Zimbabwe's Meltdown

Anatomy of a Peacetime Economic Collapse

TODD MOSS

Zimbabwe is an unusual case of a country driven into the advanced stages of collapse, not by war or natural disaster, but by the deliberate acts of its own leaders. The country won its independence only in April 1980, which, while late in colonial history, allowed the new government led by Robert Mugabe to inherit an industrialized and diversified economy. The early years were extremely hopeful, and Zimbabwe was considered a regional powerhouse, destined to help lead the continent. After a decade of modest progress, the country seemed to stall in the 1990s, as the political class, dominated by Mugabe's Zimbabwe African National Union-Patriotic Front (ZANU-PF), became increasingly entrenched, intolerant, and corrupt.

The real turning point for the country came in 2000 when the government, to its own apparent surprise, lost a constitutional referendum that would have vastly expanded the powers of the President. Leading the "no" vote was an influential labor movement, allied with an increasingly vocal civil society, which had grown into the Movement for Democratic Change (MDC), the country's first full-scale opposition party. In response to the unexpected defeat, ZANU-PF unleashed a range of weapons against the MDC— including land invasions by "war veterans," new laws restricting political activity and the media, and a mass campaign of organized violence and intimidation. The strategy worked politically: ZANU-PF narrowly won parliamentary elections later that year, although there were widespread reports of electoral malfeasance. Similar tactics—combining repression, fear, and fraud—allowed Mugabe to win reelection for another

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six-year term in 2002 and ZANU-PF to increase its parliamentary majority in 2005. While these measures did allow ZANU-PF to stave off the MDC and consolidate its grip on power, the party has also created an economic disaster, which has led to extreme hardship for ordinary Zimbabweans.

In early 2007, Zimbabwe appears to be moving toward some sort of tipping point. Discord within the highest ranks of ZANU-PF and the worsening economic situation are making Mugabe's grip on power increasingly fragile. In addition, the opposition is showing some signs of renewed vigor, and after the March 11, 2007, beatings of MDC leaders and the following wave of arrests, international attention on the country's crisis has also grown. The precise moment of change is yet impossible to predict, but the time for the outside world to help rebuild Zimbabwe is coming. This article details how far the country has deteriorated and some of the reasons for the collapse, outlines the political economy behind economic suicide, and finally proposes a preliminary agenda for the post-transition response.

The time for the outside world to help rebuild Zimbabwe is coming.

HOW FAR HAS THE COUNTRY FALLEN?

In recent years, Zimbabwe has undergone an economic collapse of an almost unprecedented scale. One way to measure the impact is to look at GDP figures. The economy has shrunk every year since 1999, and is now about 40 percent smaller than it was eight years ago. This contraction compares to an average GDP decline in civil wars around the world of about 15 percent[1] and is far worse than the economic impact of full-scale civil wars in Cote d'Ivoire (–7 percent), Democratic Republic of Congo (–19 percent), and Sierra Leone (–25 percent).[2]

The abstract figures on Zimbabwe's GDP are bad enough, but the numbers get far worse when one considers the impact on regular citizens. About 35 percent of the population lived below the poverty line in 1996. This grew to an estimated 80 percent by 2003—and the poverty rate is no doubt even greater in 2007.[3] In fact, the purchasing power of the average Zimbabwean has now fallen so far that it has returned to levels not seen since the 1940s.[4] This rise in poverty and the associated erosion of state services has contributed to a shocking deterioration in already low human development indicators, dropping Zimbabwe in the United Nations rankings from 87th place in 1990 to 155th by 2004.[5] In other words, ZANU-PF may have succeeded in retaining power, but it has come at the cost of more than 60 years of income and welfare progress.

