial Gazette, July 21, 1989. Tekere speaks on land issue

Financial Gazette, February 9, 1990. Government assures Britain on land issue

Financial Gazette, March 23, 1990. Charges create alarm amongst farmers

Financial Gazette, March 23, 1990. Mugabe assures farmers that land acquisition programme will be fair

Financial Gazette, June 22, 1990. Zisco take-over shock

Financial Gazette, July 20, 1990. Government approves land policy document

Financial Gazette, July 27, 1990.Govt to spend $540m to acquire farms - CFU

Financial Gazette, August 3, 1990. Mangwende announces land policy

Financial Gazette, September 14, 1990. Kufandada on resettlement

Financial Gazette, October 12, 1990. Govt plans to resettle over 100,000 families

Financial Gazette, October 19, 1990. Donors develop cold feet over land reform

Financial Gazette, November 2, 1990. No going back on the land issue - Mangwende

Financial Gazette, April 4, 1991. Donor response to aid plea pleasing - experts

Financial Gazette, February 6, 1992. Illegal gold deals draining $100million

Financial Gazette, June 18, 1992. ZESA needs $10billion for energy development

Financial Gazette, March 12, 1992. Land Bill will drive investors away, warns Lonrho

Financial Gazette, March 12, 1992. Zimbabwe owes US3.2 billion

Financial Gazette, June 25, 1992. Govt is Broke because of over-borrowing, says Nkala

Financial Gazette, March 14, 1996. Black businessman buys mining empire

Financial Gazette, March 14, 1996. Funding urged for small-scale miners

Financial Gazette, August 3, 1996. Cellphone project faces collapse

Financial Gazette, November 21, 1996. Govt vows to go it alone without donors

Financial Gazette, March 13, 1997. Fierce political storm brews over tender saga

Financial Gazette, September 01, 1997. Government outlines major black economic empowerment initiatives

Financial Gazette, February 13, 1997. Vow to stamp out corruption in army

Financial Gazette, October 16, 1997. Msipa blasts AAG's 'military tactics'

Financial Gazette, October 16, 1997. Mawere caught up in controversy: storm brews over businessman's possible conflict of interest

Financial Gazette, November 27, 1997. Showdown looms over land acquisition

Financial Gazette, March 03, 1998. Government in policy U-turn over land

Financial Gazette, March 03, 1998. IMF team happy with Zim's economic targets

Financial Gazette, July 07, 1998. Land reforms to cost over Z$35 billion

Financial Gazette, July 07, 1998. Land row scuttles IMF aid?

Financial Gazette, October 7 - 13, 1998. Congo war triggers row with IMF

Financial Gazette, November 25, 1999. Zim loses $7b arms in DRC war

Financial Gazette, January 7, 1999. Govt names Congo war donors

Financial Gazette, January 14, 1999. Govt in major policy U-turn on land

Financial Gazette, January 21, 1999. Landreform issue bogged deeper in confusion

Financial Gazette, May 13, 1999. Zim sinks $500m into DRC

Financial Gazette, May 20, 1999. $35.6m agreement puts land reform exercise on track

Financial Gazette, April, 11, 2012. Tshinga Dube named Marange Resources chair. Retrieved from: http://www.financialgazette.co.zw/companies-a-markets/11761-tshinga-dube-named-marange-resources- chair.html. EU Sanctions list. Retrieved at http://www.hm-treasury.gov.uk/d/finsanc_zimbabwe_commission_reg151_210212.pdf; and US sanctions list, Retrieved from: http://www.treasury.gov/ofac/downloads/t11sdn.pdf

Financial Gazette, September 25, 2014. Mozambique snubs Zim. Retrieved from: http://www.financialgazette.co.zw/mozambique-snubs-zim/[Accessed: 03 April 2016]

Electronic sources and radio

Africa Confidential, September 20, 2013. Zimbabwe: Sakunda fuel rumors. Retrieved from: http://www.africa-confidential.com/article-preview/id/5043/Sakunda_fuels_rumours [Accessed 10 July 2014]

African Development Bank (AfDB). 2010. Zimbabwe outlook. Retrieved from http://www.afdb.org/en/countries/southern-africa/zimbabwe/[Accessed 23 November 2013]

Afrobarometer. 2014. Data bank. Retrieved from: http://afrobarometer.org[Accessed 28 November 2014].

