Structural adjustment: source of structural adversity. Socio-economic stress, health and child nutritional status in Zimbabwe
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Citation for published version (APA):

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Profile of Zimbabwe

This chapter describes the major historical and socio-economic developments, which characterised Zimbabwe prior to and in the first two decades of political independence. The chapter zooms in on structural adjustment, which strongly affected socio-economic development in the 1990s, and on two other major phenomena: drought and the HIV/AIDS epidemic. The chapter then focuses on poverty and the social dimensions of structural adjustment, before some conclusions are drawn in the last section.

History and physical and social geography

Situated in the southern part of Africa, Zimbabwe is surrounded by Mozambique, South Africa, Botswana and Zambia and covers a total area of 390,580 square kilometres, which is about eleven times the size of the Netherlands. Because of its relatively high altitude, especially in the north, central and east of the country, Zimbabwe has a subtropical climate, with summer temperatures up to 30 degrees Celsius and minimum winter temperatures of 0 degrees between May and August. The rainy season extends from November to April (Bossema, 1990).

Zimbabwe has five natural regions, or agro-ecological zones, which are distinguished by annual rainfall and productive potential of the soils. The intensity of farming activities varies across the regions. About two-thirds of the land is situated in natural regions IV and V, which are the poorest agro-ecological zones (see Box 2.1) in the central, southern and western part of the country.

In 1997, Zimbabwe had a population of approximately 11.8 million (1997: CSO. 1998a), of which 97% are black and 3% whites and people of Indian origin. There are two major ethnic groups: the Shona, who comprise 77% of the population, and the Ndebele, who represent 18%. Shona, Sena, Sotho, Tonga and Venda are the minority
groups. English is the official language, but Shona and Ndebele are widely spoken in everyday life.

**Box 2.1:** The five natural regions or agro-ecological zones in Zimbabwe

- **Region I** is characterised by **specialised and diversified intensive farming**. The region receives more than 1000 mm of rainfall per annum. The main agricultural activities include forestry, fruit production and intensive livestock rearing. It covers 7000 km² or less than two percent of the total area.
- **Region II** is characterised by **intensive farming**. The region receives between 750 and 1000 mm of rainfall per annum. It specialises in crop farming and intensive livestock breeding and covers 58,600 km², or 15% of the total area.
- **Region III** is characterised by **semi-intensive farming**. It receives between 650 and 800 mm of rainfall per annum and specialises in livestock breeding, fodder and cash crops. It has marginal production of maize, tobacco and cotton and covers 72,000 km² or 19% of the total area.
- **Region IV** is characterised by **extensive farming**. It receives between 450 and 650 mm of rainfall per annum and specialises in extensive livestock breeding and drought resistant crops. It covers 147,800 km², or 38% of the total area.
- **Region V** is characterised by **semi-extensive farming**. The region receives too low and erratic rains for even drought resistant crops. It specialises in extensive cattle and game ranching and covers 104,400 km² or 27% of the total area.

**Historical overview**

Zimbabwe gained its political independence in 1980. Formerly known as Southern Rhodesia, later Rhodesia, then Zimbabwe-Rhodesia, the country was occupied by the British South Africa Company (BSAC) of Cecil John Rhodes in the 1890s. The BSAC governed the colony until 1923 when the white electorate voted for 'self governing colony status', rather than to be incorporated into the Union of South Africa. Between 1923 and 1953, white settlers' hegemony was extended over the black population through a series of discriminatory political and economic laws and policies. In particular the Land Apportionment Act of 1930, the Maize Control Act of the same year and the Land Husbandry Act of 1951 consolidated minority control over land and agricultural markets, confining the black majority to increasingly overcrowded 'reserve areas' of poor soils and low and erratic rainfall. Similar to the developments under the apartheid regime in South Africa, black labourers in Rhodesia were not allowed to live in areas designated for whites, which resulted in high rates of separated families, with women and children remaining behind in the reserves, and the creation of black workforce settlements near white urban centres.

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1 The Land Apportionment Act (amended in 1941) legalised land alienation for white settlement. This act was superseded in 1969 by the passage of the Land Tenure Act, which clearly demarcated land into African and European areas. A more detailed description of the land distribution issue will be provided further on in this section.
In 1953, Southern Rhodesia merged with the then Northern Rhodesia (later Zambia) and Nyasaland (later Malawi) to form the Central Africa Federation. The latter dissolved in 1963 as a result of increasing nationalist opposition to Southern Rhodesia domination of the Federation. Anticipating a growing nationalist movement in Southern Rhodesia and Central Africa as a whole, white voters brought the right wing Rhodesian Front to power in 1962. In order to forestall black rule “for a thousand years” the Rhodesian Front led the colony into a Unilateral Declaration of Independence (UDI) from Great Britain in 1965. The British Government responded by imposing bilateral economic sanctions and sponsored mandatory economic sanctions by the United Nations in 1966.

The major challenge to white rule, however, came from the two dominant nationalist parties, the Zimbabwe African Nationalist Union (ZANU), which drew its support mainly from the Shona people, and the Zimbabwe African People’s Union (ZAPU), which was dominated by Ndebele. When resistance to white minority rule began in the 1960s and 1970s, black opposition was divided, and ideological differences occurred along ethnic lines. The moderates, like Joshua Nkomo, who led ZAPU, were initially willing to wait for British intervention to secure their rights. The militants, including Robert Mugabe, who took over the ZANU leadership, saw little or no alternative to an armed struggle.

After limited guerrilla campaigns in the 1960s, the war gathered momentum from 1972 onwards. A series of failed negotiations between the British Government and the Rhodesian Front regime in the 1960s and 1970s in a gradually changing Southern Africa political environment led to British-sponsored settlement talks at Lancaster House in 1979. These talks resulted in the Lancaster House Agreement, a precursor to Zimbabwean independence in 1980.2

In the 1980 elections ZANU (PF)3 was by far the most popular party, although it received very few votes in the predominantly Ndebele areas of Matabeleland in the southern and south-western part of the country.4 Initially ZANU (PF) and PF-ZAPU5 formed one unified government, but the PF-ZAPU office holders were soon forced to relinquish power when Prime Minister Mugabe charged PF-ZAPU of supporting dissidents who were wreaking havoc in Matabeleland. Tensions increased in 1982 when the government sent the Army’s 5th Brigade into the area in order to apply a military solution to the dissident problem. The brigade was responsible for grievous human-right violations, including imprisonment without trial, torture and rape. The Army has also been accused of numerous civilian deaths, and whole areas of Matabeleland were reported deserted because people had fled from the government troops.6

The two parties, ZANU (PF) and PF-ZAPU, started unity talks after the elections in 1985, while the armed conflict in Matabeleland continued for another two years. The

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2 During this period (1978-79), the country was legally named Zimbabwe-Rhodesia.
3 Zimbabwe African Nationalist Union - Patriotic Front.
4 ZANU (PF) received more than 80% of the votes in four of the eight provinces, 72% in Mashonaland West province and 72% in Midlands. In Matabeleland North province the party received 10% and in Matabeleland South 7% of the votes.
5 Patriotic Front - Zimbabwe African People’s Union.
parties then officially united in 1987, but the ethnic split remained an important question in distributional issues. The socialist government was reluctant, though, to admit the existence of ethnic divisions. The split was aggravated by the fact that it coincided with regional and administrative boundaries. This meant that allocation decisions made on a regional or provincial basis were immediately perceived in ethnic terms. Ethnicity in Zimbabwe is therefore not simply an anachronistic phenomenon surviving from historical conflicts, but a real element of the political game, since leaders who gather ethnic support may be able to influence national allocation decisions. Apart from the Shona-Ndebele split other communal divisions have occasionally appeared in the nationalist movement and in independent Zimbabwe.

In the economic sphere, the focus of policy during the 1980s was on a large public expenditure programme aimed to redress some of the worst social inequities inherited at independence. The programme made great strides in expanding health, education and safe water access to the general population, as will be described later in this chapter and in chapter 3. However, after a rather promising start of a wide-ranging land reform programme in the early 1980s, the land question remained virtually unresolved, as we shall demonstrate later in this chapter.

In the late 1980s and particularly in the 1990s students, the labour movement, intellectuals and small opposition parties expressed growing concern over issues ranging from the de facto one-party rule, corruption and lack of accountability, to taxation and constitutional reform. Increasing levels of poverty worsened this crisis.

Despite the strong advocacy by the ruling party and the President of Zimbabwe for a one-party system, the idea of having multiple parties gradually gained support. But the first serious challenge to the ruling party only came in 1999, with the emergence of a united opposition party, under the name of Movement for Democratic Change (MDC). The party had its origins in the labour movement. In the run up to the parliamentary elections in June 2000, the Government and ZANU-PF were heavily criticised internationally for polarising the country and blaming the unresolved land issue on white farmers, whites in general and Great Britain while failing to address the country’s economic problems. Zimbabwe’s involvement in the war in the Democratic Republic of Congo (formerly Zaire) also drew strong international criticism and added to the country’s dismal economic situation.