Prices are another useful indicator of economic stability, and in Zimbabwe, they also point to severe crisis. Inflation has been tamed almost everywhere on the planet, and in fact the average rate in Africa this year is in the single digits. However, Zimbabwe's inflation rate reached 1,593 percent in January 2007, making it the highest in the world. Inflation usually hits the poor the hardest by making food and other basic goods more expensive, so rapidly rising prices are undoubtedly having a major impact on the welfare of the majority. Even the gainfully employed are paying the price: the estimated cost of living for a family of six is now more than 10 times higher than an average nurse's salary and more than 20 times the pay of a low-ranking soldier.[6] Thus, many people with formal sector jobs, who were once part of the budding middle class, are now forced to turn to informal trading, farming, or other means to survive.

The economy also continues to suffer from shortages of all kinds. The little foreign exchange left in the system is tightly controlled by the central bank or has fled to the black market. While the official exchange rate is pegged at Z$250 to US$1, the street rate is, as of writing, about Z$45,000 and rising virtually every day. The prices of basic goods—such as bread, soap, mealie meal (corn flour), or commuter "emergency taxis"—are either rising much faster than wages or are under price controls that lead to immediate shortages. Petrol, mostly unavailable at the officially set price, can be found on the black market at a premium of 600 to 800 percent. The food situation has become so dire that the UN recently claimed that 1.9 million Zimbabweans will need food aid over the next few months.[7] (In one of the more bizarre manifestations of the country's condition, the government also announced that it was suspending the issuance of passports because the special paper required is too expensive to import.)

Indeed, as is common in war situations, most people in Zimbabwe now operate in the informal sector, and much of the formal economy has been captured by political elites. Agriculture, the mainstay of the precrisis economy, is a shell of its former self. Commercial production of maize, the national staple, dropped 86 percent between 2000 and 2005.[8] The volume of tobacco exports—once the country's leading foreign exchange earner—is down by more than 60 percent since 2000.[9] Just a few years ago, Zimbabwe had Africa's most extensive system of dams and irrigation; today that is nearly all gone.[10] The industries that have endured best under the current conditions, such as platinum mining, are mostly enclave projects that are physically isolated from the wider economy. Most other industries have been driven underground or effectively seized by the ruling party, the military, and assorted cronies.

Perhaps the most outward sign of Zimbabwe's crisis is the mass flight of people. Officially, there were 3.4 million Zimbabweans, or nearly 30 percent of the population, living outside the country in 2002.[11] The true number today is surely higher, with more people voting with their feet and leaving every day. In addition, there are hundreds of thousands of internally displaced people. Some 800,000 farm workers and their families were dislocated during the farm invasions of 2000 and 2001. Operation Murambatsvina in May and June 2005, in which the government leveled thousands of houses and shops, forced another 700,000 people from their homes.[12] The outflow has not been limited to people. No precise figures on capital flight are available, but the collapse of the Zimbabwe dollar—losing more than 99.9 percent of its value against the U.S. dollar in the past six years—reflects the extent of the financial bleeding.

For those who have stayed in the country, there are deep costs from the social trauma of recent years. Zimbabwean society has undergone intense stress stemming from organized violence and intimidation by the state. The security forces, intelligence services, and an array of government-backed militias—such as the notorious "green bombers"—have terrorized civilians, committed gross human rights violations, and been deployed to infiltrate and disrupt the opposition.[13] In some cases, tactics from the liberation war—including reeducation camps, propaganda, and all-night *pungwes*—have been revived.[14] Hundreds of thousands of citizens have been forcibly relocated. These conditions have produced high levels of suspicion and a steep deterioration in social capital, all of which will have lasting economic effects.

THE STATE IN DENIAL

In response to the deteriorating conditions, the government has adopted several evolving tactics. The first is simple denial. In the early years of the crisis, roughly from 2000 to 2002, the government repeatedly claimed that any bad economic news was the fabrication of the opposition and the Western media and that in fact the economy was improving. Official predictions claimed bumper harvests following the land seizures and complete dismissal of any warnings about possible effects on farm output or property rights.[15] Although the initial claims of impending success never came to fruition, the government has kept to the line that recovery is imminent. Each year since 2000, the official line has been that growth would be returning the following year. Each year, the forecast has been wrong.