AllAfrica.com, June 13. 2007. Clumsy ZNU-PF propaganda on farms wont work. Retrieved from: http://allafrica.com/stories/200706130626.html[Accessed 10 February 2014].

Anonymous, blog, June 23, 2014.

China Daily, December 21, 2007. Retrieved from: http://www.chinadaily.com.cn/cd/introduction.html. [Accessed 11 September 2014]

Daily News, July 9, 2014. ZISCO shut down deprives Zimbabwe US$20 billion. Retrieved from http://www.dailynews.co.zw/articles/2014/07/09/zisco-shutdown-deprives-zim-of-20bn-study[Accessed 11 September 2014]

Daily News, January 31, 2014. Govt 'mortgages' fuel assets. Retrieved from: http://www.dailynews.co.zw/articles/2014/01/31/govt-mortgages-fuel-assets [Accessed 12 September 2014]

Daily News, December 9, 2013. More blending damages cars: Mangoma. Retrieved from http://www.dailynews.co.zw/articles/2013/12/09/more-blending-ratios-will-damage-cars-mangoma/[Accessed 09 September 2014]

Daily News, February 17, 2013. Retrieved from: http://www.dailynews.co.zw/articles/news[Accessed 11 September 2014]

Eddie Cross, blog, July 10, 2014.[Accessed 11 September 2014]

Human Rights Watch, June 26, 2009. Zimbabwe: End of repression in Marange diamonds fields. Retrieved from: http://www.hrw.org

International Crisis Group, October 17, 2005. Retrieved from: http://www.crisisgroup.org.

Investopedia. Nonperforming Loan - NPL. Retrieved from http://www.investopedia.com [Accessed 03 April 2016]

Mail and Guardian, June 21, 2013. Retrieved from: http://mg.co.za. [Accessed 11 September 2014]

Mail and Guardian, July 12, 2012. Mugabe's man shells out R185m for prime SA property. Retried 14 may 2015 [http://mg.co.za/article/2012-07-19-robert-mugabes-man-shells-out-r185m-for-prime-property. [Accessed 20 September 2013]

Nehanda Radio, June, 26, 2012. Philip Chiyangwa named in Bank Looting

Nehanda Radio, March 16, 2012. Mugabe's shock $3250,000 ZESA bill. Retrieved from: http://nehandaradio.com/2012/03/16/mugabes-shock-350-000-zesa-bill/[Accessed 11 September 2013]

Nehanda Radio, November 30, 2012. Gukurahundi massacres: Village by village summary (Part 8): Archival data – the Chronicle. Retrieved from: http://nehandaradio.com/2012/11/30/gukurahundi-massacres-village-by-village-summary-part-8/[Accessed 10 March 2015].

New America Media, August 20. 2009. Retrieved from http://news.newamericamedia.org/news/view_article.html?article_id=ce6cf3e1df49cbb8eb6fc3498b78a070. [Accessed 11 September 2014]

NewZimbabwe.com, October 18, 2013. Kamushinda a close friend: Mugabe. Retrieved from: http://www.newzimbabwe.com/news-12702-Kamushinda+a+close+friend+Mugabe/news.aspx[Accessed 5 November 2013].

NewZimbabwe.com, June 17, 2012. Mpofu splashes US$23 million on a local bank. Retrieved from: http://www.newzimbabwe.com/news-8269-Mpofu+splashes+US$23m+on+local+bank/news.aspx[Accessed 20 April 2013]

NewsDay, February 03, 2014. ZANU-PF chefs named in farm equipment scheme. Retrieved from: https://www.newsday.co.zw/2014/02/03/zanu-pf-chefs-named-farm-equipment-scheme/[Accessed 10 October 2014].