In an environment of violence, intimidation and numerous allegations of electoral fraud, the June 2000 elections resulted in a consolidation of power for the ruling party, which received 62 seats in parliament, against 57 for the MDC and one seat for another opposition party. With 30 members of parliament being nominated directly or indirectly by the president, Mugabe’s ZANU-PF retained the absolute majority, although for the first time in 20 years its exclusive grip on the state was significantly curtailed.

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8 For an overview of these intra-Shona conflicts see Herbst (1990).
9 See for example Compagnon (2000).
The administrative system
Zimbabwe consists of 10 provinces, which include the capital city Harare and Bulawayo (see Map 2.1). Provinces are further subdivided into a total of 58 districts, 1377 wards and 6180 villages, each with a local administration. Government departments at provincial and district levels are responsible for promoting development.

Map 2.1: Provinces in Zimbabwe

At provincial level, the provincial governor and the provincial development committee are responsible for overall programme planning and management. They comprise technical departments for various sectors, such as agriculture, education and health. Similar structures are found at district level with the district administrator and the district development committee. While formerly Rural Councils and District Councils coexisted – the former mainly covering commercial farming areas, which under the old Land Tenure Act were exclusively white areas, and the latter covering communal lands, formerly known as Tribal Trust Lands – these are now merged into Rural District Councils (RDC).

Land ownership
Zimbabwe has a highly inequitable pattern of land ownership, which has implications for agricultural productivity and specialisation. In 1969, the new Land Tenure Act, which replaced the Land Apportionment Act of 1930, clearly demarcated land into African and European areas (see Table 2.1). The areas allocated to European and African farming were roughly equal in size despite the huge difference in population size.
Table 2.1: Division of land according to the Land Tenure Act, 1969

<table>
<thead>
<tr>
<th>Land type</th>
<th>European</th>
<th>African</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>General land</td>
<td>40.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tribal trust land</td>
<td></td>
<td>41.5%</td>
<td></td>
</tr>
<tr>
<td>African purchase land</td>
<td>3.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National land</td>
<td></td>
<td></td>
<td>6.8%</td>
</tr>
<tr>
<td>Forest area</td>
<td>1.9%</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>Parks &amp; wild life</td>
<td>4.5%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Specially designated land</td>
<td>0.0%</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>National total</td>
<td>46.5%</td>
<td>46.7%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>


Since independence, all citizens are allowed to purchase land in what were previously areas reserved for whites only. The latter have been combined with African purchase areas to become Commercial lands or Commercial farming areas – often further divided into large-scale and small-scale commercial farming areas – while Tribal trust lands were renamed Communal lands or Communal areas.

By 1982, some 4,800 large-scale farms, mostly owned by whites, occupied about 15 million hectares of land. About 9,000 black farmers were occupying 1.4 million hectares as individual property, while the communal areas included some 700,000 farming families on 16.3 million hectares. This grossly inequitable distribution of land was not only quantitative but also qualitative (Moyo, 1995).

Table 2.2: Distribution of land according to natural regions and land category (in percentages)

<table>
<thead>
<tr>
<th>Region</th>
<th>Large-scale commercial areas</th>
<th>Small-scale commercial areas</th>
<th>Communal areas</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>3%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>II</td>
<td>28%</td>
<td>18%</td>
<td>8%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>III</td>
<td>21%</td>
<td>38%</td>
<td>17%</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>IV</td>
<td>26%</td>
<td>37%</td>
<td>45%</td>
<td>51%</td>
<td>38%</td>
</tr>
<tr>
<td>V</td>
<td>23%</td>
<td>7%</td>
<td>29%</td>
<td>34%</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: UNICEF (1985) based on figures from the National Resources Board; slightly different figures may be found in other documents.

Three quarters of the land in Communal areas, with a population of about 6 million blacks (in the early 1980s), fall in natural regions IV and V, which are the poorest agro-ecological zones (see Table 2.2). Moreover, the rural transportation network, marketing
infrastructure, credit facilities, research and technical support, water and power supply all served predominantly the commercial farming areas (Moyo, 1995).

Access to land has long been an issue of major economic and political importance. Anger at the gross disparities in land ownership between blacks and whites was one of the major factors motivating armed rebellion against minority rule. During the Lancaster House Conference in 1979, a major issue of contention between the British government and the Patriotic Front was how land would be re-apportioned in an independent Zimbabwe. A solution was finally found in which the British government agreed to assist the new government with funds to enable it to purchase available white farms for subsequent redistribution among the landless peasants.

Upon gaining independence, the government of Zimbabwe announced a wide-ranging programme of land reform, designed to redress the severe inequalities. One component of the land reform programme was indeed the *resettlement* of households on farms previously occupied by white commercial farmers. Initially, the supply of areas for resettlement was determined by the availability of land that white Rhodesians had abandoned during the liberation war and land that white farmers - especially those in peripheral areas - were willing to sell because of feelings of insecurity. In most cases, these were commercial farms bordering communal lands. More than 70,000 families have been resettled under the country’s land reform programme (Moyo, 1995). The resettlement programme was implemented very rapidly during the early 1980s but has slowed down dramatically since that time, in spite of a new Land Acquisition Act, adopted in 1992 after mounting political pressure for land reform. In 2000, only 3.3 million of the 8.3 million hectares of land that the government had promised to acquire for resettlement had effectively been redistributed (Moyo, 2000). The reasons why the pace of the programme has changed are complex. Among them is a barrage of criticisms and negative evaluations - from both within and outside government - that the

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9 Criteria for selection into these schemes included: being married or widowed; aged 25 to 50; being a refugee or other person displaced by war, including extra-territorial refugees, urban refugees and former inhabitants of protected villages; being unemployed; being a landless resident in a communal area or having insufficient land to maintain a family (Kinsey, 1982).

10 Planned villages emerged, which often comprised collections of strangers and which were always more densely settled and less widely dispersed than villages in Zimbabwe would normally be. Each family was allocated a 0.4 hectares residential plot, a uniform five hectares of arable land and the right to use a variable amount of grazing land on a communal basis. In comparison with smallholder families in non-resettlement areas, resettled families typically have much more arable land as well as grazing land, which is thus under less pressure of livestock. They also have better access to services such as seasonal credit, agricultural extension and veterinary assistance, but their access to markets is poorer, as these can only operate efficiently with high population densities. Resettled families are subject to a wide range of rules and regulations that define what they can do and cannot do. Migrating to urban areas for temporary employment, for example, which is a common way of coping with economic stress in rural Zimbabwe, was prohibited to the heads of resettled households for more than a decade. The resettlement agency insisted firmly that households devote themselves exclusively to agriculture. Only repeated drought and the growing default rate on seasonal agricultural loans persuaded officials to relax conditionally the prohibition on non-farm employment in the early 1990s (Kinsey, 1998).

11 Between 1980 and 1996, land acquisition has focussed on five of Zimbabwe’s eight provinces: Midlands, Matabeleland South, Mashonaland West, Manicaland and Masvingo (Moyo, 2000).
programme had failed to have a positive impact on agricultural productivity and rural incomes.

In 1994, four percent of the population lived in resettlement areas, compared with just over half of the population (51%) in communal lands, while 11% resided on large-scale commercial farms and 2% in small-scale commercial farming areas or state land. Almost a third of the population (31%) resided in urban areas (CSO, 1994).

It was only in 1997 that the Government launched a new land initiative by identifying 1471 large-scale commercial farms – representing about 30% of the total number of farms in this sector – for compulsory acquisition. Implementation of the initiative was delayed because of both internal and external political opposition, accusing the government of transferring land to elite blacks who dominate the ZANU-PF and the Zimbabwe Farmers Union, the leading black farmers organisation. By the end of 1998 a total of 625 farms out of the 1471 listed for compulsory acquisition were 'de-listed' for a variety of reasons. An administrative court decision in early 1999 struck off another 500 farms, leaving just 346 farms on the list (Moyo, 2000).

Many observers believe that the government renewed its land reform policy in 1997 as a strategy to bolster its regime and that it failed to appreciate that this strategy might lead to an economic collapse because of an imminent loss in agricultural productivity and damage to the country’s export position. A draft constitution, which contained a clause that the British were responsible for paying compensation for land acquired by the Government of Zimbabwe for resettlement, was repudiated in a referendum in February 2000. Without this pseudo-legality and shocked by the defeat, president Mugabe and some of his cabinet members started threatening farmers with compulsory acquisition of their farms without compensation. They set up ZANU-PF politicians and other supporters to invade farms and undertake violent actions against farmers and their workers, which attracted wide international concern.