This dance continued this past year with President Mugabe insisting as late as April 2006 that growth would finally return in 2006. In the November 2006 budget statement, the finance minister Herbert Murerwa admitted another 2.5 percent contraction for 2006. The International Monetary Fund (IMF) thinks that the economy shrunk twice as fast. But Murerwa yet again predicted positive growth for 2007, albeit at a tepid 1 percent rate, and perhaps this forecast was not positive enough, as Murerwa was fired a few weeks later. A similar pattern of predicted success followed by failure marks inflation forecasts: the official target for December 2006 was 80 percent, while the actual rate was well over 1,000 percent.

A second common tactic has been to cite drought as the reason for any production shortfalls. Low rainfall in the 2000/01 season was often put forth as the reason for the initial collapse in agricultural output. On the face of it, this seemed a real possibility, especially since the country faces a regular cycle of rainfall variability, has been vulnerable to droughts in the past, and so much of the economy is based on rain-fed agriculture. It seemed plausible enough that some relief organizations and even visiting IMF missions accepted "drought" as a leading cause of the economic difficulties.[16]

The real causes behind the country's economic woes, however, may lie elsewhere. Economist Craig Richardson, using rainfall data from Zimbabwe's own Department of Meteorology, has convincingly shown that this argument does not hold up to the evidence. First, he shows that the "drought" of 2000/01 was only about 22 percent below average and less severe than at least 12 other recent low rainfall periods since the 1960s. More important, Richardson shows that the tight historical relationship between GDP growth rates and rainfall cycles over two decades no longer held after 1999.[17] Indeed, when rainfall recovered after 2001, the economy continued to decline. Other analyses by Clemens and Moss showing that regional trends in rainfall and maize production—in which Zimbabwe had historically followed patterns in Malawi and Zambia but no longer does—also suggest that rainfall does not adequately explain Zimbabwe's plunge in output.[18]

Lastly, the government has repeatedly blamed external plots for the country's economic troubles. The list of enemies is a long and increasingly irrational one, including old favorites like the IMF and the British or American governments. But Zimbabwe's leadership is increasingly insulated and paranoid, leading to other—often amusing—accusations of international conspiracy. One that goes back several years is the supposed international plot by homosexuals to bring down the government—an apparent obsession of President Mugabe rooted perhaps in the sex scandal of his former political counterpart Canaan Banana or in the attempted citizen's arrest of Mugabe by gay rights activist Peter Tatchell in London in March 2001. Apparently Mugabe believes this embarrassing episode was orchestrated by the British government; he later described Tony Blair as the leader of "the gay government of the gay United gay Kingdom."[19] Another comical example was the 2005 claim in the *Herald*, a government mouthpiece, that the United States—at the direction of the United Kingdom—was using chemical weapons to control the weather in southern Africa in order to cause a drought in Zimbabwe.[20] Such outbursts suggest either cynical propaganda or growing paranoia among the leadership.

A less hysterical version of external culpability could be related to either sanctions or the cutoff of international aid. It is true that the United States, European Union, and Australia have imposed financial and travel sanctions against certain Zimbabwean individuals and firms thought close to the ruling party. The U.S. sanctions, for instance, list 128 people and 33 firms that are barred from traveling to the United States or doing business with U.S. citizens.[21] But these "smart" sanctions are extremely limited, targeting specific people in an attempt to constrain and punish those thought responsible for repression and the undermining of democracy. There are—despite frequent government claims to the contrary—no general trade or investment sanctions that would meaningfully affect the wider Zimbabwean economy.

It is also the case that donors have mostly declined to provide aid to Zimbabwe, with the general exception of food assistance and resources for fighting HIV/AIDS. The rationale for the donor withdrawal is mainly that the government is thought too corrupt or too incompetent to use such funds wisely. Donors try to skew their giving toward countries with better performance, yet Zimbabwe's self-destructive economic policies and callous treatment of its own citizens have made it an unworthy recipient. Indicative of the country's poor relations with the donor community have been its interactions with the IMF. The IMF is normally considered a gatekeeper of donor funds; an agreement with the IMF is typically used as a signal to others that a country has its macroeconomic house in order. But Zimbabwe has been in arrears to the IMF since 2001. In February 2006, Zimbabwe made partial back payments to the IMF which allowed it to avoid full expulsion, but the country still has no voting rights and few prospects of a new credit facility until the remaining $130 million in arrears are cleared and macroeconomic management improves considerably.