NewsDay, January 28, 2014. Corps own 50% of Harare Kombis. Retrieved from: https://www.newsday.co.zw/2014/01/28/cops-50-harare-kombis/

NewsDzeZimbabwe, June 10, 2012. Biti, Mnangagwa clash over army. NewsdzeZimbabwe. Retrieved from http://www.newsdzezimbabwe.co.uk/2012/06/bitimnangagwa-clash-over-army.html [Accessed 13 May 2013]

Radio VOP. December 27, 2013. December. Zim citizen challenges petrol bombing in court. Retrieved from: http://www.radiovop.com/index.php/national-

news/10480-zim-citizen-challenges-petrol-blending-in-court.html/ [Accessed 15 January 2014].

SAPA, July 18, 2005. Bridgette Radebe's company buys Zim gold mine Retrieved http://www.fin24.com/Companies/Radebe-buys-Zim-gold-mine-20050718 [Accessed 22 March 2013].

Southern Eye, March 18, 2014. ZiNaRA to raise $47 million for roads. Retrieved from http://www.southerneye.co.zw/2014/03/18/zinara-raise-47m-roads/[Accessed 15 August 2014]

SW Radio Africa, August 02, 2012. Gono increases capital requirements for banks. Retrieved from: http://www.swradioafrica.com/news260908/cash260908.htm[Accessed 17 January 2013]

The Daily News, March 31, 2014. Green fuels need US$2 billion to complete ethanol plants. Retrieved from: http://www.dailynews.co.zw/articles/2014/03/31/green-fuel-needs-2bn-to-complete-ethanol-plants/[Accessed 17 November 2014].

The Guardian, June 9, 2006. Tycoon flees Zimbabwe after falling foul of Mugabe. Retrieved from: http://www.guardian.co.uk/zimbabwe/article/0,,1793719,00.html/ [Accessed 12 March 2015]

The Herald, April 2, 2014. US$165 million saga: Temba Mliswa digs in. Retrieved from: http://www.herald.co.zw/165m-saga-temba-mliswa-digs-in/[Accessed 15 June 2014]

The Herald, March 31, 2014. Temba Mliswa in US$165m scandal - Demanded 'facilitation' fees - Mutasa, Savanhu, Nyabadza sucked in. Retrieved from: http://www.herald.co.zw/temba-mliswa-in-us165m-scandal-demanded-facilitation-fees-mutasa-savanhu-nyabadza-sucked-in//[Accessed 18 September 2014].

The Herald, December 21, 2006. Retrieved from: http://www.herald.co.zw

The Insider, November 28, 2013. No power no investors says Eddie cross. Retrieved from: http://www.insiderzim.com/stories/5926-no-power-no-investors-says-eddie-cross[Accessed 16 June 2014]

The Rhodesian Herald, March 10, 1898. Retrieved from: http://www.rhodesiansoldier.com/rhodesian-herald-chronology.html

The Sunday Mail, January 05, 2014. US$1bn mega fuel pipeline deal for Zim Retrieved from: http://www.zimbabwesituation.com/news/zimsit_us1bn-mega-fuel-pipeline-deal-for-zim-sunday-mail/[Accessed 20 April 2014]

The Zimbabwean, November 01, 2013. Hwange Colliery workers put on unpaid leave after 6 months without wages. Retrieved from: http://www.thezimbabwean.co/news/zimbabwe/69159/hwange-colliery-workers-put-on.html/[Accessed 20 April 2014]

The Zimbabwean, May 30, 2012. SADC must be firm or risk conflict in Zimbabwe. The Zimbabwean. Retrieved from http://www.thezimbabwean.co/news/zimbabwe/58570/sadc-must-be-firm-or.html/[Accessed 20 April 2014]

The Washington Post, July 5, 2008. Editorial. Retrieved from: http://thewashingtonpost.newspaperdirect.com/epaper/viewer.aspx /[Accessed 20 April 2014]

World Affairs. May/June, 2010. (Almost) Out of Africa: The white tribes Retrieved from: http://www.worldaffairsjournal.org/article/almost-out-africa-white-tribes. /[Accessed: 3 April 2016]

World Bank, IBRD data. Retrieved from: http://www.worldbank.org/[Accessed 17 November 2014]