Demographic patterns
The first population census in Zimbabwe was carried out in 1982 and recorded a total population of 7.6 million. The second census, in 1992, recorded a population of 10.4 million and from this an annual growth rate derived of 3.1% between 1982 and 1992. The next population count was the 1997 Inter-censal Demographic Survey, which estimated the population at 11.79 million as of August 1997, implying a fall in the growth rate to 2.5% (CSO, 1998a). Several analysts, however, disputed the latter figures since there were indications that the AIDS pandemic had caused a stronger slowdown of the rate of population growth. The crude birth rate declined from 48 per 1000 people in 1969 to 34.5 in 1992, and then rose slightly again to 34.7 in 1997 (CSO, 1998a and 2000). With the crude death rate rising from 9.5 to 12.2 per 1000 people between 1992 and 1997 the natural population increase during that period was 22.5 per 1000, lower than before.

12 This happened after the war veterans' leader Chenjerai 'Hitler' Hunzvi during a mass demonstration managed to accost president Mugabe privately and threaten him with anarchy unless the government reviewed its land policy. Apart from designating farms for resettlement, the president also immediately committed the government to a war veterans' payout, worth ZWD four billion in total (Moore, 2000).
The total fertility rate\textsuperscript{13} fell steeply from 7.8 children per woman in 1969 to 5.5 in 1988, 4.3 in 1994, and further to 4.0 in 1999 (UNDP, 1998; CSO, 2000). The decline has occurred in all age categories except in the 15-19 years old category between 1994 and 1999 and is mainly attributed to the rising educational standards and specifically to the rapid increase in the use of modern contraceptives. Fertility rates are substantially higher in rural areas (4.85 in 1994; 4.57 in 1999) than in urban areas (3.09 and 2.96, respectively) and they are inversely related to women's educational attainment.

\textit{Figure 2.1:} Zimbabwe population pyramid, 1992 (source: Census, 1992)

\textit{Figure 2.2:} Zimbabwe population pyramid, 1999 (source: DHS, 1999)

\footnote{13} The total fertility rate is defined as the average number of children born to each woman.
The population pyramid has become narrower at the base between 1992 and 1999, reflecting a smaller proportion of children below 10 years of age (see Figures 2.1 and 2.2). Chapter 3 will discuss in more detail the influence of AIDS on morbidity, mortality and life expectancy.

The population density nationally increased from 19 per km$^2$ in 1982 to 27 in 1992. In 1997 it was estimated at 32. In rural areas, population density is highest in Manicaland province (42 per km$^2$ in 1992), followed by Mashonaland East (33) and Mashonaland West province (32). Matabeleland North province has the lowest population density (8.5). The urban population increased from less than 2 million in 1982 to 3.2 million in 1992, an annual growth rate of 5%. About 60% of the urban population live in the two main cities, Harare and Bulawayo.

In 1997 there were 2.51 million households, a 16% increase from 1992 (CSO, 1998a). On average, a household counted 4.7 persons in 1992, but in 1999 this had declined to 4.2. Urban households are on average smaller (3.5 persons) than rural households (4.6 persons). Nationwide, only two-thirds of the households (67%) are headed by males, with large differences between urban and rural areas though. Between 1994 and 1999, the proportion of female-headed households appears to have increased slightly from 39% to 40% in rural areas and from 19% to 23% in urban areas (CSO, 2000). Women heading households can be single, widowed or divorced, or may have husbands who stayed elsewhere at the time of the census or survey. It is appropriate, though, as we will demonstrate later (in Chapters 6 and 8), to make a distinction between de jure female-headed households – comprising single women, widows and divorcees – and de facto female-headed households – the category of women who have a husband living elsewhere most of the time. The former category has no husband who may send part of his earnings to support the family. A de facto female-headed household often receives remittances from the husband or father, who is staying elsewhere – usually because of job opportunities and who may be involved to a certain extent in important decisions concerning the household, for instance in relation to farm management or important household expenditures. Most censuses and demographic surveys, do not distinguish between the two types of female-headed households. Although this is understandable – because of methodological difficulties to make the distinction in a proper manner – it is also unfortunate, especially in the case of Zimbabwe, where de facto female-headed households are part of the colonial heritage.

Health and education

At independence in 1980, Zimbabwe, like many other countries, experienced stark differences in health status between different socio-economic and racial groups. These

\[14\] The census defined as head of the household, that person who was considered as such by the household members, and who had stayed the census night in the household, or who had returned on the morning of the census day.

\[15\] Some scholars use the term female-managed for de facto female-headed households, and reserve the term female-headed household specifically for de jure female-headed households; see for instance Mutoro (1997).
reflect the pervasive inequalities in wealth, income, employment opportunities, land ownership, nutrition, housing, education, access to safe water and in the social and physical environment. What made the situation in Zimbabwe special, though, was the abysmal discordance between morbidity and mortality patterns and the allocation of health resources. The cause of mortality and the prevalence of disease afflicting the rich were similar to those in the advanced industrialised countries, and the health care system in pre-independent Zimbabwe was designed to meet the health care needs of this privileged minority. Meanwhile, the black majority suffered diseases related to poverty, such as infectious diseases and malnutrition, and their needs were grossly overlooked and neglected. Yet, most of these illnesses are preventable. High expenditures for urban health care were the inevitable outcome of a fundamental belief in the western, curative medical paradigm, which guided the education and training of health professionals.

Chapter 3 will provide more detail on the legacy of the Rhodesian health care system that Zimbabwe inherited at independence, and describe the health policies and structures that the new government put in place to achieve better equity in health. It will further provide trends in mortality, morbidity and child nutritional status since independence.

Zimbabwe’s education sector grew rapidly after independence, particularly in the early 1980s. The government made expansion of the number of primary schools a priority so as to redress pre-independence inequity in education. At independence it abolished primary school fees to increase access to education for poorer sections of the community. Together with the rapid expansion of school infrastructure, school enrolment grew from less than a million in 1979 to almost three million in 1989.\textsuperscript{16} The bulk of this expansion was at the primary school level, although very high growth rates are also reported for secondary and tertiary education during that period. Although national government expenditure on education has been steadily declining in real terms over the years (since 1983; CSO, 1998b), this has not had a negative impact on access to education as evidenced by the average annual increase in school enrolments of 1.7%, between 1985 and 1995 (UNDP, 1998). This is partly explained by the involvement of communities in the provision of infrastructure such as classrooms and teachers’ houses. Children of poor families, though, especially those in remote rural communities, benefit much less from communities’ own initiatives. These children are therefore less likely to enter secondary schools and complete their education. Because of rising entry standards at tertiary level, including vocational and technical education, children of poor families are likely to be under-represented.

Current adult literacy rates in Zimbabwe are estimated at 90% for males and 82% for females (CSO, 1998a). This compares favourably with the overall adult literacy rates of developing countries (70% on average) and that of the least developed countries (49%; see Appendix 1).

\textsuperscript{16} Auret (1990) reports a total school enrolment of about 893,000 in 1979 and 2,963,000 in 1989, reflecting a more than three-fold increase.
Economic performance prior to structural adjustment

At independence in 1980, Zimbabwe’s new government inherited one of the most powerful and diversified economies in Africa. The economy had grown largely behind protectionist walls and an environment of economic control, especially over foreign currency exchange. With regard to economic policy since independence, two periods can be distinguished. This section will mainly describe the period prior to structural adjustment, i.e. before 1991, starting with a brief summary of important pre-independence developments. The period since 1991, which was characterised by two subsequent structural adjustment programmes, will be described in a later section.

Box 2.2: Structure of the Zimbabwean economy

Although Zimbabwe is considered a low-income country, its economic structure used to be so diverse, that it rather resembles that of a middle-income country.

Agriculture forms the backbone of the economy, accounting for 40 to 50% of the country’s exports. Most of the agriculture in Zimbabwe is rainfall dependent and subject to frequent droughts. Tobacco is the largest foreign currency earner with cotton as a second major cash crop. The main staple food is maize, which is widely grown by both commercial and communal farmers. Though in 1996 agriculture accounted for only 17% of the gross domestic product (GDP), it provides employment and a livelihood for approximately 70% of the population (CSO, 1998b).

The manufacturing sector is one of the largest, most diversified and best integrated in sub-Saharan Africa. It includes textiles, clothing and footwear, food products, drinks and tobacco products, stock-feed, chemical and petroleum products and metals. Significant growth took place in the 1930s and by 1939 the sector accounted for 10% of GDP and 7% of the paid workforce (Sachikonye, 1999). The following five decades saw a substantial and almost uninterrupted expansion in manufacturing activities. The most marked expansion occurred during the first nine years of the Unilateral Declaration of Independence from 1966 to 1975 and the first few years of independence, partly as a result of various protective measures undertaken by the government. By 1987 the sector accounted for 26% of GDP and 16% of the labour force in the formal sector. The size of the manufacturing labour force continued to grow until 1991, when a decline began to set in. As a result of restructuring measures under adjustment, the contribution of the manufacturing sector to the GDP fell to 20% in 1996 (ibid.).

After agriculture and the manufacturing sector, mining is Zimbabwe’s third most important economic sector, accounting for only about seven percent of GDP but a quarter of export values. Gold has traditionally been the most important metal mined, followed by nickel and various industrial minerals.