Even if the government is itself responsible for the aid cutoff and frosty relations with the major donors, Zimbabwe was never a significant recipient of aid, a fact that makes the withdrawal of resources an unlikely cause of the economic decline. Clemens and Moss compare, for instance, the drop in aid resources for health to the volume of domestic resources for health foregone every year because of the economic crisis, and find that the latter is vastly larger.[22] Indeed, they estimate that the contraction of GDP has cost Zimbabwe more than three times as much money for health as did the donor withdrawal.

REACTIONARY TACTICS

Despite the official machinations to blame others, the dismal economic conditions in Zimbabwe should come as no surprise, given the policy choices of the government. Scaring off investors, stealing private property, and chasing away the professional classes will of course lead to a collapse in economic activity. Running massive fiscal deficits—estimated by the finance minister to have hit 43 percent of GDP in 2006—and printing money will always produce rampant inflation. While certain leaders appear ignorant of basic economics—Mugabe recently appeared surprised in an interview that the outright printing of money might be problematic—ZANU-PF has enough internal talent to know the true causes of the current crisis. Nevertheless, government policy has reacted to deterioration by attempting to intervene even more directly to stem the crisis, by militarizing economic policymaking, and by using the central bank as a parallel treasury to keep the regime afloat.

One repeated approach has been to attack the symptoms of economic crisis rather than its root causes.

One repeated approach has been to attack the symptoms of economic crisis rather than its root causes. In the face of escalating prices, for instance, the government has continually stepped in to set and enforce price controls. The predictable results have been a shortage of goods, the growth of the black market, and no effective impact on price rises. Intimidation has also not had much effect. The government has tried jailing bakery owners for raising bread prices, but the impact has been only fleeting. If anything, such measures have encouraged hoarding and other behaviors that produce the opposite effect, helping to accelerate inflation.

Last year's replacement of the currency is another good example of reactionary tactics in practice. In August 2006, the central bank introduced redenominated bearer checks to replace the old currency, cutting off three zeros and setting a new official exchange rate. The government claimed, implausibly, that this would help to slow inflation and also make it easier for people to carry currency, since hyperinflation and steep devaluation forced people to carry large stacks of cash even for everyday transactions. The new currency had little effect on either the parallel exchange rate or prices. It did, however, have one important utility for the government: legal limits were placed on how much old currency any one person could carry or exchange for the new notes, which provided a rationale for large-scale seizures. Police reportedly raided shops and set up roadblocks to collect cash. Even if the new notes had none of their officially intended effects on monetary conditions, the measure was at least effective in raising revenue for the central bank and providing a source of income for underpaid policemen.

Another reaction to the lack of recovery has been to increase the influence of the security forces on the economy. As Zimbabwe's economic crisis deepened, President Mugabe transferred more and more civilian duties to military control. This has included putting trusted generals and intelligence officials in charge of the Grain Marketing Board (a state company with monopoly control over the staple maize), railways, parks, the national oil company, and even the electoral commission. In addition to placing military allies into key positions, the army has been given atypical tasks, often charged with the responsibility of fixing mistakes by civilian policymakers. Two such examples are Operation Maguta, through which the army is trying to revive farming, and Operation Garikai, in which soldiers are supposed to build houses for those made homeless by Operation Murambatsvina. The growing militarization of the state reflects both the use of patronage to keep military elites happy and growing desperation to hold the regime together in face of extreme pressures. As fissures mount within ZANU-PF, Mugabe has been forced to lean ever more heavily on a small circle of trusted security officials to maintain control.