World Development Indicators. July, 2014. Retrieved from: http://data.worldbank.org/data-catalog/world-development-indicators [Accessed 17 November 2014]

Zimbabwe Advertising Research Foundation, Zamp surveys. Retrieved from http://www.zarf.co.zw/zamps.html/[Accessed 17 April 2014]

Zimbabwe Independent, January 3, 2003. Army Officers in Charge of Elections. Retrieved from https://www.google.com/search?client=safari&rls=en&q=ZimDaily&ie=UTF-8&oe=UTF-8#q=Zimbabwe+Independent+Newspaper+ /[Accessed 17 April 2014]

Zimbabwe Independent, September 16, 2005. Metropolitan's search for partner at advanced stage. /[Accessed 22 April 2014]

Zimbabwe Independent, September 07, 2012. CIO boss under pressure to quit. Retrieved from https://www.google.com/search?client=safari&rls=en&q=ZimDaily&ie=UTF-

8&oe=UTF-8#q=Zimbabwe+Independent+Newspaper+ /[Accessed 17 April 2014]

Zimbabwe Independent, June 03, 2010. GDP contracted by US5b since 1997.

Zimbabwe Situation, Nov 26, 2013. Zimbabwe gets $430 million from UN. Retrieved from http://www.zimbabwesituation.com/news/zimsit_zimbabwe-gets-430-million-from-un/[Accessed 27 October 2015]

Zimbabweland.wordpress.com. /[Accessed 20 April 2014]

ZimDaily, October 6, 2008. Retrieved from: http://www.zimdaily.com [Accessed 17 May 2014].

ZimMetro, March 18, 2014. Retrieved from: http://zimmetro.net/index-id-front_page.html [Accessed 17 May 2014].

ZimOnline, June 30, 2010. Zimbabwe's new land barons. ZimOnline. Retrieved from http://www.swradioafrica.com/pages/landbarons301110.htm[Accessed 17 May 2014].

ZimOnline, May 14, 2007. Retrieved from: http://zimonlinenews.com. Operation Chikorokoza chapera. [Accessed 17 May 2014].

Zimbabwe Situation, October 03, 2013. Financial sector GDP contribution declines. [Accessed 17 May 2014].

Zimbabwe Situation, May 31, 2008. Retrieved from: http://www.zimbabwesituation.com. Top army general urges soldiers to back Mugabe. [Accessed 17 May 2014].

Zimbabwe Standard, August 30, 2008. Retrieved from: https://www.google.com/search?client=safari&rls=en&q=ZimDaily&ie=UTF-8&oe=UTF-8#q=Zimbabwe+Standard+Newspaper. Setbacks for gold production. [Accessed 17 May 2014].