Another important economic sector is transport and distribution, which is growing in importance, contributing 27% of the GDP in 1996.

Prior to independence, the termination of the Central Africa Federation in 1963 gave impetus to a process of economic restructuring and the strengthening of an ’inward-looking’ economic strategy. At the time, the country had a very open economy, with half of the industrial capital foreign owned and considerable exports of manufactured goods. The political uncertainty in the period leading to the break-up of the Federation (1960-63)
resulted in a contraction of economic activity, which was reflected in the emergence of idle industrial capacity as access to regional markets began to shrink. Economic sanctions at the initiative of Great Britain following the Unilateral Declaration of Independence of 1965 resulted in Rhodesia’s exclusion from international trade and capital transactions, the freezing of assets and the termination of official aid. While two-thirds of Rhodesia’s foreign trade was affected by the sanctions, the country retained access to the market and to harbours in South Africa, as well as to harbours in Mozambique. Partly as a consequence of the termination of the Federation, but immediately legitimised by the imposition of sanctions, an outstanding feature of the 16 years of UDI became the forcefullyness and coherence of state intervention in the economy. This consisted of carefully chosen and systematically targeted instruments, including controls on external trade, foreign exchange, prices, wages, interest rates, investment and repatriation of profits, all in support of the domestic industry. Import quota effectively kept out all imports competing with domestic production, changes in tariffs were made in favour of growth and import substitution industries, and new legislation gave the government control over firms and subsidiaries. The combination of these measures enforced autarky on the economy.

In growth terms, the economy passed through two different phases: an expansionary phase in 1965-72 and a period of contraction during 1973-79. After UDI, many firms moved into the production of goods that were no longer imported, leading to large investments and economic growth in amongst others the metal, textile and food sectors. This boom was followed by contraction as a result of the escalation of the liberation war, the international oil price increases of 1973-74 and the world recession. Through both phases – expansion and contraction – the directional influence of the state was sufficiently decisive to ensure internal economic stability. This was achieved in spite of adverse international market forces to which the economy remained vulnerable, even with formal isolation, and in spite of the inaccessibility of financial support for adjustment of the economy. Kadhani (1986) has argued that political isolation made it possible for the Rhodesians to institute and successfully run an IMF-type stabilisation programme over much of the UDI period, without a direct association with the IMF.

After independence, the government left most of the inherited controls intact, as they were viewed as useful instruments for achieving economic growth and equity. The first two years were marked by significant growth, as a result of the lifting of international

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17 Gunning and Oostendorp (2001) distinguish three phases in the UDI period: a brief period of recession in the first two years, as indicated by a sudden sharp decline in exports and a small decline in GDP, followed by an expansionary phase and a contraction period.

18 The initial economic cost of the sanctions was fairly comfortably borne as a result of the 1965-72 boom. This enabled a restructuring of various sectors of the economy, producing an average annual GDP growth rate of 6.6%, which was considerably higher than that attained over much of the Central Africa Federation period. Although economic sanctions gave rise to a number of constraints, they also had some positive effects. For instance, UDI had the paradoxical effect of widening the economy’s access to financial surpluses, which could be invested in domestic product diversification. (See Kadhani, 1986, for a more extensive discussion of the development of the Zimbabwean economy prior to and in the early years of independence).
sanctions, the increase in activities to rehabilitate the country's infrastructure and good harvests.

Gibbon (1995) has pointed out that two radically opposed views of the basic features of Zimbabwe's economic performance in the 1980s exist side by side. One, whose main advocate is Colin Stoneman, argues that this performance was a strong one. Real economic growth is said to have averaged about 4% per annum. Exports were increasingly diversified in the direction of manufactured goods, debts got repaid without rescheduling, education and health expanded spectacularly, national savings stood at a consistently high level and reasonable food security was established. These achievements can be viewed as outweighing a series of negative tendencies, which Stoneman lists: for example, serious over-borrowing in the early 1980s, failure to create more jobs, failure to implement a racial redistribution of assets (especially land), failure to undertake meaningful economic planning, failure to properly define government's relation to industry and trade, and failure to respond sufficiently to exogenous shocks.

From around 1986 onwards, the World Bank elaborated a more critical view. While acknowledging that Zimbabwe's economic performance was superior to that of most other African countries during the decade, the Bank argued that the government had failed to properly exploit the economic advantages it had inherited. In particular it had pursued policies favouring stabilisation rather than growth. Economic growth had indeed run at almost 4% over the decade, but if the initial post-independence boom years of 1980 and 1981 are discounted, the overall rate was well under 3%. Exports had increased by just above this level but imports had stagnated as the government restricted foreign exchange allocations to allow for debt servicing. The latter rose to 37% of export earning in 1987, although it declined again later. The expansion of state education, health and agricultural marketing services occurred on the basis of considerable internal borrowing. This is said to be responsible for the high fiscal deficits (averaging 9% of GDP over the period 1985-90) and the crowding out of private investors from the local credit market. Inflation was high throughout the decade (averaging 13%). Interest rates were negative in real terms and the high national savings rate was attained only by restrictions on the availability of imported consumer goods. Insufficient creation of formal employment was the country's single most important structural economic problem. Less than 30,000 new formal sector jobs were being created each year while over 200,000 secondary school leavers were entering the labour market. At the root of this lie low private investments, averaging only 10% of GDP per annum (Gibbon, 1995).

Structural adjustment began to be unveiled in the course of 1990, though it started in earnest in March 1991 after a meeting with foreign aid agencies and the World Bank in Paris. At that moment it could not be foreseen that a major drought would soon hit the country.
Structural adjustment

The rationale and the general characteristics of structural adjustment have been dealt with in Chapter 1. Zimbabwe has known two structural adjustment programmes: the first one, called the Economic Structural Adjustment Programme, or ESAP in brief, covered the period 1991-95. Its successor, the Zimbabwe Programme for Economic and Social Transformation or ZIMPREST, was scheduled to begin in 1996, covering the period 1996-2000, but started only in early 1998. A third economic rescue plan followed in 2000 under the name Millennium Economic Recovery Programme (MERP).

The ESAP period: 1991-1995

Structural adjustment was unveiled in three stages in the second half of 1990 and early 1991. After an earlier announcement of a major easing of price controls and the abolition of statutory wage regulation (except for agricultural and domestic workers), the government announced in July 1990 its intention to “de-emphasise” its expenditure on social services and emphasise investment in the material production sectors such as agriculture, mining and manufacturing. Economic targets were set and it was announced that the import control / foreign exchange allocation system would be replaced by tariffs and an Open General Import License (OGIL), to be phased in over five years. In September 1990, additional schemes and regulations were announced. The World Bank welcomed all these proposals but insisted that more concrete information be provided before it recommended financial support. It also indicated that it considered the time frame of five years for implementing the reforms too long.

In January 1991 then, the government issued the Framework for Economic Reform (FER) 1991-95 (GoZ, 1991a) which comprised more details of the package. A reduction of the budget deficit was announced (from 10.4% to 5% over the five year period) through a combination of cuts in public enterprise deficits and a reduction of civil service employment by 25% (about 23,000 persons). The Gross Domestic Product was expected to grow by 5% annually, while export growth was projected at 9% per year and inflation was to be reduced from 17.7% in 1990 to 10%.

Other measures were in the area of trade liberalisation, including price decontrol, and deregulation of foreign trade, investment and production; phased removal of subsidies; devaluation of the local currency; and enforcement of cost recovery in the health sector. The FER document gave Zimbabwean adjustment its own name and an acronym: the Economic Structural Adjustment Programme (ESAP).

Compared to most other structural adjustment programmes in Africa, ESAP was initially notable for the absence of an accompanying agreement with the IMF. It was this, which appears to have given the Zimbabwe government latitude in some areas, notably the five years duration and the limitation of para-statal reform to semi-commercialisation rather than privatisation. Another unusual feature was that the FER

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19 The education sector was exempt.
20 Three years is more common.
Assessing and addressing social dimensions of adjustment. This contained proposals for a set of compensatory measures for “vulnerable groups”. These will be discussed later in this chapter.

Zimbabwe’s real national income as measured by the gross domestic product (GDP) per capita fluctuated around ZWD 2000 (at 1990 prices) in the mid 1980s and then rose to a peak of ZWD 2247 in 1991. However, contrary to the expectations of the proponents of structural adjustment, the per capita GDP fell back to less than ZWD 2000 in 1992 and in the rest of the 1990s it has never been able to recover (see Figure 2.3). This indicator illustrates best why many analysts consider ESAP a failure.

In accordance with the aims of the ESAP, the Zimbabwe dollar was devaluated against all major foreign currencies. In early 1993, the local currency was allowed to depreciate by 35% over less than three months. In August 1992, subsidies on super-refined maize meal had been removed while those on roller meal and bread were reduced. In June 1993 maize marketing regulations were liberalised and the last subsidies on maize meal and bread were removed, after which riots broke out in some urban areas.