In another unusual tactic, Mugabe has turned to the central bank governor Gideon Gono as a source of off-budget cash. Gono has been allowed to dramatically expand his portfolio and is now running a huge parallel treasury involved well beyond monetary policy in the financing of security operations, procurement of fuel, and other actions outside the usual mandate of a central bank. More importantly, Gono appears to be running a series of private businesses to generate cash flow for the party and the state. The scale of such activities is considerable; in the latest budget speech, Murerwa (just before he was fired) publicly accused Gono of "quasi-fiscal" activities equivalent to one-third of GDP.[23] As the public coffers have gone dry, Mugabe has become increasingly reliant on Gono to maintain the patronage network. This has raised Gono's profile and influence within the party, despite his complete inability to turn the economy around or resolve the disputes with the country's creditors. Gono also engineered the partial, extra-budgetary repayment to the IMF with the apparent expectation that this would lead to new credit lines.

THE POLITICAL ECONOMY OF ECONOMIC SUICIDE

From the outside, the behavior of President Mugabe and ZANU-PF appears not only cruel but also irrational. Many of the initiatives undertaken—land seizures, urban clearances, organized violence, price controls, printing money, and attacks on the leaders of world powers—seem to have brought predictable and obviously harmful effects to Zimbabweans. But each of these moves has had an internal political logic connected to the short-term needs of the political leadership and of Mugabe in particular.

The timing and character of the land seizures is a good example. Zimbabwe has had some kind of land redistribution policy in place since independence. A ten-year "willing buyer, willing seller" clause technically expired in 1990, but the government failed to move aggressively to take advantage of this new window. Negotiations with external donors repeatedly foundered on the mechanism for land acquisition and distribution. ZANU-PF insisted on total control of the process and appeared to prefer to attack the British government for failing to meet a Lancaster House agreement on compensation for land than to participate in open serious discussions about how to move forward. A 1998 conference in Harare organized by the UN managed to secure nearly $2 billion in pledges for land reform in Zimbabwe, on the condition that the process was transparent, was fair, and had international oversight. Donors were rightly concerned that farms might wind up in the hands of connected elites rather than benefit the landless. The Commercial Farmers Union also put forward a plan dedicating a portion of each farm for resettlement and a program of agricultural extension services for the new farmers. But the government refused both offers.

There is no debate whatsoever that Zimbabwe needed, and still needs, radical land reform. The country's history with land has been one of great injustices and deserves a fair resolution. But the government's public justification for the land seizures to rectify this problem is a cynical manipulation, and the manner in which the reforms actually took place suggests other rationales. The government had sat on its hands for 20 years; land reform became urgent only in 2000, just as the opposition came to present a real threat to the regime. The targets were mostly white commercial farmers and their workers, both of which had become important bases of support for the emerging MDC. The erratic and violent means used were also designed not to facilitate a smooth transition, but rather to cause maximum disruption and fear. The way in which the government carried out land seizures destroyed the country's economic base and also failed to help successfully cultivate an indigenous farming sector. It did succeed however in disrupting the opposition, which appears to have been the true goal.

A similar story underlies Operation Murambatsvina. The raids through May and June 2005 by police and bulldozers to destroy informal shops, force people to dismantle their own homes, and disperse large urban populations appears to make little rational sense. The government implausibly claimed that the operation was to stop "economic saboteurs" and clean up the city.[24] In fact, it seems most likely that the real reason was to attack the last remaining MDC strongholds in the urban areas and to disrupt any potential plans for mass action in the cities and towns. As with the new currency, there may have also been a financial purpose. One recent academic study on Operation Murambatsvina concluded that "the authorities' real motivation seems to have been to recapture official control over sales taxes and hard currencies."[25] Again, underneath cruel and destructive policymaking are the short-term political needs of an increasingly desperate regime.