Interviews

David Moore. Academic. Harare. 13 May 2014

Eldred Masunungure. Academic. 30 May. 2014

Mukasiri Sibanda. Researcher. Harare. 20 February 2014

Respondent 1. Harare. 16 September 2013

Respondent 2. Zimbabwe National Roads Authority. Harare. 12 February. 2014

Respondent 3. Former Military. Pretoria. 21 February 2014

Respondent 4. Former Central Bank board member

Respondent. 5. RBZ Board Member. Harare. 03 March 2014

Respondent 6. Former Intermarket Audit. Harare. 21 March 2014

Respondent 7. ZNA Deserter (DRC intervention). Midrand. 24 July 2014

Respondent 8. Informal Gold Miner, Gokwe - Zenda. 18 October 2013

Respondent 9. Informal Gold Miner, Gokwe - Zenda. 18 October 2013

Respondent 10. Bankers Association of Zimbabwe, 23 November 2013

Respondent 11. Informal Gold Mining, Mazoe. 8 July 2014

Respondent 12. Sponsor Mazoe and Shamva Informal Gold Mining. 24 June 2014

Respondent 13. Garikai – Self Help Project. Harare. 19 June 2014

Respondent 14. Famers' Association. 17 July 2014

Respondent 15. Transport operator. 23 August 2014

Respondent 16 Confederation of Zimbabwe Industries. Harare. 27 August 2014

Respondent 17 Zimbabwe Chamber of Mines. Harare. 27 August 2014

Respondent 15. Ministry of Mines. Harare. 28 August 2014

Respondent 16. Ministry of Mines. Harare. 28 August 2014

Respondent 17 Former Minister of Finance. Harare. 5 September 2015

Respondent 18 Zimbabwe Minerals Development Corporation. Harare. 7 September

Respondent 19. Zimbabwe Chamber of Mines. 7 September 2014

Respondent 20. Zimbabwe Electricity Supply Authority. 02 October 2014

Respondent 21. Ministry of Lands and Rural Resettlement. 5 October 2014

Respondent 22. Zimbabwe Electricity Supply Authority. 06 October 2014

Respondent 23. Ministry of Local Government. Harare. 13 October 204

Respondent 24. Farmers Union Association. Harare. 15 October 2014

Respondent 25 Resettled farmer. Marondera. 21 October 2014

Respondent 25 Resettled farmer. Marondera. 21 October 2014

Respondent 26 Resettle farmer. Goromonzi. 24 October 2014

Respondent 27. Former Permanent Secretary. Harare. 02 April 2015

Respondent 28. Former Military. Harare. 7 April 2015

Respondent 29. Zimbabwe Minerals Development Corporation. Harare. 9 April 2015

Respondent 30 Ministry of Mines. Masvingo. 13 April 2015

Respondent 31. Zimbabwe Republic Police. Harare. 19 April 2015

Richard Saunders. Academic. 04 March 2014

Tony Hawkins. Academic. Harare. 6 March 2014

Meetings and Conferences

Meeting. 2014. Joint Zimbabwe Youth Council and National Indigenisation and Empowerment Board with Minister of Youth Indigenisation and Empowerment. Harare. 26 March 2014

Conference. 2014. Zimbabwe in Transition Conference. Southern Africa Political Economy Series (SAPES), 6 May 2014. Harare: Crown Plaza Hotel

Workshop. 2013. National Diamonds Policy. Centre for Research and Development (CRD), 6 May, 2013 in Harare: Holiday Inn

Regional Conference. 2015. Building democratic developmental states for economic transformation in Southern Africa. United Nations Economic Commission for Africa, Southern Africa Office in collaboration with the United Nations Development Programme (UNDP), South Africa; Southern Africa Trust and the Open Society Initiative for Southern Africa (OSISA). 20 to 23 July. Johannesburg: Kevis Kroon

Appendices

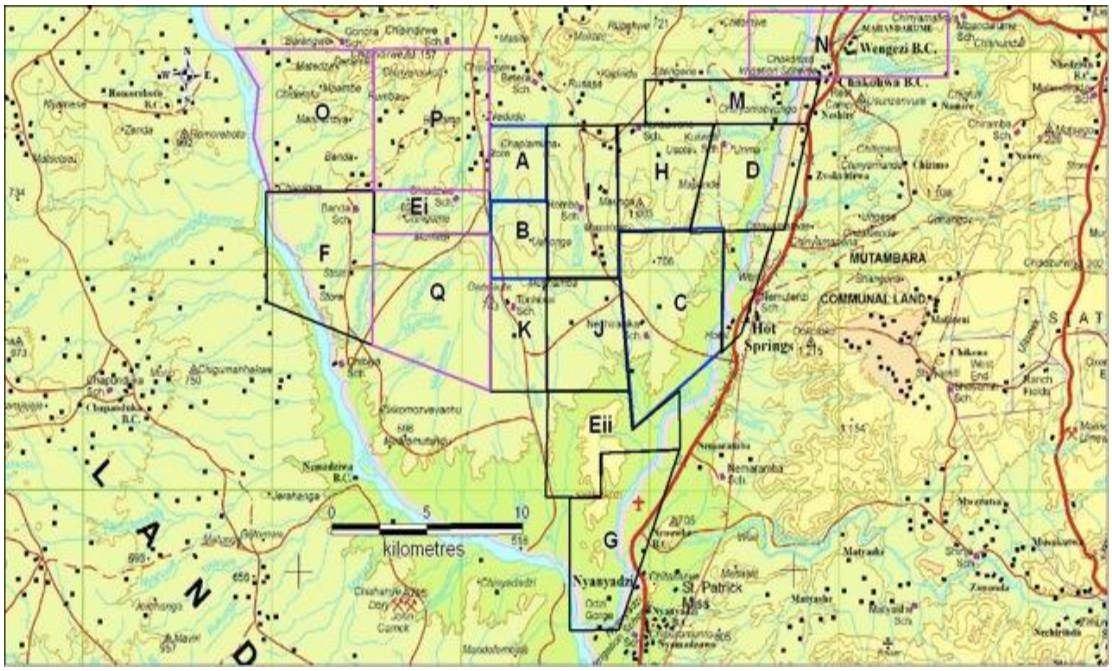
Appendix 1: Military Officers Deployed for ZANU-PF Campaign in the 2008 Elections