The inflation rate rose sharply in the early years of the ESAP period, from around 15% in 1989 and 1990 to 29% in 1991 and 46% in 1992. Figure 2.4 shows how the Consumer Price Index (CPI) rocketed to astronomic heights. By 1995, the overall CPI stood at 335, representing an average annual inflation rate of 28% since 1990, while the food CPI stood even higher at 429.
The above data suggest an inappropriate strategy underlying the ESAP. This was repeatedly denied by the World Bank and the IMF, but finally acknowledged in the external evaluation of the IMF’s Enhanced Structural Adjustment Facility (Botchwey et al., 1998) and in the evaluation of the impact of World Bank support to the Health, Nutrition and Population sector in Zimbabwe (World Bank, 1998). The ESAP successfully liberalised the economy but failed to control the budget deficit, while the Social Dimensions of Adjustment programme failed to protect the poor. The group of those who lost from the reforms appears to have transformed from a minority to a majority.

**Box 2.3: Case study of the manufacturing industry**

A recent evaluation of the productivity in 31 different sectors of Zimbabwe’s manufacturing industry during the ESAP period found no growth in total productivity on average during the five-years period. More than half of the sectors experienced declines in productivity. The performance during the last two years (1994-95) was clearly better, with 21 of the sectors showing some increase. However, none of the trade reform measures taken by the government turned out to have contributed significantly. Instead, two factors related to ESAP had an impact on productivity growth: the growth rate of foreign aid was the most important determinant, while import growth also had an impact, though to a lesser extent. The researchers suggest that the failure of ESAP to create rapid productivity growth was partly due to the fact that the inflation targets were missed. They further attribute the failure to a “fundamental weakness” in the design of the adjustment programme, namely that no attention was paid to industrial policy in the belief that liberalisation of markets would be sufficient to enhance productivity growth. As a matter of fact, support to the local industry, such as the export promotion programme, was dismantled during ESAP in the process of “getting the prices right”.

*(source: Bjurek and Durevall, 2000)*
The ZIMPREST period: 1996-2000

The Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) was announced in 1996 as a successor of ESAP, but its implementation was delayed because of a disagreement between the government of Zimbabwe and its donor agencies. The programme covered the period 1996 to 2000 and aimed at achieving an annual economic growth of 6%, mainly through strengthening of market-oriented reforms, including privatisation and a continuation of civil service reforms (GoZ. 1998). The programme envisaged a further reduction of 10,000 posts from the civil service payroll, after the gross reduction of 25% achieved under ESAP. Unlike ESAP, ZIMPREST underlined the need for investment in human resources, including health. The priorities for the health sector were to maintain a health budget equivalent to 2.5% of GDP, to rationalise and secure funding for a private sector investment programme, to expand the role of non-state actors and local authorities in health service provision, to introduce new policies on cost recovery and fee retention, and to step up preventive activities. AIDS was recognised as a serious problem for national socio-economic planning, and no longer merely as a health problem.

Alas, unemployment remained high in Zimbabwe and the growth in jobs lagged far behind the target set in the ZIMPREST. An estimated number of 30,000 school leavers per year joined the job market in the latter half of the 1990s. Economic growth remained far below the target of 6% per year envisaged by ZIMPREST. While the GDP increased by 7% in 1996, the growth was as low as 2% in 1997 and 1998. In 1997, the GDP per capita of ZWD 2037 (at 1990 prices) was barely higher than at independence in 1980 (ZWD 1980).

It is therefore not surprising that the significant price increases for basic commodities and the increase of taxes in 1997 caused major protests and riots. The Consumer Price Index (CPI) rose further, as is shown in Figure 2.4, implying a steep increase in the cost of living.

In 1998 the Economist Intelligence Unit reported that the country’s economic basis remained poor and that there were few signs that the economy had found a new dynamic growth path yet. A projected growth rate of 4-5% would not be sufficient to transform economic prospects (Economist Intelligence Unit, 1998). The average inflation rate remained above 20% in 1997-98, while the budget deficit was between 9% and 10% of GDP in 1997 and 1998. On November 14th, 1997, referred to as ‘Black Friday’ the local currency crashed when it depreciated 71.5% against the US dollar. The ensuing price hikes of basic foods provoked three days of mass rioting and looting in mid-January 1998. The government then reintroduced a subsidy for maize and later pegged the Zimbabwe dollar. Also in January 1998, the Government of Zimbabwe revised its 1997-98 budget and implemented significant savings in a number of sectors, except for

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21 The sudden fall in confidence in the Zimbabwean currency can be attributed to several factors, among which the government decision to award ex-combatants gratuities, totalling ZWD 4.5 billion in 1997; the designation of almost 1500 large-scale commercial farms for land redistribution; several delays in the release of IMF funds and deteriorating terms of trade (Gunning and Oostendorp, 2001). The decision in 1998 to send military troops to Congo further undermined the position of the local currency.
health and education. In June 1998, a standby credit agreement of USD 176 million was reached with the IMF in order to stabilise the foreign exchange situation. The second **tranche**, however, was put on hold in August 1998, due to the Government’s reintroduction of price controls over maize meal. In late 1999, the IMF released a new multi-million dollar balance of payment support.

After the hike in inflation in late 1997 and early 1998, inflation again reached 63.5% in July 1999, approaching 70% in October 1999. *De facto*, the Zimbabwe dollar in August 1999 was equivalent to one-tenth of its value of 1990.

Since much of the financial deficit has been financed domestically at high nominal interest rates, the government’s debt service obligations, which already stood at 28% to 30% of total government expenditure between 1995 and 1998 (except in 1997 when it was 20%), were projected to rise further to 35% in the year 2000 (see Figure 2.5). It is obvious that this further increased the pressure on the government budget.

*Figure 2.5:* Interest payment as a proportion of total government expenditure, 1985-2000

**MERP and NERP**

Although falling outside the timeframe of this book, we do want to mention the successors of ESAP and ZIMPREST: the Millennium Economic Recovery Programme (MERP), introduced as an 18 months programme in 2000, and the National Economic Revival Programme (NERP), announced in February 2003. MERP failed to turn the tide, with real GDP contracting by 5.5% in 2000 and 7.5% in 2001 (Economic Commission for Africa, 2002) and inflation doubling in each of the years 2001 and 2002 (UN-OCHA, 2003). Figures from the Central Statistical Office in early 2003 indicate that annual inflation hit a new all-time high of 221% in February 2003 (Kingdom Financial Holdings Ltd., 2003).
Drought

Zimbabwe’s economic performance and people’s welfare cannot be appreciated without taking into consideration the effects of drought. In 1991/92 a severe drought, the worst in living memory, hit the country. Earlier droughts, in 1981/82, 1983/84 and 1986/87 were less severe. Another drought episode, also less severe, struck in 1994/95 but it came at a time when the country still felt the effects of the 1991/92 drought, and when most households were also feeling the pinch of structural adjustment measures. Kinsey (1998) reports that over the 16 years from 1980 to 1995, 12 seasons experienced below-normal rainfall. He further demonstrated a very strong relationship between national average rainfall (over a period of 13 years) and the annual production of maize by a panel of households in a resettlement area.

The exceptionally dry conditions in 1991/92 crippled agriculture as crops withered and livestock perished in their thousands. Rivers, dams and boreholes dried up in the middle of the rainy season, and the face of the countryside changed. Food queues became a common feature as supplies dwindled and prices rocketed. The total maize harvest was reduced by 85% between 1990 and 1992. In communal lands, the maize production fell even steeper: from 1.13 million tons to a mere 100,000 tons in 1992, a reduction by 91% (CSO, 1998b). The real value for communal lands of the sale of 15 major crops fell from ZWD 233 million in 1990 and 1991 to ZWD 44 million in 1992 (in 1990 prices), a reduction by more than 80%. For the entire country, including large-scale commercial farming areas, the situation was somewhat less dramatic, as the real value fell from ZWD

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Figure 2.6 : Maize production in communal farming areas (in 1000 tons), 1985-1997

Rainfall in these 12 seasons is considered ‘below normal’ in comparison with average rainfall since 1901.
2.52 billion in 1991 to ZWD 1.21 billion in 1992, which is slightly less than half. This indicates that communal areas suffered more from drought than the commercial farming areas. Figures 2.6 and 2.7 depict the devastating trends.

Unfortunately, the government’s response was delayed and initially inadequate. Reluctant to accept that a crisis was developing, the government allowed grain exports to continue and withheld permission for the timely procurement of maize within the region. Once the crisis was acknowledged, it quickly applied the lessons from previous drought relief efforts and launched a massive countrywide child supplementary feeding programme.

The same graphs show that 1995 was a very bad agricultural year as well, though not nearly as bad as that of 1992. The 1995 drought was declared a national disaster at the end of July and it was estimated that half of the country’s population would require emergency feeding by February 1996. This time the Government’s response was much faster. In a later section of this chapter we will discuss the nature, scope and timing of various programmes that the Government launched to alleviate poverty, including programmes specifically meant to alleviate the effects of drought.