PROSPECTS FOR RECOVERY

Given the fundamental political nature of Zimbabwe's economic problems, it appears unlikely that an economic recovery can take place without fundamental political change. There is no reason whatsoever to expect that economic growth will return until both the narrow issues of macroeconomic management and the broader issues of property rights and investor confidence are resolved. The official recovery strategies—tied to the military, supposed assistance from China, or any of the multiple fabrications of the government—are merely false hopes. Indeed, the IMF expects another sizeable contraction of nearly 5 percent in 2007, with inflation possibly rising to over 4,000 percent.[26]

What about prospects for a political transition then? The MDC, the main opposition party, appears to have missed its big chances in 2000 and 2002. In the intervening years the party has suffered from a loss of local financial support and from internal divisions, which resulted in a formal split into two separate parties last year. Perhaps the most damaging has been the penetration of the party by the intelligence services, which has disabled the party's ability to organize and mobilize crowds. Mugabe has also promised to crush any public protests with force. It remains far from clear whether the military or police would fire on civilians in large numbers (or whether any such confrontation might instead spark a coup), but there is a genuine fear of the security forces among the general public.

Nevertheless, frustration with the country's deteriorating living standards seems to be growing, and in recent months, there has been a renewed push and public protest by the faction led by Morgan Tsvangirai, a former unionist who founded the MDC. There also seems to be a rejuvenated civil society, with women's groups and others increasingly vocalizing their opposition to the government. But neither faction of the MDC appears in a strong position to spark a Zimbabwean equivalent of the Ukraine's Orange Revolution. (Even if the MDC ultimately has little hand in the demise of the current regime, the opposition parties remain the only national credible alternative, and leaders of both factions are likely to play key roles in any transition.)

Instead, the main immediate threats to Mugabe come from within ZANU-PF and from his own economic decisions. There are signs of growing dissension within the ruling party and military hierarchy. Many of the top ZANU-PF leaders recognize that the current situation is unsustainable and that Mugabe—who recently celebrated his 83rd birthday—must go. But there is a classic first-mover problem, with no one from the inner circle willing to take the risk to initiate change. Mugabe is exploiting this situation to his advantage by keeping the various factions guessing as to his preferred successor. Recent moves to extend his rule from 2008 to 2010 could postpone the day of reckoning—that is, if debate over the realignment itself does not split the party first.

The government is running out of revenue options.

The imploding economy, outlined above, is the other key threat. Maintaining the current patronage and security network costs money, and the government is running out of revenue options. Most of the cash has been squeezed out of the system already, and there are few industries left for the government to seize (mining is the remaining exception, but this would likely force a confrontation with South Africa, and is thus, only a very last resort). This suggests that Mugabe's reliance on Gideon Gono and ZANU-PF's other private sources of income will only increase. Precisely how long they can hold out is difficult to predict.

CONCLUSION: WHAT CAN THE INTERNATIONAL COMMUNITY DO?

The South African government has made it clear that it is not going to aggressively intervene in Zimbabwe nor actively push Mugabe to retire. The United States, Europe, and others will likely continue to maintain limited sanctions and isolate the Zimbabwe government wherever possible. But given the relatively low priority of southern Africa to the United States and Europe and the lack of consensus among Zimbabwe's neighbors about the right course of action, considerably more aggressive measures against ZANU-PF seem unlikely. China also appears to have decided that Mugabe is a bad bet and has been quietly disengaging. Apparently, the preferred strategy is to maintain pressure and wait it out.

In the meantime, preparations for a post-Mugabe transition and recovery can, and should, get underway. The extreme conditions in the country and the advanced state of economic decay suggest that the revitalization of Zimbabwe's society and economy will require many elements typically associated with a strategy for postconflict reconstruction.[27] Recent postconflict experiences in poor countries provide important lessons about the priority tasks for promoting peace, stability, and economic reconstruction in failed or failing states and about the principles that should guide donor engagement in those countries.[28] Those that appear especially relevant for a post-Mugabe Zimbabwe include: reestablishing security and the rule of law; rebuilding the legitimacy of the state and its capacity to deliver services; and getting the economy growing again.[29]