Zone	Name
1. Harare Metropolitan	AVM Michael Karakadzai.
2. Bulawayo	Province Col. C. Sibanda
3. Bulawayo Central	Maj. J. Ndlovu and Maj. J. Ncube
4. Manicaland	Brig. Tarumbwa
5. Buhera Central	Col. M. Mzilikazi (MID)
6. Buhera North	Maj. L. M. Svosve
7. Buhera South	Maj. D Muchena
8. Buhera West	Lt. Col. Kamonge, Major Nhachi
9. Chimanimani East	Lt. Col Murecherwa
10. Chimanimani West	Maj. Mabvuu
11. Headlands	Col. Mutsvunguma
12. Makoni North	Maj. V. Chisuko
13. Makoni South	Wing Commander Mandeya
14. Mutare Central	Lt. Col. Tsodzai, Lt. Col. Sedze, Mandi Chimene
15. Mutare West	Lt. Col. B. Kashiri
16. Masvingo	Lt. Col. Takavingofa
17. Mwenezi West	Lt. Col. Muchono, -Maj. R. Kwenda
18. Mash West Province	Brig. Gen. Sigauke, Col Gwekwerere
19. Chegutu East	Lt. Colonel W. Tutisa
20. Hurungwe East	Lt. Col. B. Mahambe
21. Mhondoro Mubaira	Col. C. T. Gurira
22. Zvimba North	Cpt. T. Majongwe
23. Mashonaland East	Brig. Gen. D. Nyikayaramba, Rtd Brig Gen Rungani
24. Chikomba Central	Lt. Col. Marara
25. Goromonzi North	Lt. Col. Mudzimba, Maj. F. Mbewe
26. Marondera Central	Maj. Gen. Chedondo (COSG), Lt. Col. B. Kashiri
27. Marondera West	Squadron Leader U. Chitauro
28. Murehwa South	Maj. Gurure
29. Murehwa North	Col. Mukurazhizha, Lt. Col. Chinete
30. Mutare North	Lt. Col. Chizengwe, Lt. Col. Mazaiwana
31. Mashonaland Central	Brig.Gen. Shungu
32. Bindura South	Col. Chipwere
33. Bindura North	Lt. Col. Parwada
34. Muzarabani North	Lt. Col. Kazaza
35. Muzarabani South	Maj. H. Maziri
36. Rushinga	Col. F Mhonda, Lt. Col. Betheuni
37. Shamva North	Lt. Col. Dzuda
38. Shamva South	Makumire
39. Midlands	AVM Muchena, Brig. Gen. S. B. Moyo, Lt Col. Kuhuni
40. Chirumanzu South	Maj T. Tsvangirai
41. Mberengwa East	Col. B. Mavire
42. Mberengwa West	Maj. T. Marufu