The HIV/AIDS pandemic

The HIV/AIDS situation is catastrophic in the whole of Central and Southern Africa, and particularly in Zimbabwe, which has one of the highest HIV-infection rates in the world.
The pandemic has reached a level at which it is exerting a profound effect on morbidity, mortality, demographic profile, economic performance and social organisation.

On the basis of the 1997 sentinel surveillance survey of women attending antenatal clinics, the National AIDS Control Programme estimated that the HIV prevalence was "at least 24%" (Kerkhoven and Sendah, 1999), a figure which UNAIDS later put at 30%, the highest rate calculated for any country in the world (UNAIDS, 2000). Huge variations are reported in prevalence rates among adults, from 7% in a remote rural area to 51% in another rural area, indicating that the virus is spreading throughout the country. It clearly does not limit itself to urban localities as indicated by the fact that the overall prevalence rates for urban and rural areas are virtually the same: 29.7% for urban and 30.0% for rural areas (ibid.). This reflects the high mobility of the population associated with the structure of the labour market and the large proportion of married couples living in separation. The HIV prevalence rate in Harare is estimated at 32%, slightly above the national average. High rates are also found in border towns (Beitbridge, Mutare, Victoria Falls) confirming that these are significant epicentres of the pandemic. UNAIDS (2000) further estimated that of the 1.5 million adults and children in Zimbabwe that were living with AIDS by the end of 1999, 56,000 (nearly 4%) were children below 14 years of age. With an estimated 160,000 people that died of AIDS in 1999, the cumulative number of orphans has risen to 900,000. As a result, the number of street children has also increased.

Parallel to the HIV/AIDS pandemic, related diseases such as tuberculosis show explosive trends as well. Chapter 3 will provide more detail. It will also discuss the impact of HIV/AIDS on mortality rates, life expectancy and demographic trends in Zimbabwe.

The economic cost of HIV/AIDS is enormous. Hansen et al. (2000) calculated that the hospital care for HIV/AIDS patients in 1995 was considerably higher than for non-HIV AIDS patients. Home-based care, however, which is promoted by many on various grounds, is not necessarily a cheap alternative to hospital care for these patients (Hansen et al., 1998). Mearsing (1997) described in detail the economic consequences of HIV AIDS in terms of direct financial expenditure incurred by infected people and their families for medical treatment and burials, as well as in terms of income foregone by formally or informally employed workers and their relatives. She illustrates that the country's precarious economic situation further exacerbates the situation of people living with HIV/AIDS and their families, limiting their possibilities to cope with the financial consequences of HIV and leaving many of them in a struggle for daily economic survival with profound psychological consequences.

The response to the HIV/AIDS pandemic by the government has been criticised by many. Zimbabwe was late in acknowledging the seriousness of the epidemic. When AIDS was first reported in 1985, underreporting, political sensitivity and a distinctive
bio-medical discourse dominated the lack of response. Politicians and the public looked at the medical experts for a solution. By the end of the 1980s, attitudes of denial were fuelled by a new discourse, which was morally constructed – partly influenced by the church – and emphasised abstinence from sexual relations outside marriage. Many people saw the promotion of condom use as immoral. In the early 1990s an era of realisation succeeded the years of moral confrontation, and the discourse began to reflect a growing recognition that HIV AIDS was socially, politically and economically constructed. AIDS activists and various non-governmental organisations including the Zimbabwe Trade Unions – drew attention to the need for more openness and appropriate prevention activities which would recognise that migrant labour systems and economic crises were among the root causes of the rapid spread of HIV.25

Since 1990, a wide variety of prevention activities has been developed, partly under the coordination of the National AIDS Control Programme. Zimbabwe has been fairly active as far as research activities are concerned. Already by 1992 a large number of epidemiological and socio-behavioural studies had been carried out to better understand the spread of the infection and identify effective ways of prevention (Bijlmakers, 1993). The Zimbabwean society responded in various ways, involving different actors such as non-governmental organisations, churches, school authorities, academics and trade unions. Even private companies started prevention programmes in the workplace, trying to protect their investment in human capital. Meanwhile, activities to take care of people already infected and those who have developed AIDS proliferated as well.

While the diversity of initiatives is noteworthy, they were by no means an adequate response as is indicated by the continued high prevalence rates, rising mortality statistics and frequent press reports of overstretched hospitals, mortuaries, burial services and orphanages unable to cope with the demand. Outcries in some of the scientific literature in the year 2000, such as “Nation in pain”26 and “Death of a nation”27, were by no means an exaggeration of the precarious situation in which Zimbabwe found itself.

Poverty and the social dimensions of structural adjustment

Poverty is not a new phenomenon in Zimbabwe. The characteristics of the diverse economy, of which at independence the fruits were inequitably distributed among the different segments of the population, have been described above. Currently, poverty in Zimbabwe has three main origins: a weak economic growth performance, high and rising levels of unemployment, and a highly skewed pattern of income and wealth distribution. The latter largely results from the limited access until the 1980s of the majority of the population to education and the still persisting constrained access to finance and land.

25 For more details on the response to HIV AIDS in Zimbabwe see Laver (1996).
26 Sibanda A (2000), under the title A nation in pain: why the HIV AIDS epidemic is out of control in Zimbabwe.
The United Nations Conference on Trade and Development (UNCTAD) classifies Zimbabwe as a "highly unequal society" in which the richest 20% of the population receive 60% of the income and the poorest 40% receive only 10%. Typically in such a 60:30:10 society, the average income of the 40% poorest is only one quarter of the national average, while average incomes of the richest 20% are 12 times as high as those of the poor (UNCTAD, 1997). The Gini coefficient is used as a measure of income inequality. The higher the coefficient, the more inequitable is the pattern of income distribution. From data covering 108 countries, Zimbabwe had a Gini coefficient of 56.8 in 1990 and was ranked fifth in the world in income inequality, after South Africa, Gabon, Sierra Leone and Brazil.

In Zimbabwe, formal sector workers make up a larger proportion of the total labour force than in other African countries, but a shift is occurring. The share of formal wage employment in total registered employment dropped from 40% in 1980 to about 31% in 1992 (Turshen, 1999). Table 2.3 shows that the proportion of formal sector breadwinners in the total population fell from a peak of over 17% in 1975 to just above 12% in 1997. This can be attributed to the combined effects of the retrenchment of civil servants – which was an explicit aim of ESAP – and the decline in job opportunities in the private sector – which was contrary to what was intended. Consequently, dependency ratios have risen substantially (by 37%) from 5.9 people per formally employed worker in the mid-1960s to 8.1 people per employed worker in 1997. Without wage employment, the majority of the population is dependent on land, but the highly inequitable pattern of land ownership, along with limited access to water, credit and technology reinforces and deepens poverty.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (in millions)</th>
<th>Formal sector employed (people/millions)</th>
<th>Percentage employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>4.36</td>
<td>0.74</td>
<td>16.9%</td>
</tr>
<tr>
<td>1970</td>
<td>5.30</td>
<td>0.85</td>
<td>16.1%</td>
</tr>
<tr>
<td>1975</td>
<td>6.15</td>
<td>1.05</td>
<td>17.1%</td>
</tr>
<tr>
<td>1980</td>
<td>7.05</td>
<td>1.00</td>
<td>14.2%</td>
</tr>
<tr>
<td>1985</td>
<td>8.37</td>
<td>1.21</td>
<td>14.5%</td>
</tr>
<tr>
<td>1990</td>
<td>9.79</td>
<td>1.34</td>
<td>13.7%</td>
</tr>
<tr>
<td>1995</td>
<td>11.53</td>
<td>1.40</td>
<td>12.1%</td>
</tr>
<tr>
<td>1997</td>
<td>12.20</td>
<td>1.50</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

*Source: UNDP (1998)*

*Estimated figures*

During the 1980s the state attempted to address poverty issues using a 'welfarist' social expenditure programme and increasing expenditure in the agricultural sector. However, it undertook limited action in the area of land reforms, as argued before. By the
end of the 1980s, several top-level technocrats and World Bank officials expressed their growing concern that the government strategies were inadequate and at the same time unsustainable. Constraints on growth meant that living standards would not rise, and development experts did not see their expectation fulfilled that developments in the highest income groups would trickle down to benefit the poorest. Increasingly calls were made for more rigorous measures. Jenkins (2000) argues that this signalled the abandonment of the socialist agenda, as it left the government without any specific programme of redistribution.

The structural adjustment programme in Zimbabwe was one of the first programmes in Africa to be accompanied from the outset by an explicit attempt to address the anticipated “transitional poverty-inducing effects of economic liberalisation”. The government resolved “... to protect and support the vulnerable, particularly during the hardships associated with the initial phase of the ESAP ...”. In this spirit, it designed a Social Dimensions of Adjustment (SDA) programme. A detailed outline of the activities to be undertaken within this programme was provided in a document published in November 1991, entitled Social Dimensions of Adjustment (SDA), a programme of actions to mitigate the social costs of adjustment. The major areas targeted for action were employment and training, food subsidies, cost recovery and social services and monitoring and evaluation (GoZ, 1991b).