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The main impetus for recovery will of course have to come from within Zimbabwe itself. Any revival will depend on domestic groups willing to reconcile and organize to rebuild. Fortuitously, the country has a wealth of capable people—many of whom are abroad—who can contribute to a revival. Zimbabwe is also fortunate to share a border with South Africa—a large and relatively wealthy neighbor with a strong interest in fostering a rebound. Just as importantly, the major international donors—the World Bank, the IMF, UN agencies, the British and American governments, and other key players—will be inclined to play an active role in shepherding and supporting recovery.[30]

Since Zimbabwe's troubles are at root political, getting the politics right is a necessary precondition to stability. External actors must be ready to provide assistance to smooth the political transition, for example, by helping to establish a caretaker government or a shepherding "contact group." Outside assistance will almost certainly be necessary to reform the security forces—especially the police, military, intelligence services, and judiciary—which have been politicized and corrupted. There will also be a need to promote justice and begin the healing process. The next government will have to decide whether this is a South Africa-style Truth and Reconciliation Commission or a more punitive tribunal, but external technical and legal aid should be made available. (Such a process will likely have to deal not only with recent violence, but also with the *Gukuruhundi* killings in Matabeleland in the 1980s.)

The economic recovery strategy will also have to be driven by Zimbabweans but will require international support, spanning the full range of aid, debt relief, and private finance. Five constructive steps that the international community should take are:

1. *Help formulate a practical economic recovery strategy.* The list of needs will be long, so devising a realistic set of priorities and a sensible division of labor among the many partners will be essential to success.
2. *Provide coordinated assistance upfront.* A key lesson from other countries is the necessity of a strong and assertive national body to corral multiple donors and ensure accountability (and be prepared to say "no" when necessary). At the same time, as soon as the transition is clearly underway, the World Bank should immediately convene a consultative group to elicit multi-year pledges from key contributors. Most funds could go into a donor pool—called something like the Zimbabwe Reconstruction Trust Fund—in order to facilitate matching official inflows to the agreed strategy. Quickly normalizing relations with the IMF will also allow debt-restructuring talks to begin.
3. *Quickly unleash the power of the private sector.* A real recovery will have to go beyond public institutions and revive the country's once-vibrant industries. The new government will need to understand and fix the barriers faced by firms trying to rebound (and resist the temptation to overly intervene). Donors should also think about sponsoring a private investment conference early on to encourage foreign capital inflows.
4. *Facilitate an orderly return of the diaspora.* A massive pool of capital and talent is sitting in Johannesburg, waiting to come home. Many Zimbabweans in Australia, Europe, or America will also want to return home but may want to keep their options open. Countries hosting them now should ensure that immigration and asylum laws are

not a barrier to tapping the benefits of this vital group.

5. *Perhaps most importantly, promote a new approach to land use.* Zimbabwe's still unresolved land injustices have been a source of both real grievance and a convenient excuse for failure and theft. A transparent land audit and logical resettlement scheme could go far in rebuilding the once proud farming sector.

In short, Zimbabwe has gone through a terrible trauma of violence, fear, and unnecessary hardship—all brought about by its own leaders. The current situation cannot last much longer, and it is not too soon for Zimbabweans and the international community to start planning for a sensible transition and recovery. Opposition groups have started to think ahead, for instance, the MDC's "roadmap" already incorporates many of the above ideas.[31] Zimbabwe's tragedy is an unfortunate example of how malevolent governance can so quickly bring down a once-prosperous country. It is shameful that its neighbors and others allowed things to deteriorate so far without more stern action. But the international community will soon get another chance to help Zimbabwe. If it could not prevent Robert Mugabe and his cronies from ruining the country, it can certainly help pick up the pieces. ■

ENDNOTES

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14 Norma Kriger, "ZANU(PF) strategies in general elections, 1980–2000: Discourse and coercion," *African Affairs* 104 (414) (2005): 1, 2 and Norma Kriger, *Zimbabwe's Guerilla War: Peasant Voices,* (Cambridge: Cambridge University Press, 1992), 5-50, 170-211. "Pungwe" is a Shona word for an all-night meeting of songs and political education (and sometimes intimidation) used by guerillas during the liberation war to build support among the local population for ZANU.

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