Zone	Name
43. Matebeleland South	AVM Abu Basutu
44. Beitbridge East	Group Cpt. Mayera, Rtd. Maj. Mbedzi, Lt. Col. B. Moyo
45. Gwanda South	Maj. J. D. Moyo
46. Gwanda Central	Maj. B. Tshuma
47. Matopo North	Lt. Col. Maphosa
48. Matebeleland North	Brig. Gen. Khumalo
49. Binga North	Maj. E. S. Matonga
50. Lupane East	Lt. Col. Mkwananzi
51. Lupane West	Lt. Col. Mabhena
52. Tsholotsho	Lt. Col. Mlalazi
53. Hwange Central	Lt. Col. P. Ndhlovu
54. Bikita West	Maj. B. R. Murwira
55. Chiredzi Central	Col. G. Mashava
56. Chiredzi West	Maj. E. Gono
57. Masvingo Province	Maj. Gen. E. A. Rugeje, Rtd. Maj. Gen. Gibson Mashingaidze, Rtd. Brig. General Rangwani
Gutu South	Maj. Chimedza (Medical Doctor), AVM Muchena

Crisis in Zimbabwe Coalition, 2011:14.

Appendix 2: Map of Marange Diamond Mining Area and Mining Claims Distribution



Source: Global Witness, 2012: 3

Appendix 3: Special Mining Grant from Zimbabwe Mining Development Corporation to Anjin Investments

All correspondence should be addressed to
"THE SECRETARY"

Telephone: 777022/9
Facsimile: 753784/777344
Private Bag CY 7709, Causeway, Harare

ZIMBABWE

Reference:

Office of the Permanent Secretary
of Mines and Mining Development
Mr. T. Musukutwa
ZIMRE CENTRE
Cnr. Nkwame Nkurumah and J. Takawira
Harare

2 February 2010

Ref: Special Grant 4765

Anjin Investments (Pvt) Ltd

Dear Sirs,

CESSION OF PART OF SPECIAL GRANT 4765 FROM ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC) TO ANJIN INVESTMENTS (PVT) LTD

The above mentioned matter refers.

We are pleased to confirm that cession of part of SPECIAL GRANT 4765 measuring 3731 hectares from ZMDC to Anjin Investments (Pvt) Ltd giving exploration, prospecting and mining rights, has been approved by the Secretary for Ministry of Mines and Mining Development. Matt Bronze (Pvt) Ltd is the company which ZMDC used to cooperate and sign agreements with Anhui Foreign Economic Construction (Group) Co. Ltd.

Anjin Investments (Pvt) Ltd is a Joint Venture between Matt Bronze (Pvt) Ltd and Anhui Foreign Economic Construction (Group) Co., Ltd.

V. VERA
ACTING SECRETARY FOR MINISTRY OF MINES AND MINING DEVELOPMENT

Cc: Mining Commissioner, Harare
Attention: Mr. P. Shumba

Zimbabwe Mining Development Corporation
Attention: Mr. R. Karemba

PERMANENT SECRETARY
MINISTRY OF MINES & MINING
DEVELOPMENT
02 FEB 2010
P BAG 7709, CAUSEWAY
TEL: 04-777043 FAX: 777043

Global Witness, 2012: 5

Appendix 4: Application of a Diamond Mining Concession by Commissioner General of Police Augustine Chihuri



Police General Headquarters
Corner 7th St/Josiah Chinamano Ave
Greenwood Park
Harare
Zimbabwe

Office of the Commissioner General of Police
Zimbabwe Republic Police
P.O. Box CY 34
Causeway
Zimbabwe

09 April 2010

Hon **O. MPOFU [MP]**
Minister of Mines and Mining Development

APPLICATION FOR DIAMOND MINING CONCESSION AT CHIYADZWA: SECURITY SELF RELIANCE ENTERPRISES PVT LTD [ZIMBABWE REPUBLIC POLICE]

The above subject is pertinent.

I make reference to my discussion in the office with you Honourable Minister on the 21st of March 2010 concerning the above subject.

Honourable Minister, after scanning the environment and a thorough analysis of the opportunities available, I wish to submit the Zimbabwe Republic Police's application for the areas in Chiyadzwa, Marange marked on the map appended to the attached Company Profile document.

I hope and trust that this application will meet your favourable consideration.

I thank you.

A Chihuri
Commissioner General of Police

Telephone: +263-4 700171-9

Fax: +263-4-708308

Global Witness, 2012