To co-ordinate the first three activities, a Social Development Fund (SDF) was established to operate two main programmes: the Employment and Training Programme (ETP), directed at retrenched workers, and the Social Welfare Programme (SWP). The Social Welfare Department of the Ministry of Labour, Public Service and Social Welfare had the task to co-ordinate both programmes. The SWP mainly involved the targeting of subsidies for food, health and education, to shield poor households from the impact of the removal of food subsidies and the introduction of user charges for education and health.

Right from the outset, implementation of the Social Welfare Programme measures was hampered by grossly inadequate funding. Moreover, the application procedures for assistance were cumbersome, the processing of payments was over-centralised and the division of responsibilities between the departments involved in the Social Development Fund was unclear (Kaseke, 1993; UNICEF, 1994). As a result, the uptake of benefits was highly unsatisfactory, especially in rural areas and the SDA became an area of disagreement between donors interested in compensatory measures, including the World Bank, and the government. While assistance to poor families through the provision of ‘food money’ was discontinued because of the low uptake and high administrative

\[28\] In response to the criticism, the government then launched a new programme in late 1993 under the name Poverty Alleviation Action Plan (PAAP; GoZ, 1993). As most donors were of the opinion that the plan did not specify clearly enough how it would be implemented. PAAP was launched again in January 1995, this time with an implementation plan. The programme was based on the existing Social Welfare Programme with its three elements – exemption from education and health fees and provision of money for food – but it promised to streamline, decentralise and simplify the operational systems. Criteria for access to the programme would be reviewed in line with the results of a Poverty Assessment Survey, which was conducted in 1995, but this never materialised.
costs, 29 assistance with the payment of school fees (tuition and examination fees) and health fees continued for several years. 30 However, in an external review of the Social Welfare Programme over the years 1992-95, Kaseke et al. (1998) argue that the effectiveness of the school and health fees components of the Social Welfare Programme was seriously eroded by accessibility problems, thus limiting its potential to promote equity. The financial position of schools and clinics was moreover undermined by serious delays in government reimbursement of the money involved in providing free services to poor people.

During 1992, a previously unannounced benefit was introduced to assist low-income families in coping with the effects of drought. In fact this was part of a reintroduction of two drought mitigation operations that had already been undertaken in 1983/84: the Drought Relief Programme and the Child Supplementary Feeding Programme (CSFP). In early 1993, these programmes distributed drought-relief maize rations to 5.5 million out of 10.4 million people living in Zimbabwe and drought-recovery packages of maize seed and fertiliser to an unknown number of communal and resettlement farmers. The CSFP, targeting malnourished children below five years of age in drought stricken areas, provided supplementary feeding to almost 1.1 million children in 1992/93 (Kaseke et al., 1998). The programme, which was largely funded by donor agencies, again came into operation in 1995-96, although on a smaller scale – concentrating on areas that were relatively more drought-stricken 31 – and with considerable problems in logistics and coordination with other programmes that had similar aims.

Several other state interventions were meant to assist poor families in coping with drought. These include a Food-for-Work programme, which was reintroduced for a short while in rural areas after the 1991/92 drought, 32 a Grain Loan Scheme introduced in May 1995 and ended abruptly in January 1996 as a result of financial constraints, 33 and a Free

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29 Food money was targeted at urban households, whose incomes were ZWD 200 or below. The allocation, which was fixed at a mere ZWD 4 per person per month, was intended to compensate for the withdrawal of subsidies on maize meal (Kaseke, 1993).

30 Assistance with school fees or health fees was targeted at households earning less than ZWD 400 per month. Applicants were required to provide proof that they were eligible, either by showing a salary payslip or a letter from their employer indicating their earnings, or by showing a letter from a local councillor confirming that they were unemployed.

31 In Masvingo province, Matabeleland South, Matabeleland North and Manicaland province.

32 The Food-for-Work programme had been operational already in the 1980s. The programme was open to 'able-bodied members from destitute families' who provided labour for infrastructure works (roads, dams) in exchange for food. In principle, participants received 10 kg of grain per person per month. In January 1992, about 873,000 persons were assisted out of 2.1 million who had registered. When registration escalated, the official ration was cut from 10 kg of grain to 5 kg. By November 1992, the number of people registered had reached 5.6 million, or 75% of the rural population (Kinsey, 1998).

33 The Grain Loan Scheme replaced the Food-for-Work programme and was open to all households in communal and small scale farming areas. Beneficiaries were guaranteed 10 kg of grain per person per month on the condition that they would form a loan group in their village and 'repay' the grain loan after a good harvest in the exact amount borrowed. With a total of about 5.5 million people who had received such loans, the programme had a high coverage, but the rate of repayment was very low (about 10%, Kaseke et al., 1998).
Food Distribution programme, also launched in 1995.\textsuperscript{34} Meanwhile, a school feeding programme was in operation in designated areas, but data are scanty.\textsuperscript{35} Despite the multitude of interventions little household-based information is available about the contribution of these programmes to alleviating poverty. The various reports of operational problems suggest however that their effectiveness was limited.

\textit{Poverty analysis}

ESAP and the various efforts to mitigate its negative social effects started without a systematic study of poverty. In the early 1990s, the Zimbabwe government together with UNICEF supported regular household surveys (sentinel surveillance surveys), which were designed to monitor the effects of ESAP. Although by mid-1994 four such surveys had been conducted, they omitted several relevant questions and lacked continuity in content. In addition, the sampling frame was changed completely after the third round of interviews making longitudinal comparison problematic. A couple of smaller scale longitudinal studies were conducted (Kanji and Jazdowska, 1993; Bijlmakers \textit{et al}., 1995; Brand \textit{et al}., 1995; Sachikonye, 1995) which pointed at a fast deteriorating purchasing power of the poor and a deterioration in household food baskets, both in terms of quantity and quality. More recently, Cavendish (1999) published the results of a study among a panel of households in a particular ward of Chivi communal area\textsuperscript{36} involving two survey rounds, in 1993/94 and 1996/97. He found no evidence that overall household incomes had changed over the three years period, nor that poverty had either decreased or increased. The income gap between poor and relatively better-off households had increased, though. Poverty was strongly linked to lack of productive land and exclusion from formal or urban wage employment. While there was little evidence of structural adjustment policies having much impact on household welfare, the impact of drought was severe and “continued to be felt”. The author concluded that the structural adjustment programme had neither brought benefits nor harm to the households studied.

From the mid 1990s onwards four larger studies were undertaken, two of which were co-initiated by the Government. We will discuss all four studies.

The \textit{Poverty Assessment Study} conducted in 1995 by the Ministry of Labour, Manpower Planning and Social Welfare with the assistance of UNDP (GOZ, 1996), was the first nation-wide attempt to measure and analyse poverty in Zimbabwe. The researchers defined poverty as the inability to afford defined baskets of basic consumer goods. They composed a \textit{food basket} considered adequate to satisfy people’s nutritional requirements, as well as a \textit{non-food basket}, which would satisfy requirements for consumer goods and other services, such as clothing, housing, education, health and transportation. From these, they derived two poverty lines: the \textit{food poverty line} is the

\textsuperscript{34} Free food distribution was meant for poor families in designated ‘drought areas’ which were considered unable to participate in the Grain Loan Scheme. Like in the other programmes, participants received 10 kg of grain per person per month in principle.

\textsuperscript{35} Kinsey \textit{et al}.(1998) quote an article in The Herald newspaper (in April 1996), saying that during 1995 some ZWD 20 million (about USD 2.1) had been spent on school feeding programmes.

\textsuperscript{36} In Masvingo province in southeast Zimbabwe.
level of income per person per year below which one is considered “very poor”, and the *total consumption poverty line* is the income level below which one is considered “poor”. Different poverty lines were calculated for different areas so as to take into account differences in prices between areas. For Zimbabwe as a whole, 46% of the population was found to be very poor since they could not afford to buy the defined food basket, while another 16% were found to be poor, indicating that they were able to buy or produce enough food, but that they could not afford the non-food basket. Poverty appeared to be more prevalent in rural areas, where 72% of the households were poor or very poor, than in urban areas (46%). Huge variations were found in poverty levels between districts. In communal lands, poverty was more widespread (81%) than in resettlement areas (67%), small-scale commercial farming areas (67%) or large-scale commercial farming areas (51%). Female-headed households were poorer than male-headed households (74% versus 57%). The fact that the study was conducted in the year following the 1994-95 drought may mean that the picture is somewhat more grim than it would have been in other years.

In order to create a more comprehensive profile of the poor, the Central Statistical Office in Zimbabwe conducted a more extensive study on poverty that built upon the Poverty Assessment Study (CSO, 1998b). The CSO study was based on the *Income, Consumption and Expenditure Survey* (ICES) conducted in 1995/96. In contrast to the 1995 Poverty Assessment Study, it used consumption rather than income to rank individuals and households in the welfare distribution. Household based data of a nationally representative sample were used to construct two poverty lines: the *total consumption poverty line* (TPL) and the *food poverty line* (FPL). The study made comparisons across population subgroups with regard to the poverty prevalence, the degree or depth of poverty – measured through a *poverty gap index* – and the degree of inequality among the poor – as indicated by a *poverty severity index*. The countrywide picture of poverty confirmed that poverty is far worse in rural than in urban areas of Zimbabwe. About three-quarters of the rural households (76%) and 41% of the urban households were deemed poor, as indicated by their consumption expenditures below the upper poverty line (the TPL). Overall the figure came to 63%. While two-thirds of all Zimbabwean households are situated in rural areas (67%), 76% of Zimbabwe’s poor and 90% of the very poor households are found in rural areas. Since poor households tend to have more members than non-poor households, the prevalence of poor people is even higher. About 76% of all Zimbabweans are considered poor, and almost half (47%) are very poor. Significant differences were found across and within provinces. The

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57 Most poverty analysts prefer consumption expenditures to income or wealth as an indicator of well-being. Not only are wealth and income more difficult to measure, income also tends to fluctuate seasonally and between production cycles. Many people smooth their consumption through savings, storage or insurance schemes, so that consumption and well-being fluctuates less than incomes. Ravallion (1998) therefore concludes that: (a) current consumption is almost certainly better than current income as an indicator of current standard of living; and (b) current consumption may also be a good indicator of long-term standard of living.

58 On average, poor and very poor households had 5.5 and 6.1 members respectively, while non-poor households had only 3.1 members (national average 4.6).
prevalence of household poverty ranged from a low of 17% in urban Bulawayo to almost 81% in Matabeleland North province. The study further found that there had been an unambiguous increase in poverty in Zimbabwe between 1990 and 1995. It estimated that the prevalence of extreme household poverty had more than doubled from 17% in 1990 to 36% in 1995. The prevalence of poor people had increased by 43% (from 53% to 76%). The severity index had grown (proportionately) much less, while the depth index had actually decreased. This means that the average shortfall of consumption expenditures by poor households below the poverty line had fallen, while inequality among the poor had grown. Chapter 6 of this thesis will discuss some more findings of the CSO poverty study, especially in relation to the characteristics of poor households.

A third, much less cited study is that of Eilert (1994) who made an assessment of vulnerability in communal lands with the objective not to produce an absolute, but a relative ranking of need of all 171 communal land areas in Zimbabwe. He used four dimensions of vulnerability: income, resources (reflecting ability to mitigate economic "shocks"), frequency and severity of shocks and indicators of food stress. An interesting element is the comparison of baseline data with "current" conditions regarding the four dimensions, which enables an assessment of changes that have taken place. Baseline data generally reflect the 1980-91 period, while current data reflect the period 1992-94. An important limitation of the study is its major focus on agricultural production; Eilert did not take income earned from wage labour, crafts, small commerce and cross-border trading into account. These are important sources of income in some areas. Nevertheless he estimated that there is a wide variation in vulnerability among communal land areas, with the southern third of the country, particularly Matabeleland South province, being worst off. All of the communal lands that had the highest baseline vulnerability and declining income are in the dry natural regions IV and V, which were therefore the areas considered in greatest food stress and danger of famine. Overall, it was estimated that about one million people, half of the total population of 58 communal areas of greatest vulnerability, experienced significant difficulty in producing or acquiring sufficient food during the 1992-94 period.

The 1998 Zimbabwe Human Development Report (UNDP, 1998) made rural-urban, provincial and district level comparisons with regard to human development and human poverty. It calculated two indices: a human development index (HDI) and a human poverty index (HPI). The HDI provides a composite measure for assessing performance based on four indicators: income, life expectancy, adult literacy and average years of schooling. The HPI comprises three composite indices, namely the life expectancy deprivation index, the educational attainment deprivation index and an index for the deprivation of a decent living standard. The latter is based on estimates of the percentage of under-five year old children that are underweight (as measured by mid-upper arm circumference), the percentage of the population without access to safe water and the

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Although some of the variables that are used in calculating the HDI and the HPI are related, the two indices are used for different purposes. The HDI is important for measuring, comparing and monitoring progress in human development, while the HPI is generally used for advocacy, targeting and soliciting funds for poverty alleviation interventions.
percentage without access to health care. Overall, Zimbabwe's human development ranking is reported to have deteriorated from number 111 out of 160 countries in 1991, to 130 out of 174 countries in 1998. This deterioration is due to the incorporation into the later global UNDP Human Development Reports of new countries with HDIs higher than that of Zimbabwe. Nevertheless, Zimbabwe's own HDI value increased from 0.397 in 1992 to 0.513 in 1997, representing an average annual growth rate of 4.9% over the six years period. This compares well with the world annual increase of 4.4%. However, significant fluctuations were found. The HDI for Zimbabwe declined between 1991 and 1993, coinciding with the drought and the period of severe macro-economic instability, rose sharply in 1994 and 1995, falling again in 1996 and 1997. From the analysis of human development at the provincial level several patterns emerged. Harare and Bulawayo, the two major cities, topped the HDI rankings, while Masvingo. Mashonaland Central and Manicaland province were at the bottom. Only Harare and Bulawayo had HDIs higher than the average HDI for Zimbabwe, which is largely explained by the relatively high incomes in the two cities. Disparities between urban and rural areas were more pronounced in average incomes and average years of schooling than in adult literacy and life expectancy. Another significant finding was that in all 10 provinces males had a higher HDI than females. Comparisons of human poverty at the provincial level, using the HPI, showed that some provinces - Mashonaland Central. Manicaland and Masvingo have high rankings (indicating relatively widespread poverty), while Bulawayo and Harare have the lowest. Child malnutrition rates vary widely. Access to health care is the most evenly distributed of the human poverty indicators. With the exception of one province - Manicaland - human poverty is more prevalent in rural areas than in urban areas.

All four studies discussed above provide insight into the question how poverty is distributed throughout the country and the areas that suffer most. Three studies find that poverty is more widespread and intense in rural areas than in urban areas (one study did not include an urban area). To some extent the characteristics of the poor have also been described. Our review further demonstrates that analysis of poverty in Zimbabwe has not been progressive in nature. The results of the four studies cannot easily be compared because of differences in definitions and methodologies. Two studies - the poverty assessment study and the CSO study - are based on household survey data, while the two other studies - by Eilerts and UNDP used secondary district and provincial data from the agriculture, health and education sectors. As a result, it is difficult to know whether poverty has increased or decreased over time. The 1998 CSO poverty study is an exception in that it was able to compare two survey periods (1990-91 and 1995-96) and detect a deterioration, both in terms of the prevalence of poverty and to a lesser extent - its severity.
Conclusion

Despite Zimbabwe’s relatively well-developed agriculture and manufacturing and mining industry, the distribution of land and income is highly skewed, which has its roots in the country’s colonial history and pre-independence apartheid-type regime.

Zimbabwe’s economic performance during the first 10 years of independence – from 1980 to 1990 – was reasonable, with significant investments and achievements in the social sectors but little progress in the redistribution of land ownership, which has remained a major area of political contention, both domestically and internationally.

Since 1990 the country’s economic performance has deteriorated, falling behind that of the Sub-Saharan region as a whole. The strategy of structural adjustment, strongly promoted and supported by the World Bank and the IMF, has proven inappropriate. Many of the country’s economic sectors suffered severe blows, causing a general regression in the most important macro-economic indicators and an increased dependence on external debt relief and development assistance. At the same time, the social sectors were confronted with a deliberate reduction in public resource allocation. Structural adjustment, and all its related measures, was manmade and its consequences – at least some of them – were anticipated. The extent to which adequate responses were prepared and implemented, in particular in the health sector, will be examined in the next chapter.

Drought, in particular the severe droughts of 1991/92 and 1994/95, contributed to Zimbabwe’s disappointing performance during the period of economic reform. Although this was typically unanticipated, the consequences of drought as well as the required mechanism to deal with drought – i.e. geographical targeting of specific interventions – were well known. The Government’s late and partial response is likely to have had an impact on household welfare and health and nutritional status.

The emergence of HIV/AIDS, a complex social and biomedical phenomenon of which the full scale and devastating effects became apparent in the course of the 1990s, did not trigger a timely governmental response, aggravating human suffering and hindering social and economic development. The next chapter will illustrate this further.

Without household level data it is impossible to estimate the trend in poverty in an accurate manner. It is likely that the distributional impact of the 1980s public expenditure policies helped alleviate poverty to some extent. Unfortunately, there are no data that support this proposition. It is equally likely that stagnating real incomes, rapidly rising unemployment, the worsening AIDS crisis and, since the early 1990s, declining public spending on social services have resulted in increased poverty. This thesis will examine in detail whether this proposition can be sustained. The next chapter will focus on the developments in the health sector, prior to and during the structural adjustment period, and how this has affected health service delivery and people’s health status.